

**PETRONAS GAS BERHAD**  
(Company No. 198301006447 (101671-H))  
(Incorporated in Malaysia)

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2025**

Domiciled in Malaysia  
Principal place of business:  
Tower 1, PETRONAS Twin Towers,  
Kuala Lumpur City Centre,  
50088 Kuala Lumpur

**PETRONAS GAS BERHAD**

(Incorporated in Malaysia)

**DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2025**

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

**PRINCIPAL ACTIVITIES**

The principal activities of the Company in the course of the financial year remained unchanged and consist of separating natural gas into its components and storing, transporting and distributing such components thereof for a fee and the sale of industrial utilities.

The principal activities of subsidiaries, joint ventures and associate are stated in Note 34, Note 35 and Note 36 to the financial statements respectively and the Board of Directors ("Board") deems such information included in the Company's Directors' Report by such reference and shall form part of the Company's Directors' Report.

**HOLDING AND ULTIMATE HOLDING COMPANY**

The holding and ultimate holding company is Petroliam Nasional Berhad ("PETRONAS"), a company incorporated in Malaysia.

**SUBSIDIARIES**

The details of the Company's subsidiaries are disclosed in Note 34 to the financial statements.

**RESULTS***In RM'000*

	<b>Group</b>	<b>Company</b>
Profit for the year	<u>1,836,472</u>	<u>1,485,136</u>
Attributable to:		
Shareholders of the Company	1,727,124	1,485,136
Non-controlling interests	<u>109,348</u>	<u>—</u>

**DIVIDENDS**

During the financial year, the amount of dividends paid by the Company were as follows:

- i. In respect of the financial year ended 31 December 2024 as reported in the Directors' Report of that financial year, a fourth interim dividend of 22 sen per ordinary share amounting to RM435,321,000 declared on 21 February 2025 and paid on 20 March 2025; and

## **DIVIDENDS (continued)**

ii. In respect of the financial year ended 31 December 2025:

- a first interim dividend of 16 sen per ordinary share amounting to RM316,597,000 declared on 26 May 2025 and paid on 24 June 2025;
- a second interim dividend of 16 sen per ordinary share amounting to RM316,597,000 declared on 25 August 2025 and paid on 22 September 2025; and
- a third interim dividend of 18 sen per ordinary share amounting to RM356,172,000 declared on 26 November 2025 and paid on 23 December 2025.

The Directors had on 24 February 2026 declared a fourth interim dividend of 22 sen per ordinary share amounting to RM435,321,000 in respect of the financial year ended 31 December 2025. The financial statements for the current financial year do not reflect these declared interim dividends. The dividends will be accounted for in equity as an appropriation of retained profits in the financial statements for the financial year ending 31 December 2026.

Further details on dividends are disclosed in Note 23 to the financial statements.

## **RESERVES AND PROVISIONS**

There were no material movements to or from reserves and provisions during the financial year other than as disclosed in the financial statements.

## **DIRECTORS**

Directors who served during the financial year until the date of this report are:

Datuk Adif bin Zulkifli (Chairman)

Abdul Aziz bin Othman

Farina binti Farikhullah Khan

Datuk Mark Victor Rozario

Sujit Singh Parhar s/o Sukhdev Singh

Datuk Dr. Yatimah binti Sarjiman (appointed on 24 April 2025)

Lim Li Ping (appointed on 24 April 2025)

Yusa' bin Hassan (appointed on 10 June 2025)

Izwan bin Ismail (appointed on 15 September 2025)

Hasliza binti Othman (resigned on 1 June 2025)

Marina binti Md Taib (resigned on 24 April 2025)

Datuk Yeow Kian Chai (retired on 23 April 2025)

In accordance with Article 107 of the Company's Constitution, Abdul Aziz bin Othman and Datuk Mark Victor Rozario will retire by rotation from the Board at the forthcoming Annual General Meeting ("AGM"), and being eligible, offer themselves for re-election.

**DIRECTORS (continued)**

In accordance with Article 100 of the Company's Constitution, Datuk Dr. Yatimah binti Sarjiman, Lim Li Ping, Yusa' bin Hassan and Izwan bin Ismail who were appointed to fill casual vacancy on the Board, will retire at the forthcoming AGM, and being eligible, offer themselves for re-election.

The Company has been granted a relief order pursuant to Section 255(1) of the Companies Act, 2016 relieving the Company's Directors from full compliance to the requirements under Section 253(2) of the Companies Act, 2016.

The names of Directors of subsidiaries are available on the Company's corporate website and the Board deems such information is included in the Company's Directors' Report by such reference and shall form part of the Company's Directors' Report.

**DIRECTORS' INTERESTS**

The Directors in office at the end of the financial year who have interests and deemed interests in the shares of the Company and of its related corporations other than wholly-owned subsidiaries as recorded in the Register of Directors' Shareholdings are as follows:

Name	Number of ordinary shares in PETRONAS Chemicals Group Berhad			Balance at 31.12.2025
	Balance at 1.1.2025	Bought	Sold	
Abdul Aziz bin Othman	6,000	—	—	6,000
Izwan bin Ismail	—	10,000	—	10,000

None of the other Directors holding office at 31 December 2025 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

**DIRECTORS' BENEFITS**

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below), by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The directors' benefits paid to or receivable by Directors of the Company in respect of the financial year ended 31 December 2025 was RM4,441,000 comprising fees and other short-term employee benefits.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

**ISSUE OF SHARES**

There were no changes in the issued and paid up capital of the Company during the financial year.

**OPTIONS GRANTED OVER UNISSUED SHARES**

No options were granted to any person to take up unissued shares of the Company during the financial year.

## **INDEMNITY AND INSURANCE COSTS**

During the financial year, PETRONAS and its subsidiaries (hereinafter referred to as “PETRONAS Group”), including the Company, maintained a Directors’ and Officers’ Liability Insurance in accordance with Section 289 of the Companies Act, 2016. The total insured limit for the Directors and Officers Liability Insurance effected for the Directors and Officers of PETRONAS Group was RM1,290 million per occurrence and in the aggregate. The insurance premium for the Group and the Company is RM21,851 and RM19,851 respectively.

## **OTHER STATUTORY INFORMATION**

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- (i) necessary actions had been taken in relation to the writing off of bad debts and the provisioning of doubtful debts and satisfied themselves that there are no bad debts to be written off and adequate provision made for doubtful debts, and
- (ii) any current assets which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company, had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) that would render it necessary to write off any bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- (ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- (iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- (ii) any material contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No material contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

**AUDITORS**

The auditors, KPMG PLT, have indicated their willingness to accept reappointment.

The auditors' remuneration for the financial year ended 31 December 2025 is as follows:

<i>In RM'000</i>	<u>Group</u>	<u>Company</u>
Audit fees	<u>654</u>	<u>383</u>
Non-audit service fees	<u>148</u>	<u>43</u>

Signed on behalf of the Board of Directors  
in accordance with a resolution of the Directors:



.....  
**Datuk Adif bin Zulkifli**  
**Director**



.....  
**Abdul Aziz bin Othman**  
**Director**

Kuala Lumpur,  
Date: 24 February 2026

**PETRONAS GAS BERHAD**

(Incorporated in Malaysia)

**STATEMENT BY DIRECTORS**

In the opinion of the Directors, the financial statements set out on pages 8 to 104, are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year then ended on that date.

Signed on behalf of the Board of Directors  
in accordance with a resolution of the Directors:



.....  
**Datuk Adif bin Zulkifli**  
**Director**



.....  
**Abdul Aziz bin Othman**  
**Director**

Kuala Lumpur,  
Date: 24 February 2026

**PETRONAS GAS BERHAD**  
(Incorporated in Malaysia)

**STATUTORY DECLARATION**

I, **Shahrul Azham bin Sukaiman**, the officer primarily responsible for the financial management of **PETRONAS GAS BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 8 to 104 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed

**Shahrul Azham bin Sukaiman**

at **Kuala Lumpur** in **Wilayah Persekutuan**

on 24 February 2026.



BEFORE ME:



**PETRONAS GAS BERHAD**

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2025**

<i>In RM'000</i>	<b>Note</b>	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>			
Property, plant and equipment	3	15,604,625	13,915,875
Investments in joint ventures	5	1,099,340	939,805
Investments in associate	6	218,250	209,783
Long-term receivable	7	2,000	2,000
Deferred tax assets	9	—	31,438
<b>TOTAL NON-CURRENT ASSETS</b>		<u>16,924,215</u>	<u>15,098,901</u>
Trade and other inventories	10	36,170	35,986
Trade and other receivables	11	878,616	961,499
Tax recoverable		36,918	62,568
Cash and cash equivalents	12	1,937,796	2,595,705
<b>TOTAL CURRENT ASSETS</b>		<u>2,889,500</u>	<u>3,655,758</u>
<b>TOTAL ASSETS</b>		<u>19,813,715</u>	<u>18,754,659</u>
<b>EQUITY</b>			
Share capital	13	3,165,204	3,165,204
Reserves	14	11,051,016	10,783,219
<b>Total equity attributable to the shareholders of the Company</b>		14,216,220	13,948,423
Non-controlling interests	15	491,229	290,330
<b>TOTAL EQUITY</b>		<u>14,707,449</u>	<u>14,238,753</u>
<b>LIABILITIES</b>			
Borrowings	16	1,404,933	1,712,736
Deferred tax liabilities	9	1,305,665	1,231,294
Other long-term liabilities and provisions	17	54,528	51,634
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>2,765,126</u>	<u>2,995,664</u>
Trade and other payables	18	2,222,328	1,385,576
Borrowings	16	118,812	134,666
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,341,140</u>	<u>1,520,242</u>
<b>TOTAL LIABILITIES</b>		<u>5,106,266</u>	<u>4,515,906</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>19,813,715</u>	<u>18,754,659</u>

The notes set out on pages 22 to 104 are an integral part of these financial statements.

**PETRONAS GAS BERHAD**

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

<i>In RM'000</i>	<b>Note</b>	<b>2025</b>	<b>2024</b>
Revenue	19	6,373,840	6,538,245
Cost of revenue		<u>(4,226,235)</u>	<u>(4,260,902)</u>
<b>Gross profit</b>		2,147,605	2,277,343
Administration expenses		(160,452)	(145,945)
Other expenses		(20,182)	(2,956)
Other income		<u>282,215</u>	<u>174,509</u>
<b>Operating profit</b>	20	2,249,186	2,302,951
Financing costs	21	(82,565)	(89,893)
Share of profit after tax of equity-accounted joint ventures and associate		<u>178,383</u>	<u>147,288</u>
<b>Profit before taxation</b>		2,345,004	2,360,346
Tax expense	22	<u>(508,532)</u>	<u>(436,698)</u>
<b>PROFIT FOR THE YEAR</b>		<u>1,836,472</u>	<u>1,923,648</u>
<b>Profit attributable to:</b>			
Shareholders of the Company		1,727,124	1,836,339
Non-controlling interests	15	<u>109,348</u>	<u>87,309</u>
<b>PROFIT FOR THE YEAR</b>		<u>1,836,472</u>	<u>1,923,648</u>
<b>Basic and diluted earnings per ordinary share (sen)</b>	24	<u>87.3</u>	<u>92.8</u>

The notes set out on pages 22 to 104 are an integral part of these financial statements.

**PETRONAS GAS BERHAD**

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF  
OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2025**

<i>In RM'000</i>	<b>Note</b>	<b>2025</b>	<b>2024</b>
<b>Profit for the year</b>		1,836,472	1,923,648
<b>Other comprehensive (loss)/income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net movements from exchange differences		(35,910)	(10,465)
Cash flow hedge		12,158	—
Share of cash flow hedge of an equity-accounted joint venture		(6,633)	(7,826)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>1,806,087</u>	<u>1,905,357</u>
<b>Total comprehensive income attributable to:</b>			
Shareholders of the Company		1,692,484	1,818,048
Non-controlling interests		113,603	87,309
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>1,806,087</u>	<u>1,905,357</u>

The notes set out on pages 22 to 104 are an integral part of these financial statements.

**PETRONAS GAS BERHAD**

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2025**

<i>In RM'000</i>	Note	<i>Attributable to shareholders of the Company</i>			
		Share Capital	Capital Reserve	Foreign Currency Translation Reserve	Hedging Reserve
<b>Balance at 1 January 2025</b>		3,165,204	520,801	35,856	27,697
Net movements from exchange differences		—	—	(35,910)	—
Cash flow hedge		—	—	—	7,903
Share of cash flow hedge of an equity-accounted joint venture		—	—	—	(6,633)
Profit for the year		—	—	—	—
<b>Total comprehensive income for the year</b>		—	—	(35,910)	1,270
Additional issuance of shares to non-controlling interests		—	—	—	—
Dividends - 31.12.2024 interim	23	—	—	—	—
Dividends - 31.12.2025 interim	23	—	—	—	—
<b>Total transactions with owners of the Group</b>		—	—	—	—
<b>Balance at 31 December 2025</b>		<b>3,165,204</b>	<b>520,801</b>	<b>(54)</b>	<b>28,967</b>

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The notes set out on pages 22 to 104 are an integral part of these financial statements.

