PETRONAS GAS BERHAD ("PGB" OR "COMPANY")

PROPOSED INTERNAL REORGANISATION OF PGB AND ITS SUBSIDIARIES ("PROPOSED INTERNAL REORGANISATION")

1. INTRODUCTION

The Board of Directors of PGB ("**Board**") wishes to announce that the Board had on 23 July 2025 approved a Proposed Internal Reorganisation by way of a members' scheme of arrangement under Sections 366 and 370 of the Companies Act, 2016 ("**Act**") ("**Scheme**"), subject to final approval of the tax exemption from the Ministry of Finance's ("MOF"). The MOF, vide its letter dated 24 September 2025 and received by the Company on 30 September 2025, has granted its approval for the relevant tax exemption in respect of the Proposed Internal Reorganisation.

2. THE PROPOSED INTERNAL REORGANISATION

2.1 Details of the Proposed Internal Reorganisation

The Proposed Internal Reorganisation will involve the transfer and vesting of all identified assets, liabilities, and business undertakings of the Businesses of the Company as at a date PGB may decide ("**Cut-Off Date**"), to its wholly owned subsidiaries via conditional business transfer agreements ("**BTAs**") by way of the Scheme. The date(s) on which the Businesses shall be deemed transferred to and vested with the respective Transferees under the relevant BTAs shall be referred to as, the "**Transfer Date(s)**".

The details of each conditional business transfer agreement are as follows:

(i) the transfer of the gas transportation business of the Company ("**Gas Transportation Business**") to PG TransCo Sdn. Bhd. ("**TransCo**") (the "**BTA1**")

(ii) the transfer of the gas processing business of the Company ("**Gas Processing Business**") to PG Gas Processing Sdn. Bhd. ("**GasPro**") (the "**BTA2**")

(iii) the transfer of the utilities business of the Company ("**Utilities Business**") to PG Utilities East Sdn. Bhd. ("**UT-East**") (the "**BTA3**"). BTA3 shall be entered between the Company, PG Energia Sdn. Bhd. ("**Energia**") and UT-East. UT-East is a wholly owned subsidiary of Energia and Energia is a wholly owned subsidiary of the Company.

TransCo, GasPro and UT-East shall collectively be referred to as, the "**Transferees**" and individually be referred to as, the "**Transferee**". The Gas Transportation Business, Gas Processing Business and Utilities Business shall collectively be referred to as, the "**Businesses**".

2.2 Proposed consideration and mode of satisfaction

The proposed consideration payable by each Transferee to the Company under BTA1, BTA2, BTA3 (collectively, the "**BTA(s)**"), where applicable, for the proposed transfer and vesting of the relevant Businesses ("**Proposed Purchase Consideration**") shall be determined based on the total book value of the assets of the relevant Business less the total value of the liabilities of that Business as indicated in the completion statement(s) delivered by the Company to the relevant Transferee on the relevant Transfer Date(s). The completion statement(s) shall be prepared in accordance with the terms and conditions of the BTA(s).

The Proposed Purchase Consideration shall be payable by each Transferee to the Company through the allotment and issuance of such number of ordinary shares and/or redeemable preference shares in the capital of the relevant Transferees (in respect of BTA 1 and BTA2) and Energia (in respect of BTA3) to PGB, each credited as fully paid-up, being the full settlement of the payment required to be made under the BTA(s).

2.3 Proposed salient terms of the Proposed BTAs

(a) Proposed conditions precedent

Each BTA(s) is conditional upon the satisfaction of the following conditions:

(i) all material consents, licences, approvals, authorisations or waivers required from third parties for the conveyance, transfer, assignment or novation in favour of the relevant Transferee of any of the assets or the contracts in terms reasonably acceptable to the relevant Transferee, having been obtained and/or notifications having been served;

(ii) the approval of and/or notification to any relevant authority whose approval and/or notification may be required for the sale and purchase of the Business contemplated in the relevant BTA having been obtained and/or issued on terms satisfactory to the relevant Transferee;

(iii) the receipt of approval for, or the issuance of new licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals necessary or desirable for the proper carrying on of the Business having been obtained from the relevant authority by relevant Transferee on terms satisfactory to relevant Transferee and remaining in full force and effect;

(iv) the resolution to approve the Scheme having been passed at a court-convened meeting of the members of the Company held pursuant to an order of the High Court under Section 366 of the Act;

(v) the tax exemption granted by the Ministry of Finance in respect of the proposed internal reorganisation having been obtained by the Company and such tax exemption remaining in full force and effect; and

(vi) the order by the High Court pursuant to Section 370 of the Act to approve and effect the Scheme ("**Vesting Order**") having been obtained by the Company on terms reasonably satisfactory to the Company and the Transferee(s) and such Vesting Order remaining in full force and effect.