**PETRONAS GAS BERHAD**

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2025**

(continued)

<i>In RM'000</i>	Note	<i>Attributable to shareholders of the Company</i>		Non- controlling Interests	Total Equity
		Retained Profits	Total		
<b>Balance at 1 January 2025</b>		10,198,865	13,948,423	290,330	14,238,753
Net movements from exchange differences		—	(35,910)	—	(35,910)
Cash flow hedge		—	7,903	4,255	12,158
Share of cash flow hedge of an equity-accounted joint venture		—	(6,633)	—	(6,633)
Profit for the year		1,727,124	1,727,124	109,348	1,836,472
<b>Total comprehensive income for the year</b>		1,727,124	1,692,484	113,603	1,806,087
Additional issuance of shares to non-controlling interests		—	—	87,296	87,296
Dividends - 31.12.2024 interim	23	(435,321)	(435,321)	—	(435,321)
Dividends - 31.12.2025 interim	23	(989,366)	(989,366)	—	(989,366)
<b>Total transactions with owners of the Group</b>		(1,424,687)	(1,424,687)	87,296	(1,337,391)
<b>Balance at 31 December 2025</b>		10,501,302	14,216,220	491,229	14,707,449

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The notes set out on pages 22 to 104 are an integral part of these financial statements.

**PETRONAS GAS BERHAD**

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2025**

(continued)

<i>In RM'000</i>	Note	<i>Attributable to shareholders of the Company</i>			
		Share Capital	Capital Reserve	Foreign Currency Translation Reserve	Hedging Reserve
<b>Balance at 1 January 2024</b>		3,165,204	520,801	46,321	35,523
Net movements from exchange differences		—	—	(10,465)	—
Share of cash flow hedge of an equity-accounted joint venture		—	—	—	(7,826)
Profit for the year		—	—	—	—
<b>Total comprehensive income for the year</b>		—	—	(10,465)	(7,826)
Additional issuance of shares to a non-controlling interest		—	—	—	—
Dividends - 31.12.2023 interim	23	—	—	—	—
Dividends - 31.12.2024 interim	23	—	—	—	—
<b>Total transactions with owners of the Group</b>		—	—	—	—
<b>Balance at 31 December 2024</b>		3,165,204	520,801	35,856	27,697

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The notes set out on pages 22 to 104 are an integral part of these financial statements.

**PETRONAS GAS BERHAD**

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2025**

(continued)

<i>In RM'000</i>	Note	<i>Attributable to shareholders of the Company</i>		Non- controlling Interests	Total Equity
		Retained Profits	Total		
<b>Balance at 1 January 2024</b>		9,787,213	13,555,062	260,088	13,815,150
Net movements from exchange differences		—	(10,465)	—	(10,465)
Share of cash flow hedge of an equity-accounted joint venture		—	(7,826)	—	(7,826)
Profit for the year		1,836,339	1,836,339	87,309	1,923,648
<b>Total comprehensive income for the year</b>		1,836,339	1,818,048	87,309	1,905,357
Additional issuance of shares to a non-controlling interest		—	—	2,135	2,135
Dividends - 31.12.2023 interim	23	(435,321)	(435,321)	—	(435,321)
Dividends - 31.12.2024 interim	23	(989,366)	(989,366)	(59,202)	(1,048,568)
<b>Total transactions with owners of the Group</b>		(1,424,687)	(1,424,687)	(57,067)	(1,481,754)
<b>Balance at 31 December 2024</b>		10,198,865	13,948,423	290,330	14,238,753

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The notes set out on pages 22 to 104 are an integral part of these financial statements.

**PETRONAS GAS BERHAD**

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

<i>In RM'000</i>	<b>Note</b>	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		2,345,004	2,360,346
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	3	1,223,466	1,173,228
Share of profit after tax of equity-accounted joint ventures and associate		(178,383)	(147,288)
Net unrealised gain on foreign exchange	20	(41,990)	(12,310)
Profit from fund investment	20	(93,509)	(117,399)
Interest income from term loan due from a joint venture	20	(2,684)	(5,968)
Financing costs	21	82,565	89,893
Other non-cash items		6,365	(996)
<b>Operating profit before changes in working capital</b>		<b>3,340,834</b>	<b>3,339,506</b>
Change in trade and other receivables		(23,733)	(25,844)
Change in trade and other inventories		(1,072)	(11,949)
Change in trade and other payables		35,622	116,318
<b>Cash generated from operations</b>		<b>3,351,651</b>	<b>3,418,031</b>
Profit from fund investment		96,023	117,399
Interest income from term loan due from a joint venture		2,684	5,968
Taxation paid		(377,073)	(395,431)
<b>Net cash generated from operating activities</b>		<b>3,073,285</b>	<b>3,145,967</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends received from joint ventures and associate		112,174	68,512
Investment in joint ventures		(144,336)	(69,000)
Repayment of term loan due from a joint venture		61,435	50,455
Proceeds from disposal of property, plant and equipment*		10,258	20,206
Purchase of property, plant and equipment		(2,204,082)	(1,269,344)
<b>Net cash used in investing activities</b>		<b>(2,164,551)</b>	<b>(1,199,171)</b>

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\* Comprises mainly proceeds from disposal of land amounting to RM10,075,000 (2024: RM19,082,000).

The notes set out on pages 22 to 104 are an integral part of these financial statements.

**PETRONAS GAS BERHAD**

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

(continued)

<i>In RM'000</i>	Note	2025	2024
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid to shareholders of the Company	23	(1,424,687)	(1,424,687)
Dividends paid to non-controlling interests		—	(59,202)
Payment of lease liabilities	16	(20,426)	(14,016)
Repayment of Islamic financing facility	16	(120,000)	(1,281,000)
Financing costs paid	16	(88,826)	(102,264)
Proceeds from shares issued to non-controlling interests		87,296	2,135
<b>Net cash used in financing activities</b>		<u>(1,566,643)</u>	<u>(2,879,034)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		(657,909)	(932,238)
<b>DECREASE IN CASH AND CASH EQUIVALENTS RESTRICTED</b>		1,449	4,108
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<u>2,575,856</u>	<u>3,503,986</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		<u>1,919,396</u>	<u>2,575,856</u>
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents	12	1,937,796	2,595,705
Less: Cash and cash equivalents - restricted	12	<u>(18,400)</u>	<u>(19,849)</u>
		<u>1,919,396</u>	<u>2,575,856</u>

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Total cash outflows for leases during the year comprise repayment of lease liabilities and related interests totalling RM69,513,000 (2024: RM61,600,000).

The notes set out on pages 22 to 104 are an integral part of these financial statements.

**PETRONAS GAS BERHAD**

(Incorporated in Malaysia)

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025**

<i>In RM'000</i>	<b>Note</b>	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>			
Property, plant and equipment	3	10,669,550	9,652,558
Investments in subsidiaries	4	2,019,366	1,775,111
Investments in joint ventures	5	283,059	283,059
Investments in associate	6	76,466	76,466
<b>TOTAL NON-CURRENT ASSETS</b>		<u>13,048,441</u>	<u>11,787,194</u>
Trade and other inventories	10	33,902	31,569
Trade and other receivables	11	814,573	827,963
Tax recoverable		37,650	64,283
Cash and cash equivalents	12	1,512,318	2,451,008
<b>TOTAL CURRENT ASSETS</b>		<u>2,398,443</u>	<u>3,374,823</u>
<b>TOTAL ASSETS</b>		<u>15,446,884</u>	<u>15,162,017</u>
<b>EQUITY</b>			
Share capital	13	3,165,204	3,165,204
Reserves	14	9,622,200	9,561,751
<b>TOTAL EQUITY</b>		<u>12,787,404</u>	<u>12,726,955</u>
<b>LIABILITIES</b>			
Borrowings	16	6,243	6,359
Deferred tax liabilities	9	1,279,474	1,231,294
Other long-term liabilities and provisions	17	28,869	29,732
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>1,314,586</u>	<u>1,267,385</u>
Trade and other payables	18	1,344,777	1,167,562
Borrowings	16	117	115
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,344,894</u>	<u>1,167,677</u>
<b>TOTAL LIABILITIES</b>		<u>2,659,480</u>	<u>2,435,062</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>15,446,884</u>	<u>15,162,017</u>

The notes set out on pages 22 to 104 are an integral part of these financial statements.

**PETRONAS GAS BERHAD**

(Incorporated in Malaysia)

**STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2025**

<i>In RM'000</i>	<b>Note</b>	<b>2025</b>	<b>2024</b>
Revenue	19	4,997,040	5,184,749
Cost of revenue		<u>(3,454,232)</u>	<u>(3,506,129)</u>
<b>Gross profit</b>		1,542,808	1,678,620
Administration expenses		(154,003)	(141,791)
Other expenses		(29,303)	(11,138)
Other income		571,319	652,671
<b>Operating profit</b>	20	<u>1,930,821</u>	<u>2,178,362</u>
Financing costs	21	<u>(1,055)</u>	<u>(1,010)</u>
<b>Profit before taxation</b>		1,929,766	2,177,352
Tax expense	22	<u>(444,630)</u>	<u>(375,347)</u>
<b>PROFIT FOR THE YEAR REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>1,485,136</u>	<u>1,802,005</u>

The notes set out on pages 22 to 104 are an integral part of these financial statements.

**PETRONAS GAS BERHAD**

(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2025**

<i>In RM'000</i>	Note	<i>Attributable to shareholders of the Company</i>		
		<i>Non-distributable</i>		<b>Total</b>
		<b>Share Capital</b>	<b>Retained Profits</b>	
<b>Balance at 1 January 2025</b>		3,165,204	9,561,751	12,726,955
Profit for the year		—	1,485,136	1,485,136
<b>Total comprehensive income for the year</b>		—	1,485,136	1,485,136
Dividends - 31.12.2024 interim	23	—	(435,321)	(435,321)
Dividends - 31.12.2025 interim	23	—	(989,366)	(989,366)
<b>Total transactions with shareholders of the Company</b>		—	(1,424,687)	(1,424,687)
<b>Balance at 31 December 2025</b>		<b>3,165,204</b>	<b>9,622,200</b>	<b>12,787,404</b>
<b>Balance at 1 January 2024</b>		3,165,204	9,184,433	12,349,637
Profit for the year		—	1,802,005	1,802,005
<b>Total comprehensive income for the year</b>		—	1,802,005	1,802,005
Dividends - 31.12.2023 interim	23	—	(435,321)	(435,321)
Dividends - 31.12.2024 interim	23	—	(989,366)	(989,366)
<b>Total transactions with shareholders of the Company</b>		—	(1,424,687)	(1,424,687)
<b>Balance at 31 December 2024</b>		<b>3,165,204</b>	<b>9,561,751</b>	<b>12,726,955</b>

The notes set out on pages 22 to 104 are an integral part of these financial statements.

**PETRONAS GAS BERHAD**

(Incorporated in Malaysia)

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

<i>In RM'000</i>	<b>Note</b>	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		1,929,766	2,177,352
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	3	822,087	783,058
Net unrealised loss on foreign exchange	20	12,849	3,857
Profit from fund investment	20	(83,458)	(109,766)
Interest income from term loan due from a joint venture	20	(2,684)	(5,968)
Financing costs	21	1,055	1,010
Other non-cash items		4,408	(6,483)
<b>Operating profit before changes in working capital</b>		<u>2,684,023</u>	<u>2,843,060</u>
Change in trade and other receivables		19,663	(35,476)
Change in trade and other inventories		(632)	(10,199)
Change in trade and other payables		35,196	128,722
<b>Cash generated from operations</b>		<u>2,738,250</u>	<u>2,926,107</u>
Dividend income from subsidiaries, joint ventures and associate		(324,975)	(475,965)
Profit from fund investment		85,888	109,766
Interest income from term loan due from a joint venture		2,684	5,968
Taxation paid		(369,817)	(389,353)
<b>Net cash generated from operating activities</b>		<u>2,132,030</u>	<u>2,176,523</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends received from subsidiaries, joint ventures and associate		244,975	475,965
Increase in investment in subsidiaries	4	(464,255)	(114,792)
Purchase of property, plant and equipment		(1,717,806)	(1,126,789)
Proceeds from disposal of property, plant and equipment*		10,258	20,206
Redemption of preference share in subsidiaries	4	220,000	201,300
Repayment of term loan due from a joint venture		61,435	50,455
<b>Net cash used in investing activities</b>		<u>(1,645,393)</u>	<u>(493,655)</u>

*continue to next page*

\* Comprises mainly proceeds from disposal of land amounting to RM10,075,000 (2024: RM19,082,000).

The notes set out on pages 22 to 104 are an integral part of these financial statements.

**PETRONAS GAS BERHAD**

(Incorporated in Malaysia)

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

(continued)

<i>In RM'000</i>	<b>Note</b>	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid to shareholders of Company	23	(1,424,687)	(1,424,687)
Payment of lease liabilities	16	(114)	(113)
Repayment of Islamic financing facility	16	—	(1,171,000)
Financing costs paid	16	(526)	(12,985)
<b>Net cash used in financing activities</b>		<u>(1,425,327)</u>	<u>(2,608,785)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		(938,690)	(925,917)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<u>2,451,008</u>	<u>3,376,925</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	12	<u>1,512,318</u>	<u>2,451,008</u>

*continued from previous page*

Total cash outflows for leases during the year comprise payment of lease liabilities and related interests totalling RM640,000 (2024: RM648,000).

The notes set out on pages 22 to 104 are an integral part of these financial statements.

## **PETRONAS GAS BERHAD**

(Incorporated in Malaysia)

### **NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2025**

#### **1. BASIS OF PREPARATION**

##### **1.1 Statement of compliance**

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board (“MFRS”), IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2016 in Malaysia.

As of 1 January 2025, the Group and the Company had adopted amendments to MFRS (“pronouncement”) that has been issued by the Malaysian Accounting Standards Board (“MASB”), as described fully in Note 31.

MASB has also issued new and revised pronouncements which are not yet effective for the Group and the Company and therefore, have not been adopted in these financial statements. These pronouncements including their impact on the financial statements in the period of initial application are set out in Note 32. New and revised pronouncements that are not relevant to the operations of the Group and of the Company are set out in Note 33.

These financial statements were approved and authorised for issue by the Board of Directors on 24 February 2026.

##### **1.2 Basis of measurement**

The financial statements of the Group and of the Company have been prepared on historical cost basis except for certain items which are measured at fair value, as disclosed in the accounting policies below.

##### **1.3 Functional and presentation currency**

The individual financial statements of each entity in the Group are prepared using the currency of the primary economic environment in which the entity operates (the “functional currency”). The Group’s and the Company’s financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency.

All financial information has been rounded to the nearest thousand, unless otherwise stated.

## 1. BASIS OF PREPARATION (continued)

### 1.4 Use of estimates and judgments

The preparation of financial statements in conformity with MFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:-

- (i) Note 3 : Property, plant and equipment;
- (ii) Note 9 : Deferred tax;
- (iii) Note 16 : Borrowings;
- (iv) Note 17 : Other long-term liabilities and provisions;
- (v) Note 22 : Tax expense; and
- (vi) Note 28 : Financial instruments.

## 2. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by the Group and the Company, unless otherwise stated. The Group and the Company continuously assess the application of material accounting policies to be disclosed in the financial statements.

### 2.1 Basis of consolidation

#### *Subsidiaries*

Subsidiaries are entities, including structured entities, controlled by the Company. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

## **2. MATERIAL ACCOUNTING POLICIES (continued)**

### **2.1 Basis of consolidation (continued)**

#### *Subsidiaries (continued)*

The financial statements of subsidiaries are included in the consolidated financial statements of the Group from the date that control commences until the date that control ceases.

All inter-company transactions are eliminated on consolidation and revenue and profits relate to external transactions only. Unrealised losses resulting from inter-company transactions are also eliminated unless cost cannot be recovered.

#### *Non-controlling interests*

Non-controlling interests at the end of the reporting period, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the shareholders of the Company.

Non-controlling interests in the results of the Group are presented in the consolidated statement of profit or loss and consolidated statement of other comprehensive income as an allocation of the profit or loss and total comprehensive income for the year between the non-controlling interests and shareholders of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

### **2.2 Associate**

An associate is an entity in which the Group has significant influence including representation on the Board of Directors, but not control or joint control, over the financial and operating policies of the investee company.

Associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The consolidated financial statements include the Group's share of post-acquisition profits or losses and other comprehensive income of the equity-accounted associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

The Group's share of post-acquisition reserves and retained profits less losses is added to the carrying value of the investment in the consolidated statement of financial position. These amounts are taken from the latest audited financial statements or management financial statements of the associate.

## 2. MATERIAL ACCOUNTING POLICIES (continued)

### 2.3 Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

Joint arrangements are classified as either joint operation or joint venture. A joint arrangement is classified as joint operation when the Group or the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Group and the Company account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation. A joint arrangement is classified as joint venture when the Group has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method.

### 2.4 Property, plant and equipment and depreciation

#### *Recognition and measurement*

Freehold land and projects-in-progress are stated at cost less accumulated impairment losses and are not depreciated. Other property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

#### *Depreciation*

Depreciation for property, plant and equipment other than freehold land and projects-in-progress, is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Property, plant and equipment are not depreciated until the assets are ready for their intended use.

Buildings are depreciated over 50 years or over the remaining land lease period, whichever is shorter.

The estimated useful lives of the other property, plant and equipment are as follows:

Land improvement	65 years
Plant and pipelines	5 - 55 years
Storage units	25 years
Plant turnaround/major inspection	3 - 6 years
Office equipment, furniture and fittings	6 - 7 years
Other plant and equipment	3 - 20 years
Computer software and hardware	5 years
Motor vehicles	4 years

## 2. MATERIAL ACCOUNTING POLICIES (continued)

### 2.4 Property, plant and equipment and depreciation (continued)

#### *Right-of-use assets*

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The estimated useful lives of the right-of-use assets are as follows:

Leasehold land	19 - 99 years
Other plant and equipment	25 years
Storage units	20 years

Depreciation of certain right-of-use assets is subsequently capitalised into carrying amount of other assets whenever they meet the criteria for capitalisation and adjusted for certain remeasurements of the lease liability.

The depreciable amount is determined after deducting residual value. The residual value, useful life and depreciation method are reviewed at each financial year end and adjusted as appropriate.

The Group and the Company present right-of-use assets in 'property, plant and equipment' and lease liabilities in 'borrowings' in the statement of financial position.

#### *Impairment*

At the end of the reporting period, the Group and the Company assess whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount is fully recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount.

## 2. MATERIAL ACCOUNTING POLICIES (continued)

### 2.5 Financial instruments

#### *Recognition and derecognition*

##### (i) Financial assets

Regular way purchases or sales were recognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the financial assets. Financial assets are classified at initial recognition and subsequently measured at amortised cost or fair value through profit or loss (“FVTPL”), as appropriate.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

##### a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss.

#### *Subsequent measurement*

Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. Interest income and foreign exchange gains and losses are recognised in profit or loss.

##### b) Fair value through profit or loss

All financial assets not classified as measured at amortised cost as described above are measured at fair value through profit or loss. This includes derivative financial assets except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### *Subsequent measurement*

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses recognised in the profit or loss. The methods used to measure fair value are stated in Note 2.15.

## 2. MATERIAL ACCOUNTING POLICIES (continued)

### 2.5 Financial instruments (continued)

#### *Recognition and derecognition (continued)*

##### (ii) Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

##### a) Amortised cost

Subsequent to initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

##### b) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

- if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to the Group's key management personnel; or
- if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

## **2. MATERIAL ACCOUNTING POLICIES (continued)**

### **2.5 Financial instruments (continued)**

#### ***Recognition and derecognition (continued)***

##### **(iii) Derivative financial instruments**

The Group and the Company use forward currency contracts to manage exposures to fluctuations in foreign currency exchange rates.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

In general, contracts to sell or purchase non-financial items to meet expected own use requirements are not accounted for as financial instruments. However, contracts to sell or purchase commodities that can be net settled or which contain written options are required to be recognised at fair value, with gains and losses recognised in the profit or loss.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

##### **(iv) Hedge accounting**

For the purpose of hedge accounting, hedges are classified as cash flow hedges when the hedge relates to hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

##### **(v) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

## 2. MATERIAL ACCOUNTING POLICIES (continued)

### 2.6 Impairment

#### (i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses (“ECL”) on financial assets measured at amortised cost.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

Loss allowances for intercompany receivables are measured at an amount equal to lifetime expected credit loss, only when the receivables exceed the credit term.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is past due.

The Group and the Company consider a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group and the Company in full, without recourse by the Group and the Company to actions such as realising security.

#### (ii) Other assets

The carrying amounts of other assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, the asset’s recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the profit or loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which reversals are recognised.

## 2. MATERIAL ACCOUNTING POLICIES (continued)

### 2.7 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank balances, deposits with licensed financial institutions and cash managed by PETRONAS Integrated Financial Shared Service Centre (“IFSSC”) which have an insignificant risk of changes in fair value and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of deposits restricted as they are considered an integral part of the Group’s cash management, if any.

### 2.8 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of material stores and spares consists of the invoiced value from suppliers and import duty charges and is determined on a weighted average basis.

Cost of liquefied gases and water is determined on a weighted average basis.

### 2.9 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss except to the extent it relates to items recognised directly in equity, in which case it is recognised in equity or other comprehensive income.

Unused investment tax allowance being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unused tax incentive can be utilised.

#### *Global minimum top-up tax*

The Group has adopted International Tax Reform – Pillar Two Model Rules upon its release on 2 June 2023. The amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules as well as disclosure requirements on the exposure to Pillar Two income taxes upon adoption. The application by the respective entity is subject to when the law is being enacted or substantively enacted in the respective country jurisdiction.

Upon its application, the Group will apply a mandatory temporary exception from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred. The mandatory temporary exception applies retrospectively. The retrospective application has no impact to the Group’s consolidated financial statements.

## **2. MATERIAL ACCOUNTING POLICIES (continued)**

### **2.10 Foreign currency transactions**

In preparing the financial statements of individual entities in the Group, transactions in currencies other than the entity's functional currency ("foreign currencies") are translated to the functional currencies at rates of exchange ruling on the transaction dates.

Monetary assets and liabilities denominated in foreign currencies at the reporting date have been retranslated to the functional currency at rates ruling on the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at reporting date, except for those that are measured at fair value, are retranslated to the functional currency at the exchange rate at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Gains and losses on exchange arising from retranslation are recognised in the profit or loss. On consolidation, the assets and liabilities of subsidiaries with functional currencies other than Ringgit Malaysia, are translated into Ringgit Malaysia at the exchange rates ruling at reporting date.

The income and expenses are translated at the exchange rates at the dates of the transactions or an average rate that approximates those rates.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve within equity.

### **2.11 Borrowing costs and foreign currency exchange differences relating to projects-in-progress**

Borrowing costs which are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to be prepared for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the assets is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs ceases when all activities necessary to prepare the qualifying asset for its intended use or sale are completed.

Exchange differences arising from foreign currency borrowings, although regarded as an adjustment to borrowing costs, are not capitalised but instead recognised in the profit or loss in the period in which they arise.

The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the weighted average of borrowings that are outstanding during the year, other than borrowings made specifically for the purpose of financing a specific qualifying asset, in which the actual borrowing cost incurred on that borrowing less any investment income on the temporary investment of that borrowings will be capitalised. Borrowing costs incurred subsequent to the completion of a specific qualifying asset are included in the determination of the capitalisation rate.

## **2. MATERIAL ACCOUNTING POLICIES (continued)**

### **2.12 Revenue**

#### ***Revenue from contracts with customers***

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer and exclude amounts collected on behalf of third parties. The Group and the Company recognise revenue when or as it transfers control over a product or service to customer. An asset is transferred when the customer obtains control of the asset.

### **2.13 Financing costs**

Financing costs comprise interest component of lease payments, interest payable on borrowings and profit share margin on Islamic financing facilities, as well as accretion in provision due to the passage of time.

### **2.14 Earnings per share**

The Group presents basic and diluted earnings per share (“EPS”) data for its ordinary shares.

Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the period, for the effects of all dilutive potential ordinary shares, if any.

## 2. MATERIAL ACCOUNTING POLICIES (continued)

### 2.15 Fair value measurement

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or, in the absence of a principal market, in the most advantageous market.

#### (i) Financial instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the end of reporting date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

#### (ii) Non-financial assets

For non-financial assets, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identifiable assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable input).

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

## 3. PROPERTY, PLANT AND EQUIPMENT

Group 2025 <i>In RM'000</i>	At 1.1.2025	Additions	Disposals/ Write-offs	Transfers/ Adjustments	At 31.12.2025
<i>At cost:</i>					
<u>Own use</u>					
Freehold land	26,173	6	—	(24,329)	1,850
Land improvement	109,006	—	—	—	109,006
Buildings	548,644	—	(736)	611,593	1,159,501
Plant and pipelines	24,460,227	1,477	(130,232)	510,384	24,841,856
Storage units	817,416	—	—	—	817,416
Plant turnaround/major inspection	2,589,504	—	(7,531)	521,640	3,103,613
Office equipment, furniture and fittings	68,087	69	(313)	10,797	78,640
Other plant and equipment	689,547	2,088	(594)	154,051	845,092
Computer software and hardware	241,274	—	(2,429)	12,202	251,047
Motor vehicles	25,424	—	(1,279)	—	24,145
Projects-in-progress	1,759,013	2,286,932	(3,305)	(1,827,977)	2,214,663
	31,334,315	2,290,572	(146,419)	(31,639)	33,446,829
<u>Right-of-use</u>					
Leasehold land	918,541	67,056	(84)	19,222	1,004,735
Other plant and equipment	580,109	—	—	244,901	825,010
Storage units	1,149,571	337,839	—	—	1,487,410
	2,648,221	404,895	(84)	264,123	3,317,155
	33,982,536	2,695,467	(146,503)	*232,484	36,763,984

\* Includes upward adjustment to right-of-use assets following lease modifications in accordance with MFRS 16 *Leases* amounting to RM244,901,000.