(b) Effective date

The Scheme shall become effective on the date on which an office copy of the order(s) of the High Court sanctioning the Scheme and the Vesting Order have been lodged with the Registrar of Companies or such earlier date as the High Court may determine and as may be specified in the order which the Company and the Transferee(s) shall ascertain prior to the filing of the relevant court documents with the High Court.

2.4 Information of the Transferees and Energia

Please refer to Appendices I and II of this announcement for information of the Transferees and Energia.

3. RATIONALE FOR THE PROPOSED INTERNAL REORGANISATION

As at 1 October 2025, being the latest practicable date prior to the date of this announcement ("**LPD**"), the Company's business segments of gas processing, gas transportation and utilities are housed under the Company. The Proposed Internal Reorganisation will streamline the business segments under the Company into identifiable business entities by establishing a distinction between regulated and non-regulated businesses. Upon completion of the Proposed Internal Reorganisation, each of these business segments will be housed under dedicated business entities, namely GasPro, TransCo and UT-East. To better position the growing business of utilities and energy, the Company will consolidate all entities operating the utilities and energy businesses to be under a holding company, i.e. Energia.

The proposed structure of the Group after the Proposed Internal Reorganisation will support the Company's medium-to-long term strategic agenda ensuring the Company to remain competitive, efficient and relevant. Please refer to Section 4.4 of this announcement for the illustration of the Group structure before and after the Proposed Internal Reorganisation.

The Proposed Internal Reorganisation is expected to provide the following benefits:

(a) Greater transparency in business segments

Each Transferee will account for its own financial records (e.g. assets, cash flow, revenue, cost etc.) providing greater transparency and clarity in the Transferee's operational and financial performance. This shall support the segregation of regulated and non-regulated business within PGB and shall align with the evolving regulatory requirement.

(b) Enabling growth and strengthening operational focus

The incorporation of Energia as a holding company will enable Energia and its group of companies to position themselves against the benchmarks of the utilities and energy industry. As a result, growth projects under Energia and its group of companies will be more cost-competitive and able to respond swiftly to evolving market demands.

The Proposed Internal Reorganisation is expected to strengthen the Company's operational focus as each of the Transferees would operate their business strategically in accordance with their respective performance targets and industry benchmarks.

(c) Flexible Capital Management

Each of the business segments has distinct requirements for business target, risk-reward profile and capital. Pursuant to the Proposed Internal Reorganisation, the Transferees will have the flexibility and option to raise capital independently in line with its risk and business profile. The proposed structure of the Group after the Proposed Internal Reorganisation as illustrated in Section 4.4 of this announcement enables better alignment of the cost of capital with the nature of the respective industry in which each Transferee operates.

4. EFFECTS OF THE PROPOSED INTERNAL REORGANISATION

4.1 Share capital and substantial shareholders' shareholding

The Proposed Internal Reorganisation is not expected to have any effect on the issued share capital of the Company and the substantial shareholders' shareholding in the Company as it does not involve the issuance of any new share in the Company.

4.2 Earnings and earnings per ordinary share in PGB ("EPS")

The Proposed Internal Reorganisation is not expected to have a material effect on the earnings and EPS of the Group for the financial year ending ("**FYE**") 31 December 2025 as the Proposed Internal Reorganisation is expected to complete in 2026, and neither the Proposed Internal Reorganisation is expected to have any material effect for FYE 31 December 2026 upon its completion.

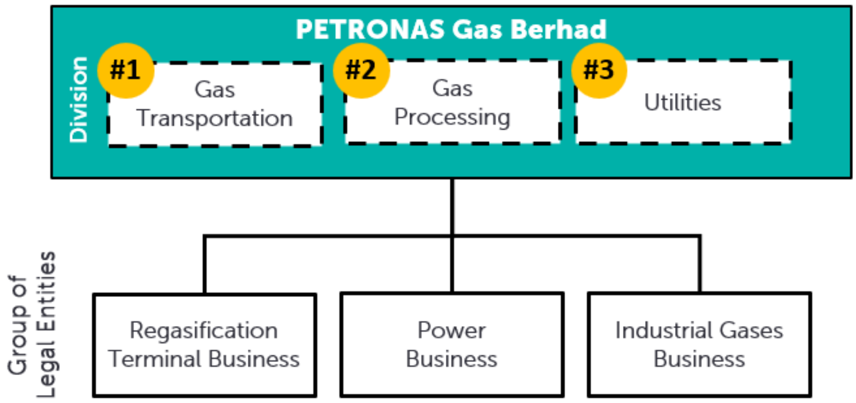
4.3 Net assets per ordinary share in PGB ("Share") and gearing

The Proposed Internal Reorganisation is not expected to have a material effect on the net assets per Share and gearing of the Group.