## 3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2025 <i>In RM'000</i>	At 1.1.2025	Charge for the year	Disposals/ Write-offs	Transfers/ Adjustments	At 31.12.2025
<i>Accumulated depreciation and impairment losses:</i>					
<u>Own use</u>					
Freehold land	—	—	—	—	—
Land improvement	12,019	1,677	—	—	13,696
Buildings	246,421	18,915	(736)	386,241	650,841
Plant and pipelines	16,293,206	673,623	(118,193)	(386,014)	16,462,622
Storage units	242,828	34,842	—	—	277,670
Plant turnaround/major inspection	1,765,565	309,953	(7,531)	—	2,067,987
Office equipment, furniture and fittings	58,618	4,075	(313)	(88)	62,292
Other plant and equipment	306,168	37,890	(541)	281	343,798
Computer software and hardware	181,530	21,587	(2,274)	58	200,901
Motor vehicles	22,076	1,253	(1,279)	—	22,050
Projects-in-progress	—	—	—	—	—
	19,128,431	1,103,815	(130,867)	478	20,101,857
<u>Right-of-use</u>					
Leasehold land	203,111	18,470	(25)	(588)	220,968
Other plant and equipment	144,999	27,907	—	—	172,906
Storage units	590,120	73,508	—	—	663,628
	938,230	119,885	(25)	(588)	1,057,502
	20,066,661	1,223,700	(130,892)	(110)	21,159,359

**3. PROPERTY, PLANT AND EQUIPMENT (continued)**

<b>Group 2024</b> <i>In RM'000</i>	<b>At 1.1.2024</b>	<b>Additions</b>	<b>Disposals/ Write-offs</b>	<b>Transfers/ Adjustments</b>	<b>At 31.12.2024</b>
<i>At cost:</i>					
<u>Own use</u>					
Freehold land	27,763	—	—	(1,590)	26,173
Land improvement	109,006	—	—	—	109,006
Buildings	532,396	—	(63)	16,311	548,644
Plant and pipelines	23,319,716	3,547	(8,423)	1,145,387	24,460,227
Storage units	817,416	—	—	—	817,416
Plant turnaround/major inspection	2,315,756	—	(68,909)	342,657	2,589,504
Office equipment, furniture and fittings	64,530	812	(995)	3,740	68,087
Other plant and equipment	573,861	3,216	(227)	112,697	689,547
Computer software and hardware	225,362	—	(121)	16,033	241,274
Motor vehicles	24,917	1,807	(1,300)	—	25,424
Projects-in-progress	2,183,556	1,434,058	(1,034)	(1,857,567)	1,759,013
	<u>30,194,279</u>	<u>1,443,440</u>	<u>(81,072)</u>	<u>(222,332)</u>	<u>31,334,315</u>
<u>Right-of-use</u>					
Leasehold land	676,006	18,848	(144)	223,831	918,541
Other plant and equipment	580,109	—	—	—	580,109
Storage units	1,149,571	—	—	—	1,149,571
	<u>2,405,686</u>	<u>18,848</u>	<u>(144)</u>	<u>223,831</u>	<u>2,648,221</u>
	<u>32,599,965</u>	<u>1,462,288</u>	<u>(81,216)</u>	<u>1,499</u>	<u>33,982,536</u>

## 3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2024 <i>In RM'000</i>	At 1.1.2024	Charge for the year	Disposals/ Write-offs	Transfers/ Impairment	At 31.12.2024
<i>Accumulated depreciation and impairment losses:</i>					
<u>Own use</u>					
Freehold land	—	—	—	—	—
Land improvement	10,342	1,677	—	—	12,019
Buildings	230,504	15,942	(25)	—	246,421
Plant and pipelines	15,652,485	646,556	(6,999)	1,164	16,293,206
Storage units	207,985	34,843	—	—	242,828
Plant turnaround/major inspection	1,524,359	308,915	(68,468)	759	1,765,565
Office equipment, furniture and fittings	55,809	3,804	(995)	—	58,618
Other plant and equipment	274,494	31,901	(227)	—	306,168
Computer software and hardware	155,046	26,606	(122)	—	181,530
Motor vehicles	22,185	1,191	(1,300)	—	22,076
Projects-in-progress	—	—	—	—	—
	18,133,209	1,071,435	(78,136)	1,923	19,128,431
<u>Right-of-use</u>					
Leasehold land	190,418	12,728	(35)	—	203,111
Other plant and equipment	122,189	22,810	—	—	144,999
Storage units	523,650	66,470	—	—	590,120
	836,257	102,008	(35)	—	938,230
	18,969,466	1,173,443	(78,171)	*1,923	20,066,661

\* Relates to impairment losses on certain individual assets at Gas Processing segment.

**3. PROPERTY, PLANT AND EQUIPMENT (continued)**

<b>Company 2025</b>	<b>At</b>		<b>Disposals/ Write-offs</b>	<b>Transfers/ Adjustments</b>	<b>At</b>
<i>In RM'000</i>	<b>1.1.2025</b>	<b>Additions</b>			<b>31.12.2025</b>
<b><i>At cost:</i></b>					
<b><u>Own use</u></b>					
Freehold land	26,173	6	—	(24,329)	1,850
Buildings	432,066	—	(736)	607,951	1,039,281
Plant and pipelines	20,131,790	1,477	(130,232)	337,480	20,340,515
Plant turnaround/major inspection	2,494,780	—	—	510,666	3,005,446
Office equipment, furniture and fittings	45,459	69	(313)	7,331	52,546
Other plant and equipment	528,724	2,066	(594)	144,625	674,821
Computer software and hardware	199,581	—	(2,429)	7,333	204,485
Motor vehicles	24,677	—	(1,279)	—	23,398
Projects-in-progress	1,488,537	1,795,183	(3,305)	(1,619,618)	1,660,797
	<b>25,371,787</b>	<b>1,798,801</b>	<b>(138,888)</b>	<b>(28,561)</b>	<b>27,003,139</b>
<b><u>Leased to others as operating lease</u></b>					
Buildings	5,533	—	—	(1,600)	3,933
<b><u>Right-of-use</u></b>					
Leasehold land	898,737	66,795	(84)	19,240	984,688
	<b>26,276,057</b>	<b>1,865,596</b>	<b>(138,972)</b>	<b>*(10,921)</b>	<b>27,991,760</b>

\* Includes mainly government grant received amounting to RM6,810,000.

**3. PROPERTY, PLANT AND EQUIPMENT (continued)**

<b>Company 2025</b>	<b>At</b>	<b>Charge for</b>	<b>Disposals/ Write-offs</b>	<b>Transfers/ Adjustments</b>	<b>At</b>
<i>In RM'000</i>	<b>1.1.2025</b>	<b>the year</b>			<b>31.12.2025</b>
<b><i>Accumulated depreciation and impairment losses:</i></b>					
<u>Own use</u>					
Freehold land	—	—	—	—	—
Buildings	210,398	13,385	(736)	386,241	609,288
Plant and pipelines	14,086,928	447,383	(118,193)	(386,242)	14,029,876
Plant turnaround/major inspection	1,704,854	291,515	—	—	1,996,369
Office equipment, furniture and fittings	38,181	3,108	(313)	—	40,976
Other plant and equipment	207,935	30,823	(541)	516	238,733
Computer software and hardware	154,612	16,862	(2,274)	58	169,258
Motor vehicles	21,331	1,253	(1,279)	—	21,305
Projects-in-progress	—	—	—	—	—
	<u>16,424,239</u>	<u>804,329</u>	<u>(123,336)</u>	<u>573</u>	<u>17,105,805</u>
<u>Leased to others as operating lease</u>					
Buildings	1,524	253	—	—	1,777
<u>Right-of-use</u>					
Leasehold land	197,736	17,505	(25)	(588)	214,628
	<u>16,623,499</u>	<u>822,087</u>	<u>(123,361)</u>	<u>(15)</u>	<u>17,322,210</u>

**3. PROPERTY, PLANT AND EQUIPMENT (continued)**

<b>Company 2024</b>	<b>At</b>				<b>At</b>
<i>In RM'000</i>	<b>1.1.2024</b>	<b>Additions</b>	<b>Disposals/ Write-offs</b>	<b>Transfers/ Adjustments</b>	<b>31.12.2024</b>
<b><i>At cost:</i></b>					
<u>Own use</u>					
Freehold land	27,763	—	—	(1,590)	26,173
Buildings	415,953	—	(63)	16,176	432,066
Plant and pipelines	19,012,549	3,547	(8,423)	1,124,117	20,131,790
Plant turnaround/major inspection	2,222,909	—	(52,648)	324,519	2,494,780
Office equipment, furniture and fittings	42,473	812	(995)	3,169	45,459
Other plant and equipment	417,106	3,216	(227)	108,629	528,724
Computer software and hardware	184,369	—	(121)	15,333	199,581
Motor vehicles	24,170	1,807	(1,300)	—	24,677
Projects-in-progress	2,111,473	1,191,358	—	(1,814,294)	1,488,537
	<u>24,458,765</u>	<u>1,200,740</u>	<u>(63,777)</u>	<u>(223,941)</u>	<u>25,371,787</u>
<u>Leased to others as operating lease</u>					
Buildings	5,533	—	—	—	5,533
<u>Right-of-use</u>					
Leasehold land	661,603	13,447	(144)	223,831	898,737
	<u>25,125,901</u>	<u>1,214,187</u>	<u>(63,921)</u>	<u>(110)</u>	<u>26,276,057</u>

## 3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2024 <i>In RM'000</i>	At 1.1.2024	Charge for the year	Disposals/ Write-offs	Transfers/ Impairment	At 31.12.2024
<b><i>Accumulated depreciation and impairment losses:</i></b>					
<u>Own use</u>					
Freehold land	—	—	—	—	—
Buildings	199,913	10,510	(25)	—	210,398
Plant and pipelines	13,670,617	422,146	(6,999)	1,164	14,086,928
Plant turnaround/major inspection	1,463,615	292,686	(52,206)	759	1,704,854
Office equipment, furniture and fittings	36,705	2,471	(995)	—	38,181
Other plant and equipment	184,569	23,593	(227)	—	207,935
Computer software and hardware	136,479	18,255	(122)	—	154,612
Motor vehicles	21,440	1,191	(1,300)	—	21,331
Projects-in-progress	—	—	—	—	—
	<u>15,713,338</u>	<u>770,852</u>	<u>(61,874)</u>	<u>1,923</u>	<u>16,424,239</u>
<u>Leased to others as operating lease</u>					
Buildings	1,224	300	—	—	1,524
<u>Right-of-use</u>					
Leasehold land	185,865	11,906	(35)	—	197,736
	<u>15,900,427</u>	<u>783,058</u>	<u>(61,909)</u>	<u>*1,923</u>	<u>16,623,499</u>

\* Relates to impairment losses on certain individual assets at Gas Processing segment.

**3. PROPERTY, PLANT AND EQUIPMENT (continued)**

<i>In RM'000</i>	<b>Group</b>		<b>Company</b>	
<b>Carrying amount</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<u>Own use</u>				
Freehold land	1,850	26,173	1,850	26,173
Land improvement	95,310	96,987	—	—
Buildings	508,660	302,223	429,993	221,668
Plant and pipelines	8,379,234	8,167,021	6,310,639	6,044,862
Storage units	539,746	574,588	—	—
Plant turnaround/major inspection	1,035,626	823,939	1,009,077	789,926
Office equipment, furniture and fittings	16,348	9,469	11,570	7,278
Other plant and equipment	501,294	383,379	436,088	320,789
Computer software and hardware	50,146	59,744	35,227	44,969
Motor vehicles	2,095	3,348	2,093	3,346
Projects-in-progress	2,214,663	1,759,013	1,660,797	1,488,537
	<u>13,344,972</u>	<u>12,205,884</u>	<u>9,897,334</u>	<u>8,947,548</u>
<u>Leased to others as operating lease</u>				
Buildings	—	—	2,156	4,009
<u>Right-of-use</u>				
Leasehold land	783,767	715,430	770,060	701,001
Other plant and equipment	652,104	435,110	—	—
Storage units	823,782	559,451	—	—
	<u>2,259,653</u>	<u>1,709,991</u>	<u>770,060</u>	<u>701,001</u>
	<u>15,604,625</u>	<u>13,915,875</u>	<u>10,669,550</u>	<u>9,652,558</u>

**3.1 As a lessee*****Right-of-use assets*****Group**

Right-of-use assets are mainly in relation to lease of lands from state governments and a related company, rental of seabed from state government, usage of jetty facilities from a related company and charter hire of floating storage units from a related company.

**Company**

Right-of-use assets are in relation to lease of lands from state governments and a related company.

**3. PROPERTY, PLANT AND EQUIPMENT (continued)****3.1 As a lessee (continued)*****Depreciation of right-of-use assets***

The following is the depreciation of right-of-use assets:

<i>In RM'000</i>	<b>2025</b>	<b>Group 2024</b>	<b>2025</b>	<b>Company 2024</b>
Capitalised in property, plant and equipment	234	215	—	—
Recognised in profit or loss	119,651	101,793	17,505	11,906
Total depreciation	119,885	102,008	17,505	11,906

***Extension options***

Some lease contracts contain extension option exercisable before the end of the non-cancellable contract period. The discounted potential future lease payments arising from exercisable extension option was not included in the lease liabilities due to uncertainty at the reporting date as to whether the Group will exercise the extension terms.

***Significant judgments and assumptions in relation to leases***

The Group and the Company assess at lease commencement by applying significant judgment whether it is reasonably certain to exercise the extension options. The Group and the Company consider all facts and circumstances including past practice and any cost that will be incurred to change the asset if an option to extend is not exercised.

The Group also applied judgment and assumptions in determining the incremental borrowing rate of the respective leases. The Group first determine the closest available borrowing rates before using significant judgment to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

***Lease modification***

During the year, a lease modification arose from one-off settlement of the annual fixed charges, representing the remaining lease payments under the Jetty Usage Agreement for the provision of jetty facilities at the terminal. In accordance with MFRS 16 *Leases*, the effect of the lease modification has been recognised against the respective right-of-use assets.

**3.2 As a lessor*****Property, plant and equipment leased to others as operating lease***

The Company leased out a warehouse and office to subsidiaries under operating lease arrangement expiring in 2042. The lease income recognised in profit or loss during the year amounted to RM265,000 (2024: RM298,000).

The operating lease payments to be received until end of the lease tenure amounted to RM3,743,000 (2024: RM4,008,000).

### **3. PROPERTY, PLANT AND EQUIPMENT (continued)**

#### **3.3 Restrictions of land title**

The titles of certain land are in the process of being registered in the Company's name.

#### **3.4 Project-in-progress**

Included in additions to project-in-progress of the Group and of the Company are borrowing costs capitalised during the year of RM7,110,000 (2024: RM15,023,000) and RM Nil (2024: RM14,102,000) respectively. There is capitalisation of depreciation charge for the year in respect of Group's right-of-use of leasehold land amounting to RM234,000 (2024: RM215,000). The interest rate on borrowings capitalised for the Group and the Company was 1.16% (2024: 4.19%) and Nil (2024: 4.27%) per annum respectively.

#### **3.5 Impairment**

In previous year, the Group and the Company recognised impairment losses on certain individual assets relating to Gas Processing segment amounting to RM1,923,000.

#### **3.6 Land lease agreement for seabed land at a subsidiary**

A subsidiary of the Group has entered into an agreement with the state government ("the lessor") to lease a seabed land situated off the coast of Sg. Udang in Melaka for 25 years from 2011 to 2036 on which the subsidiary's LNG regasification terminal and offshore pipeline resides. Upon termination or expiry of the agreement, the land is to be re-delivered to the lessor in a manner to be mutually agreed between both parties.

Under the agreement, the lessor may require the land to be delivered together with all of the subsidiary's equipment, erections, fixtures, structures and sub-structures ("the assets") constructed on the land at a consideration to be mutually agreed between the parties. Should there be no mutual agreement on the consideration, the lessor may then require the subsidiary to remove the assets, or they may appoint a third party to carry out the removal works and recharge the subsidiary for the costs incurred. The subsidiary of the Group has assessed that currently it is not probable that the subsidiary will be required to remove the assets.

**4. INVESTMENTS IN SUBSIDIARIES**

<i>In RM'000</i>	<b>2025</b>	<b>Company 2024</b>
Investment at cost:		
- unquoted shares		
At beginning of the year	1,775,111	1,861,619
Additional investment during the year	464,255	114,792
Redemption of redeemable preference shares	(220,000)	(201,300)
At end of the year	<u>2,019,366</u>	<u>1,775,111</u>

Additional investments during the year include subscription of additional ordinary shares and redeemable preference shares in Sipitang Utilities Sdn. Bhd. (“SUSB”), PG Cold Energy 1 Sdn. Bhd. (“PGCE1”) and PG Energia Sdn. Bhd.

Subsequently, the Company transferred its entire shareholding of ordinary shares and redeemable preference shares in SUSB and PGCE1 to its wholly owned subsidiary, PG Energia Sdn. Bhd. as part of the Group's internal restructuring activities. Hence, PG Energia Sdn. Bhd. became the immediate holding company of SUSB and PGCE1.

Redemption of redeemable preference shares relates to redemption by Regas Terminal (Sg. Udang) Sdn. Bhd.

Summarised financial information on non-controlling interest has not been disclosed as the non-controlling interest of the subsidiaries are not individually material to the Group.

Details of subsidiaries are stated in Note 34 of the financial statements.

**5. INVESTMENTS IN JOINT VENTURES**

<i>In RM'000</i>	<b>2025</b>	<b>Group 2024</b>	<b>2025</b>	<b>Company 2024</b>
Investments at cost				
- unquoted shares	496,395	352,059	283,059	283,059
Share of post-acquisition profits and reserves	602,945	587,746	—	—
	<u>1,099,340</u>	<u>939,805</u>	<u>283,059</u>	<u>283,059</u>

The Group's involvements in joint arrangements are structured through separate vehicles which provide the Group with rights to the net assets of these entities. Accordingly, the Group has classified these investments as joint ventures.

**5. INVESTMENTS IN JOINT VENTURES (continued)**

<i>In RM'000</i>	<b>2025</b>	<b>2024</b>
<b>Group summarised financial information of joint ventures</b>		
<b>As at 31 December</b>		
Non-current assets	2,279,760	1,947,156
Current assets	927,024	758,909
Non-current liabilities	(721,185)	(689,649)
Current liabilities	(552,946)	(405,860)
Net assets	<u>1,932,653</u>	<u>1,610,556</u>
<i>Included in the net assets are:</i>		
Cash and cash equivalents	214,426	319,494
Non-current financial liabilities (excluding other payables and provisions)	(706,918)	(689,649)
Current financial liabilities (excluding trade and other payables and provisions)	(183,610)	(152,695)
<b>Group's share of net assets</b>	<u>1,099,340</u>	<u>939,805</u>
Profit for the year	227,380	170,530
Other comprehensive loss	(81,466)	(33,561)
Total comprehensive income for the year	<u>145,914</u>	<u>136,969</u>
<i>Included in the total comprehensive income are:</i>		
Revenue	614,589	645,364
Depreciation and amortisation	(38,086)	(40,587)
Interest income and profit from fund investment	101,199	82,489
Financing costs	(40,173)	(71,260)
Tax expense	(40,933)	(26,790)
<b>Group's share of results</b>		
Share of profit from operations	120,742	79,657
Share of other comprehensive loss	(42,543)	(18,291)
Share of total comprehensive income	<u>78,199</u>	<u>61,366</u>
<b>Other information</b>		
Dividends received	<u>63,000</u>	<u>24,145</u>

Group's share of the net assets and results are significantly contributed by Kimanis Power Sdn. Bhd. and Pengerang Gas Solutions Sdn. Bhd.

Details of joint ventures are stated in Note 35 of the financial statements.

**6. INVESTMENTS IN ASSOCIATE**

<i>In RM'000</i>	<b>2025</b>	<b>Group 2024</b>	<b>2025</b>	<b>Company 2024</b>
Investments at cost				
- quoted shares	76,466	76,466	76,466	76,466
Share of post-acquisition profits and reserves	141,784	133,317	—	—
	<u>218,250</u>	<u>209,783</u>	<u>76,466</u>	<u>76,466</u>
Market value of quoted shares	<u>830,344</u>	<u>815,143</u>	<u>830,344</u>	<u>815,143</u>

Details of associate are stated in Note 36 of the financial statements.

<i>In RM'000</i>	<b>2025</b>	<b>2024</b>
<b>Group's share of results</b>		
Group's share of total comprehensive income for the year	<u>57,641</u>	<u>67,631</u>
<b>Other information</b>		
Dividends received	<u>49,174</u>	<u>44,367</u>

**7. LONG-TERM RECEIVABLE**

<i>In RM'000</i>	<b>2025</b>	<b>Group 2024</b>
Deposit	<u>2,000</u>	<u>2,000</u>

Long-term receivable relates to a refundable security deposit payment on sublease rental.

## 8. DERIVATIVES

<i>In RM'000</i>	Note	Nominal value 2025	Carrying amount 2025	Nominal value 2024	Carrying amount 2024
<b>Group</b>					
<b>Derivative assets at fair value through profit or loss</b>					
Forward foreign exchange contracts		190,222	27	130,801	3,681
<b>Derivative liabilities at fair value through profit or loss</b>					
Forward foreign exchange contracts		291,415	(3,703)	31,824	(757)
<b>Included within:</b>					
Trade and other receivables	11		27		3,681
Trade and other payables	18		(3,703)		(757)
<b>Company</b>					
<b>Derivative assets at fair value through profit or loss</b>					
Forward foreign exchange contracts		—	—	130,801	3,681
<b>Derivative liabilities at fair value through profit or loss</b>					
Forward foreign exchange contracts		105,522	(3,602)	—	—
<b>Included within:</b>					
Trade and other receivables	11		—		3,681
Trade and other payables	18		(3,602)		—

In the normal course of business, the Group and the Company enter into derivative financial instruments to manage their normal business exposures in relation to foreign currency exchange rates, consistent with their risk management policies and objectives.

**9. DEFERRED TAX****Recognised deferred tax assets/(liabilities)**

Deferred tax assets and liabilities are attributable to the following:

<i>In RM'000</i>	<b>Assets</b>		<b>Liabilities</b>		<b>Net</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>Group</b>						
Property, plant and equipment	—	—	(1,570,064)	(1,485,142)	(1,570,064)	(1,485,142)
Contract liabilities	4,346	4,953	—	—	4,346	4,953
Others	2,414	21	—	—	2,414	21
Unabsorbed capital allowances	3,205	3,499	—	—	3,205	3,499
Unused investment tax allowances	254,434	276,813	—	—	254,434	276,813
Tax assets/(liabilities)	264,399	285,286	(1,570,064)	(1,485,142)	(1,305,665)	(1,199,856)
Set off tax	(264,399)	(253,848)	264,399	253,848	—	—
Net tax assets/(liabilities)	—	31,438	(1,305,665)	(1,231,294)	(1,305,665)	(1,199,856)
<b>Company</b>						
Property, plant and equipment	—	—	(1,286,234)	(1,236,268)	(1,286,234)	(1,236,268)
Contract liabilities	4,346	4,953	—	—	4,346	4,953
Others	2,414	21	—	—	2,414	21
Tax assets/(liabilities)	6,760	4,974	(1,286,234)	(1,236,268)	(1,279,474)	(1,231,294)
Set off tax	(6,760)	(4,974)	6,760	4,974	—	—
Net tax liabilities	—	—	(1,279,474)	(1,231,294)	(1,279,474)	(1,231,294)

**9. DEFERRED TAX (continued)****Unrecognised deferred tax assets**

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

<i>In RM'000</i>	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Unused tax losses	38,882	38,882	—	—

The unused tax losses relates to a subsidiary of the Group. In accordance with Paragraph 5 of Income Tax (Exemption) (No.7) Order 2013 (Income based exemption for statutory income of a qualifying person derived from RAPID Complex), the subsidiary's unused tax losses does not expire. Deferred tax assets have not been recognised in respect of these items because it is not probable that the Group will be able to utilise the benefits in the foreseeable future.