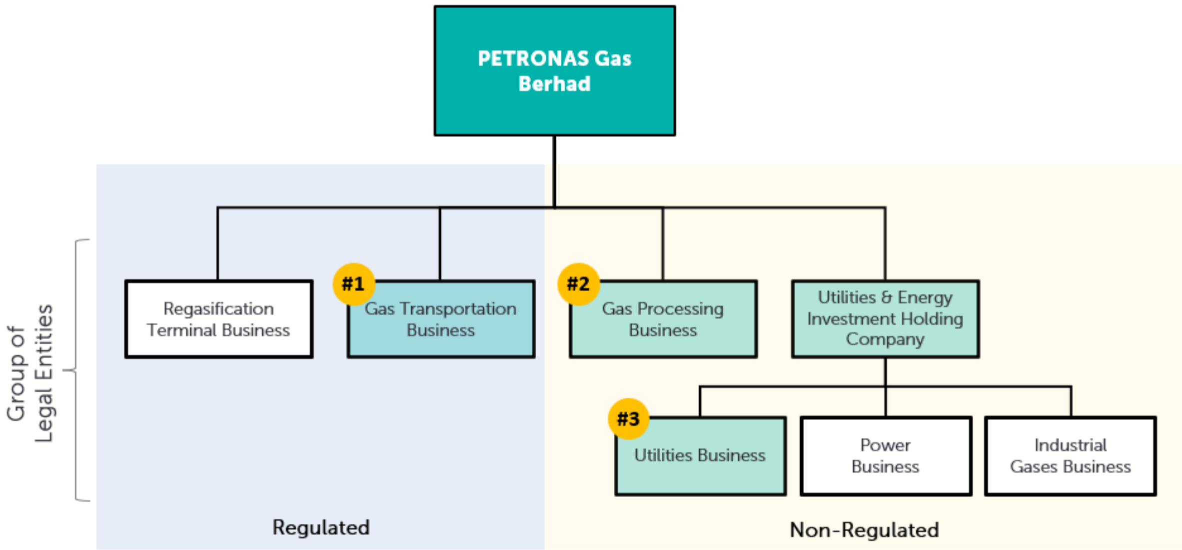
4.4 Group structure

The structure of the Group before and after the Proposed Internal Reorganisation are as follows:

Before the Proposed Internal Reorganisation



After the Proposed Internal Reorganisation



4.4.1 Gas Transportation Business

As at the LPD, the Gas Transportation Business is under the purview of the Gas Transportation and Regasification Division of the Company. Upon the completion of the Proposed Internal Reorganisation, the Gas Transportation Business will be transferred to TransCo.

4.4.2 Gas Processing Business

As at the LPD, the Gas Processing Business is under the purview of the Gas Processing & Utilities Division of the Company. Upon the completion of the Proposed Internal Reorganisation, the Gas Processing Business will be transferred to GasPro.

4.4.3 Utilities Business

As at the LPD, the Utilities Business is under the purview of the Gas Processing & Utilities Division of the Company. Upon the completion of the Proposed Internal Reorganisation, the Utilities Business will be transferred to UT-East, a wholly owned subsidiary of Energia.

4.4.4 Regasification Terminal Business

As at the LPD, the Regasification Terminal Business is under the purview of the Gas Transportation and Regasification Division of the Company. Upon the completion of the Proposed Internal Reorganisation, the Regasification Terminal Business will remain under the subsidiaries of the Company, namely Regas Terminal (Sg. Udang) Sdn. Bhd. and Pengerang LNG (Two) Sdn. Bhd.

4.4.5 Utilities and Energy Business

Upon completion of the Proposed Internal Reorganisation, Energia will be the investment holding company that will house all utilities and energy businesses. Please refer to Appendix II of this announcement for further information of the subsidiaries and joint ventures of Energia as at the LPD.

The entities under the Company that are operating the utilities and energy business as at the LPD will be consolidated under Energia for alignment with the objectives of the Proposed Internal Reorganisation subject to business consideration and any applicable regulatory approval.

5. APPROVALS REQUIRED

The Proposed Internal Reorganisation is subject to, amongst others, the following approvals or order being obtained:

(a) the order of the High Court to convene the court-convened meeting of the shareholders of the Company ("**Shareholders**") pursuant to Section 366(1) of the Act ("**CCM**") in order to obtain the requisite approval of Shareholders for the Proposed Internal Reorganisation;

(b) the approval of at least 75% of the total value of the Shareholders present and voting at our forthcoming CCM for the Proposed Internal Reorganisation;

(c) the approval of the High Court in respect of the Proposed Internal Reorganisation, including the grant of the Vesting Order(s); and

(d) any such other relevant approvals and/or consents from the federal, state, or local government, statutory or other quasi-government or regulatory authority or body or bodies having jurisdiction or authority to grant such approval.

Please refer to Section 2.3 of this announcement for details on the conditions precedent under the BTAs.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the directors, major shareholders and/or persons connected with them have any interest, direct and/or indirect, in the Proposed Internal Reorganisation.

7. DIRECTORS' STATEMENT

Having considered all aspects of the Proposed Internal Reorganisation, including but not limited to the rationale of the Proposed Internal Reorganisation as well as the terms and conditions of the BTAs, the Board is of the opinion that the Proposed Internal Reorganisation is in the best interest of the Company.

8. APPLICATION TO THE RELEVANT AUTHORITIES AND ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances:

(i) the application to the relevant authorities for the Proposed Internal Reorganisation is expected to be made within three (3) months of the date of this announcement; and

(ii) the Proposed Internal Reorganisation is expected to be completed in the third (3^{rd}) quarter of 2026.

This Announcement is dated 1 October 2025.

INFORMATION OF THE TRANSFEREES – *TRANSCO*

A. TransCo

1. HISTORY AND BUSINESS

PG TransCo Sdn. Bhd. ("**TransCo**") was incorporated in Malaysia on 23 July 2024. The intended principal activities of TransCo upon completion of the Proposed Internal Reorganisation are to carry on the Gas Transportation Operation and Maintenance of Peninsular Gas Utilisation (PGU) pipeline network which mainly transport sales gas to power sectors, petrochemical plants and various industry across Peninsular Malaysia, including exportation to Singapore through effective management of the PGU supply and delivery chain.

2. SHARE CAPITAL

As at the LPD, TransCo has an issued share capital of RM2.00, comprising of two (2) ordinary shares.

3. DIRECTORS AND DIRECTORS' SHAREHOLDINGS

At the LPD, the directors of TransCo are Abdul Aziz Bin Othman and Mohd Nasahie Bin Akbar Ali. None of the directors of TransCo hold any shares in TransCo. The directors of TransCo hold management positions in the Company as at the LPD.

4. SHAREHOLDER

As at the LPD, TransCo is a direct wholly owned subsidiary of the Company.

5. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATED COMPANIES

As at the LPD, TransCo does not have any subsidiary, joint venture or associated company. Upon completion of the Proposed Internal Reorganisation, TransCo will not be holding any company as a subsidiary, joint venture or associated company.

B. **GasPro**

1. HISTORY AND BUSINESS

PG Gas Processing Sdn. Bhd. ("**GasPro**") was incorporated in Malaysia on 25 July 2024. The intended principal activities of GasPro upon completion of the Proposed Internal Reorganisation are to carry on the business of processing natural gas from offshore Peninsular Malaysia into various products such as sales gas, ethane, propane, butane and other products as per required capacity to the customers in the power sector, petrochemical plants and other various industries, including exporting of products through terminal operations through safe, reliable, and sustainable operations, ensuring uninterrupted support for the business.

2. SHARE CAPITAL

As at the LPD, GasPro has an issued share capital of RM2.00, comprising of two (2) ordinary shares.

3. DIRECTORS AND DIRECTORS' SHAREHOLDINGS

As at the LPD, the directors of GasPro are Abdul Aziz Bin Othman and Shahrul Izan Bakti Bin Abd Aziz. None of the directors of GasPro hold any shares in GasPro. The directors of GasPro hold management positions in the Company as at the LPD.

4. SHAREHOLDER

As at the LPD, GasPro is a direct wholly owned subsidiary of the Company.

5. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATED COMPANIES

As at the LPD, GasPro does not have any subsidiary, joint venture or associated company. Upon completion of the Proposed Internal Reorganisation, GasPro will not be holding any company as a subsidiary, joint venture or associated company.