The components and movements of deferred tax liabilities and assets during the year prior to offsetting are as follows:

<b>Group</b> <b>2025</b> <i>In RM'000</i>	<b>(Charged)/</b> <b>Credited</b>		<b>At</b> <b>31.12.2025</b>
	<b>At</b> <b>1.1.2025</b>	<b>to profit</b> <b>or loss</b>	
<b>Deferred tax liabilities</b>			
Property, plant and equipment	(1,485,142)	(84,922)	(1,570,064)
<b>Deferred tax assets</b>			
Contract liabilities	4,953	(607)	4,346
Others	21	2,393	2,414
Unabsorbed capital allowances	3,499	(294)	3,205
Unused investment tax allowances	276,813	(22,379)	254,434
	285,286	(20,887)	264,399
<b>Net deferred tax</b>	<b>(1,199,856)</b>	<b>(105,809)</b>	<b>(1,305,665)</b>

<b>Group</b> <b>2024</b> <i>In RM'000</i>	<b>(Charged)/</b> <b>Credited</b>		<b>At</b> <b>31.12.2024</b>
	<b>At</b> <b>1.1.2024</b>	<b>to profit</b> <b>or loss</b>	
<b>Deferred tax liabilities</b>			
Property, plant and equipment	(1,505,818)	20,676	(1,485,142)
<b>Deferred tax assets</b>			
Contract liabilities	5,509	(556)	4,953
Others	67	(46)	21
Unabsorbed capital allowances	3,909	(410)	3,499
Unused investment tax allowances	380,349	(103,536)	276,813
	389,834	(104,548)	285,286
<b>Net deferred tax</b>	<b>(1,115,984)</b>	<b>(83,872)</b>	<b>(1,199,856)</b>

**9. DEFERRED TAX (continued)**

<b>Company 2025</b>	<b>At</b>	<b>(Charged)/ Credited</b>	<b>At</b>
<i>In RM'000</i>	<b>1.1.2025</b>	<b>to profit or loss</b>	<b>31.12.2025</b>
<b>Deferred tax liabilities</b>			
Property, plant and equipment	(1,236,268)	(49,966)	(1,286,234)
<b>Deferred tax assets</b>			
Contract liabilities	4,953	(607)	4,346
Others	21	2,393	2,414
	4,974	1,786	6,760
<b>Net deferred tax</b>	(1,231,294)	(48,180)	(1,279,474)

<b>Company 2024</b>	<b>At</b>	<b>Charged</b>	<b>At</b>
<i>In RM'000</i>	<b>1.1.2024</b>	<b>to profit or loss</b>	<b>31.12.2024</b>
<b>Deferred tax liabilities</b>			
Property, plant and equipment	(1,207,611)	(28,657)	(1,236,268)
<b>Deferred tax assets</b>			
Contract liabilities	5,509	(556)	4,953
Others	67	(46)	21
	5,576	(602)	4,974
<b>Net deferred tax</b>	(1,202,035)	(29,259)	(1,231,294)

**10. TRADE AND OTHER INVENTORIES**

<i>In RM'000</i>	<b>2025</b>	<b>Group 2024</b>	<b>2025</b>	<b>Company 2024</b>
Liquefied industrial gases and water	3,563	2,425	3,563	2,425
Maintenance materials and spares	32,607	33,561	30,339	29,144
	36,170	35,986	33,902	31,569
<i>Recognised in profit or loss as:</i>				
Cost of revenue	107,419	92,226	105,520	91,227
Inventories written-off	2,611	154	—	154
Net (reversal)/write down of inventories	(1,723)	12,102	(1,701)	12,080

**11. TRADE AND OTHER RECEIVABLES**

<i>In RM'000</i>	Note	Group		Company	
		2025	2024	2025	2024
Trade receivables		53,758	35,767	53,758	35,767
Other receivables		22,334	22,892	22,185	22,684
Deposits		4,535	1,730	1,962	1,730
Prepayments		34,509	33,424	4,834	10,253
Amount due from:					
- holding company	11.1	189,243	176,419	189,242	176,412
- subsidiaries	11.2	—	—	93,359	9,332
- joint ventures and associate	11.3	9,879	3,566	9,879	3,566
- related companies	11.4	532,195	571,945	407,218	452,463
- related parties	11.5	32,384	44,706	32,384	44,706
Term loan due from a joint venture	11.6	—	67,456	—	67,456
Derivative assets	8	27	3,681	—	3,681
		878,864	961,586	814,821	828,050
Less: Expected credit losses		(248)	(87)	(248)	(87)
		878,616	961,499	814,573	827,963

11.1 Amount due from holding company arose in the normal course of business and relates to:

<i>In RM'000</i>	Group		Company	
	2025	2024	2025	2024
Trade	163,856	163,826	163,856	163,826
Non-trade	25,387	12,593	25,386	12,586
	189,243	176,419	189,242	176,412

11.2 Amount due from subsidiaries arose in the normal course of business and relates to:

<i>In RM'000</i>	Company	
	2025	2024
Trade	156	457
Non-trade	93,203	8,875
	93,359	9,332

11.3 Amount due from joint ventures and associate arose in the normal course of business and relates to:

<i>In RM'000</i>	Group and Company	
	2025	2024
Trade	536	1,075
Non-trade	9,343	2,491
	9,879	3,566

**11. TRADE AND OTHER RECEIVABLES (continued)**

11.4 Amount due from related companies arose in the normal course of business and relates to:

<i>In RM'000</i>	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Trade	529,945	565,457	406,538	450,765
Non-trade	2,250	6,488	680	1,698
	<u>532,195</u>	<u>571,945</u>	<u>407,218</u>	<u>452,463</u>

11.5 Amount due from related parties arose in the normal course of business and relates to:

<i>In RM'000</i>	<b>Group and Company</b>	
	<b>2025</b>	<b>2024</b>
Trade	32,326	44,604
Non-trade	58	102
	<u>32,384</u>	<u>44,706</u>

11.6 Term loan due from a joint venture was unsecured, bear interest at a rate of 5.5% per annum and was repayable in various tranches at various due dates from 2021 to 2025. The amount has been fully repaid during the year.

**12. CASH AND CASH EQUIVALENTS**

<i>In RM'000</i>	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Cash with PETRONAS IFSSC	763,722	1,459,755	668,773	1,430,607
Cash and bank balances	312,297	96,615	136	881
Deposits	861,777	1,039,335	843,409	1,019,520
	<u>1,937,796</u>	<u>2,595,705</u>	<u>1,512,318</u>	<u>2,451,008</u>

The Group's and the Company's cash and bank balances are held in the In-House Account ("IHA") managed by PETRONAS IFSSC to enable more efficient cash management for the Group and the Company.

Included in the Group's cash and cash equivalents are deposits of RM18,370,000 (2024: RM19,819,000) in a finance service reserve account being designated as security and a fixed balance amounting to RM30,000 (2024: RM30,000) in a trustee reimbursable account in relation to a subsidiary's Islamic financing facility.

All of the Group's and the Company's cash and cash equivalents in the current and in the previous financial year are profit-generating balances.

### 13. SHARE CAPITAL

Company	2025		2024	
	No of shares '000	Amount RM'000	No of shares '000	Amount RM'000
<b>Issued and fully paid shares with no par value classified as equity instruments:</b>				
Ordinary shares	1,978,732	3,165,204	1,978,732	3,165,204

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

### 14. RESERVES

#### Retained Profits

The Company has sufficient retained earnings to distribute single tier dividends paid out of income derived from operations which are tax exempted in the hands of shareholders pursuant to Paragraph 12B, Schedule 6 of the Income Tax Act, 1967.

#### Capital Reserve

Capital reserve represents available reserve in a subsidiary that has been capitalised arising from redemption of preference shares.

#### Foreign Currency Translation Reserve

Foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of a subsidiary and a joint venture whose functional currencies are different from that of the Group's functional currency.

#### Hedging Reserve

Hedging reserves include the cash flow hedge reserve that records the effective portion of the gain or loss on hedging instrument in a cash flow hedge. Amounts are subsequently transferred out from equity to either profit or loss or the carrying value of assets, as appropriate.

### 15. NON-CONTROLLING INTERESTS

This consists of the non-controlling interests' proportion of share capital and reserves of partly-owned subsidiaries.

## 16. BORROWINGS

<i>In RM'000</i>	Note	2025	Group 2024	2025	Company 2024
<b>Non-current</b>					
Lease liabilities	16.1	339,933	547,736	6,243	6,359
<b>Secured</b>					
Islamic financing facility	16.2	1,065,000	1,165,000	—	—
<b>Total non-current borrowings</b>		<b>1,404,933</b>	<b>1,712,736</b>	<b>6,243</b>	<b>6,359</b>
<b>Current</b>					
Lease liabilities	16.1	18,812	14,666	117	115
<b>Secured</b>					
Islamic financing facility	16.2	100,000	120,000	—	—
<b>Total current borrowings</b>		<b>118,812</b>	<b>134,666</b>	<b>117</b>	<b>115</b>
<b>Total borrowings</b>		<b>1,523,745</b>	<b>1,847,402</b>	<b>6,360</b>	<b>6,474</b>

Terms and debt repayment schedule:

<b>Group</b> <i>In RM'000</i>	Total	Under 1 year	1-2 years	2-5 years	Over 5 years
Lease liabilities	358,745	18,812	10,541	35,703	293,689
<b>Secured</b>					
Islamic financing facility	1,165,000	100,000	95,000	280,000	690,000
<b>Total borrowings</b>	<b>1,523,745</b>	<b>118,812</b>	<b>105,541</b>	<b>315,703</b>	<b>983,689</b>
<b>Company</b>					
Lease liabilities	6,360	117	135	476	5,632
<b>Total borrowings</b>	<b>6,360</b>	<b>117</b>	<b>135</b>	<b>476</b>	<b>5,632</b>

**16. BORROWINGS (continued)**

16.1 The Group's lease liabilities represent committed future payments for rights-of-use assets in relation to usage of jetty facilities, lease of land, rental of seabed, charter hire of floating storage units from related companies and state governments.

The lease liabilities bear interest at rates ranging from 4.27% to 8.40% per annum (2024: 4.27% to 8.40% per annum).

During the year, the Group's subsidiary entered into an agreement with a related company for a one-off settlement of the annual fixed charges, representing the remaining lease payments under the Jetty Usage Agreement for the provision of jetty facilities at the terminal. In accordance with MFRS 16 *Leases*, the lease modification has been accounted for against the carrying amount of the respective right-of-use assets. As at 31 December 2025, the amount has been reclassified to amount due to a related party and is expected to be paid in financial year 2026.

16.2 The secured Islamic financing facility obtained by a subsidiary of the Group comprise:

<i>In RM'000</i>	<b>2025</b>	<b>2024</b>
RM-denominated Islamic Murabahah Medium Term Notes	1,165,000	1,285,000

The RM-denominated Islamic Murabahah Medium Term Notes ("Sukuk Murabahah") relates to issuance by a subsidiary of the Group totalling RM1.7 billion under its Islamic Medium Term Note Programme ("Programme").

The Sukuk Murabahah bears profit rates ranging from 2.03% to 3.74% per annum (2024: 2.03% to 3.74% per annum) and the remaining amount is fully repayable at their various tranches due dates from 2026 to 2040.

It is secured by way of first ranking assignment and charge over a deposit and a finance service reserve account as disclosed in Note 12 which is to be funded to a minimum balance equivalent to the next 6 months' principal payment and next 6 months' periodic profit payment due.

In connection with the Programme, the subsidiary ("Issuer") has agreed to the following significant covenants:

- i) Issuer shall maintain a maximum debt to equity ratio of 80:20; and
- ii) Issuer shall maintain a Finance Service Cover Ratio of not less than 1.25 times.

## 16. BORROWINGS (continued)

## Reconciliation of movement of liabilities to cash flows arising from financing activities

Group <i>In RM'000</i>	Islamic financing facilities	Lease liabilities	Total
<b>Balance at 1 January 2025</b>	1,285,000	562,402	1,847,402
<b>Changes from financing cash flows</b>			
- payment of lease liabilities	—	(20,426)	(20,426)
- repayment of Islamic financing facility	(120,000)	—	(120,000)
- financing costs paid	(39,739)	(49,087)	(88,826)
<b>Total changes from financing cash flows</b>	(159,739)	(69,513)	(229,252)
Effect of changes in foreign exchange rates	—	(61,970)	(61,970)
<b>Other liability-related changes</b>			
- acquisition of new lease	—	338,130	338,130
- modification of lease liabilities*	—	(459,391)	(459,391)
- accrued interest expense	690	—	690
- financing costs capitalised	3,150	3,960	7,110
- financing costs	35,899	45,127	81,026
<b>Total other liability-related changes</b>	39,739	(72,174)	(32,435)
<b>Balance at 31 December 2025</b>	1,165,000	358,745	1,523,745
<b>Group</b> <i>In RM'000</i>	<b>Islamic financing facilities</b>	<b>Lease liabilities</b>	<b>Total</b>
<b>Balance at 1 January 2024</b>	2,564,348	588,121	3,152,469
<b>Changes from financing cash flows</b>			
- payment of lease liabilities	—	(14,016)	(14,016)
- repayment of Islamic financing facility	(1,281,000)	—	(1,281,000)
- repayment of loan from corporate shareholder of a subsidiary	—	—	—
- financing costs paid	(54,680)	(47,584)	(102,264)
<b>Total changes from financing cash flows</b>	(1,335,680)	(61,600)	(1,397,280)
Effect of changes in foreign exchange rates	—	(17,121)	(17,121)
<b>Other liability-related changes</b>			
- acquisition of new lease	—	5,418	5,418
- accrued interest expense	379	—	379
- financing costs capitalised	14,533	490	15,023
- financing costs	41,420	47,094	88,514
<b>Total other liability-related changes</b>	56,332	53,002	109,334
<b>Balance at 31 December 2024</b>	1,285,000	562,402	1,847,402

\* Consists of downward revision on lease liabilities arising from a one-off settlement arrangement relating to the lease outstanding balances of RM546,811,000, offset by an upward revision following lease modification amounting to RM87,420,000.