INFORMATION OF THE TRANSFEREES – *UT-EAST*

C. UT-East

1. HISTORY AND BUSINESS

PG Utilities East Sdn. Bhd. ("**UT-East**") was incorporated in Malaysia on 22 July 2024. The intended principal activities of UT-East upon completion of the Proposed Internal Reorganisation are to serve customers across many industries with a wide range of products to meet their specific needs by supplying and marketing various utilities product such as power, steam, and industrial gases and constructing, operating, and maintaining facilities that meet the evolving needs of customers and stakeholders.

2. SHARE CAPITAL

As at the LPD, UT-East has an issued share capital of RM2.00, comprising of two (2) ordinary shares.

3. DIRECTORS AND DIRECTORS' SHAREHOLDINGS

As at the LPD, the directors of UT-East are Abdul Aziz Bin Othman and Shahrul Izan Bakti Bin Abd Aziz. None of the directors of UT-East hold any shares in UT-East. The directors of UT-East hold management positions in the Company as at the LPD.

4. SHAREHOLDER

As at the LPD, UT-East is a direct wholly owned subsidiary of Energia.

5. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATED COMPANIES

As at the LPD, UT-East does not have any subsidiary, joint venture or associated company. Upon completion of the Proposed Internal Reorganisation, UT-East will not be holding any company as a subsidiary, joint venture or associated company.

APPENDIX II

INFORMATION OF ENERGIA

1. HISTORY AND BUSINESS

PG Energia Sdn. Bhd. ("**Energia**") was incorporated in Malaysia on 17 July 2024. The intended principal activities of Energia upon completion of the Proposed Internal Reorganisation are to serve as an investment holding company for the Company's utility and energy business and shall be holding all existing and future business entities of similar nature.

2. SHARE CAPITAL

As at the LPD, Energia has an issued share capital of RM275,052,002, comprising of 2,550,002 ordinary shares and 272,502 redeemable preference shares.

3. DIRECTORS AND DIRECTORS' SHAREHOLDINGS

As at the LPD, the directors of Energia are Abdul Aziz Bin Othman and Shahrul Izan Bakti Bin Abd Aziz. None of the directors of Energia hold any shares in Energia. The directors of Energia hold management positions in the Company as at the LPD.

4. SHAREHOLDER

As at the LPD, Energia is a direct wholly owned subsidiary of the Company.

5. SUBSIDIARIES, JOINT VENTURESAND ASSOCIATED COMPANIES

As at the LPD, Energia does not have any associated companies. The subsidiaries and joint ventures of Energia as at the LPD are as follows:

Name of company	Place and date of incorporation	Issued and paid-up share capital (RM)	Principal Activities	Equity interest (%)
Subsidiaries				
UT-East	Malaysia 22 July 2024	RM2.00 comprising of 2 ordinary shares ("**OS**")	Produce and supply of utilities products to various users in Kerteh and Gebeng	100.00
PG LinkaranFibre Sdn. Bhd. (Registration No. 202501001597 (1603011-H))	Malaysia 10 January 2025	RM17,080,002.00 comprising of 2 OS and 17,080 preference shares ("**PS**")	Network infrastructure and service provider for telecommunications and technology solutions	100.00

INFORMATION OF ENERGIA *(cont'd)*

Name of company	Place and date of incorporation	Issued and paid-up share capital (RM)	Principal Activities	Equity interest (%)
Subsidiaries *(cont'd)*				
PG Cold Energy 1 Sdn. Bhd. (Registration No. 201101034004 (962139-X))	Malaysia 29 September 2011	RM162,515,000.00 comprising of 1,800 OS and 160,715 PS	Construction, owning, managing and operating of LNG Regasification Terminal and ancillary activities	72.22
Sipitang Utilities Sdn. Bhd. (Registration No. 201101033644 (961779-T))	Malaysia 27 September 2011	RM112,080,000 comprising of 3,150 OS and 108,930 PS	Construction, owning and operating Power Plant for generation of electricity	90.00
Joint Ventures				
Rancha Power Sdn. Bhd. (Registration No. 202401055558 (1601402-A))	Malaysia 31 December 2024	RM10.00 comprising of 10 OS	Operation of generation facilities that produce electric energy	60.00
Kimanis Power (Dua) Sdn. Bhd (Registration No. 202401036610 (1582457-U))	Malaysia 30 August 2024	RM200,000,000.00 comprising of 10,000,000 OS and 190,000 PS	Operation of generation facilities that produce electric energy	60.00

Upon completion of the Proposed Internal Reorganisation, Energia will remain as the shareholder of the subsidiaries and the joint ventures.