## 16. BORROWINGS (continued)

## Reconciliation of movement of liabilities to cash flows arising from financing activities (continued)

Company <i>In RM'000</i>	Islamic financing facility	Lease liabilities	Total
<b>Balance at 1 January 2025</b>	—	6,474	6,474
<b>Changes from financing cash flows</b>			
- payment of lease liabilities	—	(114)	(114)
- financing costs paid	—	(526)	(526)
<b>Total changes from financing cash flows</b>	—	(640)	(640)
<b>Other liability-related changes</b>			
- financing costs	—	526	526
<b>Total other liability-related changes</b>	—	526	526
<b>Balance at 31 December 2025</b>	—	6,360	6,360

Company <i>In RM'000</i>	Islamic financing facility	Lease liabilities	Total
<b>Balance at 1 January 2024</b>	1,169,348	6,587	1,175,935
<b>Changes from financing cash flows</b>			
- payment of lease liabilities	—	(113)	(113)
- repayment of Islamic financing facility	(1,171,000)	—	(1,171,000)
- financing costs paid	(12,450)	(535)	(12,985)
<b>Total changes from financing cash flows</b>	(1,183,450)	(648)	(1,184,098)
<b>Other liability-related changes</b>			
- financing costs capitalised	14,102	—	14,102
- financing costs	—	535	535
<b>Total other liability-related changes</b>	14,102	535	14,637
<b>Balance at 31 December 2024</b>	—	6,474	6,474

**17. OTHER LONG-TERM LIABILITIES AND PROVISIONS**

<i>In RM'000</i>	Note	<b>Group</b>		<b>Company</b>	
		<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Contract liabilities	17.1	15,790	18,046	15,790	18,046
Provision for decommissioning of property, plant and equipment	17.2	38,738	33,588	13,079	11,686
Other long-term liabilities and provisions		54,528	51,634	28,869	29,732

17.1 The movements of contract liabilities during the financial year are as follows:

<i>In RM'000</i>	Note	<b>Group</b>		<b>Company</b>	
		<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>Balance at 1 January 2025</b>		20,638	22,956	20,638	22,956
Additions		1,206	1,345	1,277	1,345
Less: recognised in the profit or loss		(3,798)	(3,663)	(3,806)	(3,663)
<b>Balance at 31 December 2025</b>		18,046	20,638	18,109	20,638
Analysis of contract liabilities:					
Non-current		15,790	18,046	15,790	18,046
Current	18	2,256	2,592	2,319	2,592
		18,046	20,638	18,109	20,638

Contract liabilities mainly relate to payments received in advance from a subsidiary, a related company and a related party for the utilisation of the Company's properties and equipments over a specified period. These contract liabilities are subsequently recognised in profit or loss on a time-apportionment basis over the relevant period.

17.2 The movements of provision for decommissioning during the financial year are as follows:

<i>In RM'000</i>	<b>Group</b>	<b>Company</b>
<b>Balance at 1 January 2025</b>	33,588	11,686
Net changes in provision	3,611	864
Unwinding of discount	1,539	529
<b>Balance at 31 December 2025</b>	38,738	13,079

As at 31 December 2025, the provision for decommissioning is expected to be utilised as follows:

<i>In RM'000</i>	<b>Group</b>	<b>Company</b>
11 to 20 years	17,284	—
More than 20 years	21,454	13,079
	38,738	13,079

**17. OTHER LONG-TERM LIABILITIES AND PROVISIONS (continued)**

The provision comprises provision for decommissioning of property, plant and equipment in relation to the Group's and Company's obligation to decommission and remove certain assets, and to restore land leased to its original condition upon expiry of leases between 2036 and 2046.

The corresponding amount of the provision for decommissioning made has been capitalised into the relevant property, plant and equipment.

The provision has been made based on present value of estimated decommissioning costs using discount rates ranging from 4.0% to 4.1% (2024: 4.2% to 4.3%).

**18. TRADE AND OTHER PAYABLES**

<i>In RM'000</i>	Note	Group		Company	
		2025	2024	2025	2024
Other payables and accruals	18.1	1,012,297	878,895	915,117	747,071
Amount due to:					
- holding company	18.2	158,907	148,831	132,448	124,251
- subsidiaries	18.2	—	—	45	12
- joint venture	18.2	66	10	66	10
- related companies	18.3	342,189	354,491	291,180	293,626
- related party	18.4	702,910	—	—	—
Derivative liabilities	8	3,703	757	3,602	—
Contract liabilities	17.1	2,256	2,592	2,319	2,592
		<u>2,222,328</u>	<u>1,385,576</u>	<u>1,344,777</u>	<u>1,167,562</u>

18.1 Included in other payables and accruals are amount owing to suppliers and contractors for the purchase of property, plant and equipment for the Group of RM679,861,000 (2024:RM562,964,000) and for the Company of RM610,850,000 (2024: RM463,297,000).

18.2 Amount due to holding company, subsidiaries and joint venture arose in the normal course of business and are non-trade in nature.

18.3 Amount due to related companies arose in the normal course of business and relates to:

<i>In RM'000</i>	Group		Company	
	2025	2024	2025	2024
Trade	190,379	185,966	179,838	182,181
Non-trade	151,810	168,525	111,342	111,445
	<u>342,189</u>	<u>354,491</u>	<u>291,180</u>	<u>293,626</u>

Included in amount due to related companies are amounts owing to suppliers and contractors for the purchase of property, plant and equipment for the Group of RM80,461,000 (2024: RM96,058,000) and for the Company of RM48,451,000 (2024: RM52,496,000).

18.4 The amount due to a related party relates to the agreed one-off full settlement of lease liabilities under the Jetty Usage Agreement, as disclosed in Note 16.2.

**19. REVENUE*****Revenue from contracts with customers***

The Group's total revenue which also represents revenue from contracts with customers are disaggregated by primary geographical market and major products and services as follows:

<i>In RM'000</i>	<b>2025</b>	<b>Group 2024</b>	<b>2025</b>	<b>Company 2024</b>
<b>Geographical locations</b>				
Peninsular Malaysia	6,373,840	6,538,245	4,997,040	5,184,749
<b>Total revenue from contracts with customers</b>	<b>6,373,840</b>	<b>6,538,245</b>	<b>4,997,040</b>	<b>5,184,749</b>
<b>Products and services</b>				
Gas processing services	1,866,642	1,872,525	1,866,642	1,872,525
Gas transportation services	1,124,027	1,189,178	1,124,027	1,189,178
Regasification services	1,324,695	1,330,351	—	—
Utilities				
- Electricity	721,237	788,657	721,237	788,657
- Steam	845,302	838,261	845,302	838,261
- Industrial gases	358,185	406,437	358,185	406,437
- Others*	73,612	77,564	73,612	77,564
LNG ancillary services	53,841	24,889	—	—
Operations and maintenance services	6,299	10,383	8,035	12,127
<b>Total revenue from contracts with customers</b>	<b>6,373,840</b>	<b>6,538,245</b>	<b>4,997,040</b>	<b>5,184,749</b>

\* Others relate to sale of water, other utilities products and services.

**19. REVENUE (continued)***Revenue from contracts with customers (continued)*

The Group's disaggregated revenue for each reportable segments are as follows:

<b>Group 2025</b>	<b>Gas Processing</b>	<b>Gas Transportation</b>	<b>Gas Regasification</b>	<b>Utilities</b>	<b>Total</b>
<i>In RM'000</i>					
Gas processing services	1,866,642	—	—	—	1,866,642
Gas transportation services	—	1,124,027	—	—	1,124,027
Regasification services	—	—	1,324,695	—	1,324,695
Utilities	—	—	—	1,998,336	1,998,336
LNG ancillary services	—	—	53,841	—	53,841
Operations and maintenance services	—	6,299	—	—	6,299
	<b>1,866,642</b>	<b>1,130,326</b>	<b>1,378,536</b>	<b>1,998,336</b>	<b>6,373,840</b>

<b>Group 2024</b>	<b>Gas Processing</b>	<b>Gas Transportation</b>	<b>Gas Regasification</b>	<b>Utilities</b>	<b>Total</b>
<i>In RM'000</i>					
Gas processing services	1,872,525	—	—	—	1,872,525
Gas transportation services	—	1,189,178	—	—	1,189,178
Regasification services	—	—	1,330,351	—	1,330,351
Utilities	—	—	—	2,110,919	2,110,919
LNG ancillary services	—	—	24,889	—	24,889
Operations and maintenance services	—	10,383	—	—	10,383
	<b>1,872,525</b>	<b>1,199,561</b>	<b>1,355,240</b>	<b>2,110,919</b>	<b>6,538,245</b>

**19. REVENUE (continued)****Nature of goods and services**

The following describes information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms and the related revenue recognition policies.

<b>Nature of products and services</b>	<b>Timing of recognition or method used to recognise revenue and significant payment terms</b>	<b>Variable elements in consideration</b>
<b><i>Gas processing services</i></b> Processing of natural gas into sales gas and by-products	Upon services being rendered, invoices are issued at pre-determined tariff on a monthly basis at month-end, and are payable within 30 days.	There is a performance-based income upon achieving certain plant and equipment efficiency to extract liquid by-products from natural gas. This contributes less than 10% of the total consideration.
<b><i>Gas transportation services</i></b> Transportation of processed gas to end customers	Upon services being rendered, invoices are issued at pre-determined tariff on a monthly basis at month-end, and are payable within 30 days.	No variable considerations.
<b><i>Regasification services</i></b> Regasification of liquefied natural gas into Peninsular Gas Utilisation pipeline network and Pengerang Integrated Complex	Upon services being rendered, invoices are issued at pre-determined tariff on a monthly basis at month-end, and are payable within 30 days.	No variable considerations.
<b><i>Utilities</i></b> Sale of industrial utilities to petrochemical complexes and national electricity grid	Upon industrial utilities distribution to customers, invoices are issued at pre-determined rates on a monthly basis at month-end, and are payable within 30 days.	No variable considerations.
<b><i>LNG ancillary services</i></b> Gassing up cooling down services	Upon services being rendered, invoices are issued at pre-determined tariff per service basis and are payable within 7 days.	No variable considerations.
LNG reloading services	Upon services being rendered, invoices are issued at pre-determined tariff on a monthly basis at month-end, and are payable within 30 days.	No variable considerations.
LNG truck loading services	Upon services being rendered, invoices are issued at pre-determined tariff on a monthly basis at month-end, and are payable within 30 days.	No variable considerations.

**19. REVENUE (continued)****Nature of goods and services (continued)**

<b>Nature of products and services</b>	<b>Timing of recognition or method used to recognise revenue and significant payment terms</b>	<b>Variable elements in consideration</b>
<b><i>LNG ancillary services (continued)</i></b>		
Storage services	Upon services being rendered, invoices are issued at pre-determined rate on a monthly basis at month-end, and are payable within 30 days.	No variable considerations.
<b><i>Operations &amp; maintenance services</i></b>		
Provision of manpower to operate and maintain customer facilities	Upon services being rendered, invoices are issued at pre-determined tariff on a monthly basis at month-end, and are payable within 30 days.	No variable considerations.

***Transaction price allocated to the remaining performance obligations***

The following table shows revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. The disclosure only provides information for contracts that have a duration of more than one year.

<b>Gas Processing Services</b> <i>In RM'000</i>	<b>Within 1 year</b>	<b>1 – 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>Group and Company</b>				
Gas processing services				
- Reservation charges	1,704,000	3,408,000	—	5,112,000

The Group has a 20-year agreement from 2014 to 2033 with the holding company to provide gas processing services through the Gas Processing Agreement (“GPA”). Pursuant to the 3rd term of the GPA effective 1 January 2024 till 31 December 2028, there is remaining unsatisfied performance obligation to the customer for the next 3 years. There does not exist any unsatisfied performance obligation beyond 3 years as tariffs and quantity nomination have yet to be agreed.

The Group and the Company applied the practical expedient for exemption on disclosure of information on remaining performance obligation that is yet to be satisfied (or partially not satisfied) for contracts with customers as the performance obligation has an original expected duration of one year or less as follows:

**i) Gas Transportation Services**

The Group has long term agreements with a related company and holding company to provide gas transportation services that is subject to annual capacity reservation by the customers.

**ii) Regasification Services**

The Group has two LNG regasification facilities in Melaka and Johor that provide LNG regasification services.

Regas Terminal (Sg. Udang) Sdn. Bhd. (“RGTSU”) and Pengerang LNG (Two) Sdn. Bhd. (“PLNG2”), being the subsidiaries of the Group, have a long term agreement with a related company to provide LNG regasification services that is subject to annual capacity nomination by the customer.

**19. REVENUE (continued)**

**iii) Utilities**

The Group has long term agreements to supply industrial utilities to various customers in the Kertih Integrated Petrochemical Complex and Gebeng Industrial Area that are subject to daily, monthly, quarterly and annual nominations by the customers as well as fixed minimum offtake charges.

**iv) LNG ancillary services**

***LNG reloading services***

RGTSU, a subsidiary of the Group, has long-term agreement with a related company to provide LNG reloading services that is subject to annual nomination schedule by the customer.

***LNG truck loading services***

PLNG2, a subsidiary of the Group, has a long-term agreement with a related company to provide LNG truck loading services that is subject to annual operation schedule agreed by the customer.

***Storage Services***

PLNG2, a subsidiary of the Group, has a long-term agreement with a related company to provide storage services at a fixed capacity.

**20. OPERATING PROFIT**

<i>In RM'000</i>	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b><i>Included in operating profit are the following charges:</i></b>				
Auditor's remuneration:				
- audit fees	654	608	383	365
- non-audit service fees	148	88	43	13
Depreciation of property, plant and equipment	1,223,466	1,173,228	822,087	783,058
Net impairment losses on property, plant and equipment	—	1,923	—	1,923
Net impairment on receivables	161	—	161	—
Property, plant and equipment expensed-off	1,729	2,177	1,729	2,156
Net realised loss on foreign exchange	5,822	—	894	—
Rental of:				
- land and buildings	8,972	8,827	8,093	7,801
- equipment and motor vehicles	36,098	23,763	15,664	14,888
Staff costs:				
- wages, salaries and others	385,064	490,481	358,699	459,240
- contributions to Employees Provident Fund	46,011	62,204	43,046	58,638
Net unrealised loss on foreign exchange	—	—	12,849	3,857
Write-down of inventories	—	12,102	—	12,080
Write-offs of:				
- property, plant and equipment	14,360	1,475	14,360	442
- inventories	2,611	154	—	154
<b><i>and crediting:</i></b>				
Dividend income (quoted)				
- associate	—	—	49,174	44,367
Dividend income (unquoted)				
- subsidiaries	—	—	212,801	407,453
- joint ventures	—	—	63,000	24,145
Net gain on disposal of property, plant and equipment*	9,007	18,636	9,007	18,636
Profit from fund investment	93,509	117,399	83,458	109,766
Interest income from term loan due from a joint venture	2,684	5,968	2,684	5,968
Net impairment reversals on receivables	—	191	—	191
Rental income on land and buildings	4,162	4,325	4,567	5,277
Net reversal of inventories write-down	1,723	—	1,701	—
Net realised gain on foreign exchange	—	114	—	6,328
Net unrealised gain on foreign exchange	41,990	12,310	—	—

\* Comprises gain on disposal of land amounting to RM10,016,000 (2024: RM18,973,000) in the Group and the Company.

## 21. FINANCING COSTS

<i>In RM'000</i>	<b>2025</b>	<b>Group 2024</b>	<b>2025</b>	<b>Company 2024</b>
<b>Recognised in profit or loss:</b>				
- Lease liabilities	45,127	47,094	526	535
- Islamic financing facility	35,899	41,420	—	—
- Unwinding of discount for provisions	1,539	1,379	529	475
	<u>82,565</u>	<u>89,893</u>	<u>1,055</u>	<u>1,010</u>
<b>Capitalised into qualifying assets:</b>				
- Lease liabilities	3,960	490	—	—
- Islamic financing facilities	3,150	14,533	—	14,102
	<u>7,110</u>	<u>15,023</u>	<u>—</u>	<u>14,102</u>
<b>Total financing costs</b>	<u>89,675</u>	<u>104,916</u>	<u>1,055</u>	<u>15,112</u>

## 22. TAX EXPENSE

<i>In RM'000</i>	<b>2025</b>	<b>Group 2024</b>	<b>2025</b>	<b>Company 2024</b>
<b>Current tax expenses</b>				
Current year	354,329	334,404	346,902	327,772
Under provision in prior years	48,394	18,422	49,548	18,316
Total current tax expenses	<u>402,723</u>	<u>352,826</u>	<u>396,450</u>	<u>346,088</u>
<b>Deferred tax expenses</b>				
Origination and reversal of temporary differences	110,123	78,235	55,362	23,916
(Over)/Under provision in prior years	(4,314)	5,637	(7,182)	5,343
Total deferred tax expenses	<u>105,809</u>	<u>83,872</u>	<u>48,180</u>	<u>29,259</u>
<b>Total tax expenses</b>	<u>508,532</u>	<u>436,698</u>	<u>444,630</u>	<u>375,347</u>

**22. TAX EXPENSE (continued)**

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

<b>Group</b>				
<i>In RM'000</i>	<b>%</b>	<b>2025</b>	<b>%</b>	<b>2024</b>
Profit before taxation		<u>2,345,004</u>		<u>2,360,346</u>
Taxation at Malaysian statutory tax rate	24.0	562,801	24.0	566,483
Share of results of joint ventures and associate	(1.8)	(42,812)	(1.5)	(35,349)
Non-deductible expenses	1.0	23,956	0.7	16,261
Tax exempt income	(0.1)	(1,698)	(0.2)	(4,554)
Tax incentive	—	—	(2.5)	(60,220)
Income not subjected to tax due to tax incentives granted	(3.3)	(77,795)	(3.0)	(69,982)
	<u>19.8</u>	<u>464,452</u>	<u>17.5</u>	<u>412,639</u>
Under provision in prior years		44,080		24,059
Tax expense		<u>508,532</u>		<u>436,698</u>
<b>Company</b>				
<i>In RM'000</i>	<b>%</b>	<b>2025</b>	<b>%</b>	<b>2024</b>
Profit before taxation		<u>1,929,766</u>		<u>2,177,352</u>
Taxation at Malaysian statutory tax rate	24.0	463,144	24.0	522,564
Non-deductible expenses	1.0	18,812	0.4	8,129
Tax exempt income	(4.1)	(79,692)	(5.5)	(118,785)
Tax incentive	—	—	(2.8)	(60,220)
	<u>20.9</u>	<u>402,264</u>	<u>16.1</u>	<u>351,688</u>
Under provision in prior years		42,366		23,659
Tax expense		<u>444,630</u>		<u>375,347</u>

The Group is subject to Pillar Two legislation which come into effect on 1 January 2025.

Following the Amendments to MFRS 112 *Income Taxes International Tax Reform - Pillar Two Model Rules*, mandatory temporary exception has been applied to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules as well as disclosure requirements on the exposure to Pillar Two income taxes upon adoption.

The assessment of the Pillar Two income taxes is performed based on best financial statements information available for the constituent entities in PETRONAS Group as at reporting period by applying the requirements issued by Organisation for Economic Co-operation and Development (“OECD”). Based on the assessment carried out for the period, the Pillar Two effective tax rate (“ETR”) in which PETRONAS Group operates are above 15%. Therefore, the Group does not expect a potential exposure to Pillar Two top-up taxes.

### 23. DIVIDENDS

<i>In RM'000</i>	<b>Company</b>	
	<b>2025</b>	<b>2024</b>
<b>Ordinary</b>		
<b>Interim paid:</b>		
2023 - Fourth interim dividend of 22 sen per ordinary share	—	435,321
2024 - First interim dividend of 16 sen per ordinary share	—	316,597
2024 - Second interim dividend of 16 sen per ordinary share	—	316,597
2024 - Third interim dividend of 18 sen per ordinary share	—	356,172
2024 - Fourth interim dividend of 22 sen per ordinary share	435,321	—
2025 - First interim dividend of 16 sen per ordinary share	316,597	—
2025 - Second interim dividend of 16 sen per ordinary share	316,597	—
2025 - Third interim dividend of 18 sen per ordinary share	356,172	—
	<u>1,424,687</u>	<u>1,424,687</u>

The Directors had on 24 February 2026 declared a fourth interim dividend of 22 sen per ordinary share amounting to RM435,321,000 in respect of the financial year ended 31 December 2025. The financial statements for the current financial year do not reflect these declared interim dividends. The dividends will be accounted for in equity as an appropriation of retained profits in the financial statements for the financial year ending 31 December 2026.

The net dividend per ordinary share for the respective financial year ended 31 December takes into account the total interim dividends declared as follows:

<i>In Sen</i>	<b>Company</b>	
	<b>2025</b>	<b>2024</b>
Declared and paid - net		
First interim dividend per ordinary share	16	16
Second interim dividend per ordinary share	16	16
Third interim dividend per ordinary share	18	18
	<u>50</u>	<u>50</u>
Declared but not paid - net		
Fourth interim dividend per ordinary share	22	22
	<u>72</u>	<u>72</u>

## 24. EARNINGS PER SHARE

### Basic earnings per share

The calculation of basic earnings per ordinary share was based on the Group's net profit attributable to shareholders of the Company of RM1,727,124,000 (2024: RM1,836,339,000), over the number of ordinary shares outstanding during the year of 1,978,732,000 (2024: 1,978,732,000).

### Diluted earnings per share

The Company has not issued any dilutive potential ordinary shares, hence, the diluted EPS is the same as the basic EPS.

<i>In Sen</i>	<b>Company</b>	
	<b>2025</b>	<b>2024</b>
Basic and diluted earnings per ordinary share	87.3	92.8

## 25. CAPITAL COMMITMENTS

Outstanding commitments in respect of capital expenditure at the end of the reporting year not provided for in the financial statements are:

<i>In RM'000</i>	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>Property, plant and equipment</b>				
<i>Approved and contracted for</i>				
Less than one year	638,330	666,093	290,605	287,504
Between one and five years	320,059	208,153	260,302	104,112
	<u>958,389</u>	<u>874,246</u>	<u>550,907</u>	<u>391,616</u>
<i>Approved but not contracted for</i>				
Less than one year	2,087,566	1,175,140	1,892,260	1,078,257
Between one and five years	4,130,702	3,551,945	3,836,492	3,214,977
	<u>6,218,268</u>	<u>4,727,085</u>	<u>5,728,752</u>	<u>4,293,234</u>
	<u>7,176,657</u>	<u>5,601,331</u>	<u>6,279,659</u>	<u>4,684,850</u>
<b>Share of capital expenditure of joint ventures</b>				
<i>Approved and contracted for</i>				
Less than one year	341,028	90,639	—	—
Between one and five years	220,300	345,000	—	—
	<u>561,328</u>	<u>435,639</u>	<u>—</u>	<u>—</u>
<i>Approved but not contracted for</i>				
Less than one year	100,006	126,938	—	—
Between one and five years	29,053	6,153	—	—
	<u>129,059</u>	<u>133,091</u>	<u>—</u>	<u>—</u>
	<u>690,387</u>	<u>568,730</u>	<u>—</u>	<u>—</u>
<b>Total commitments</b>	<u>7,867,044</u>	<u>6,170,061</u>	<u>6,279,659</u>	<u>4,684,850</u>

## 26. RELATED PARTY DISCLOSURES

### Significant transactions with related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

The Group's and the Company's related parties include subsidiaries, joint ventures, associate, as well as the holding and ultimate holding company, PETRONAS and its related entities. The Group's related parties also include Government of Malaysia and its related entities as the Company's holding company, PETRONAS is wholly-owned by the Government of Malaysia.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and an entity that provides key management personnel services to the Group. The key management personnel include all the Directors of the Group.

### Key management personnel compensation

<i>In RM'000</i>	<b>Group and Company</b>	
	<b>2025</b>	<b>2024</b>
<b>Directors</b>		
- Fees	1,431	811
- Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	27	39
	<u>1,458</u>	<u>850</u>

In addition to directors' compensation paid directly as above, the Company paid to the holding company fees for representation on the Board of Directors and reimbursement of key management personnel costs and benefits as disclosed below.

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

<i>In RM'000</i>	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>Government of Malaysia's related entities:</b>				
Projek Lebuhraya Usahasama Berhad				
- Repair and maintenance services	(5,016)	—	(5,016)	—
Tenaga Nasional Berhad				
- Sales of industrial utilities	71,286	51,214	71,286	51,214
- Purchase of electricity	(90,819)	(63,000)	(65,971)	(32,986)
TNB Repair and Maintenance Sdn. Bhd.				
- Provision of repair and maintenance services	(41,515)	(42,515)	(41,515)	(42,515)

## 26. RELATED PARTY DISCLOSURES (continued)

<i>In RM'000</i>	<b>2025</b>	<b>Group 2024</b>	<b>2025</b>	<b>Company 2024</b>
<b>Holding company:</b>				
- Gas processing fee income	1,860,100	1,865,983	1,860,100	1,865,983
- Profit from fund investment	48,159	87,633	45,251	85,342
- Insurance claim	41,783	958	41,783	958
- Staff secondment services	(440,824)	(447,967)	(413,696)	(420,283)
- Information, communication and technology charges	(62,993)	(74,354)	(57,652)	(66,746)
- Insurance expense	(33,457)	(32,153)	(28,535)	(27,433)
- Staff medical expense	(27,369)	(21,558)	(25,769)	(20,013)
- Financial services	(17,167)	(16,171)	(12,801)	(11,221)
- Corporate security charges	(10,698)	(11,029)	(8,767)	(9,108)
- Supply chain and management services	(17,028)	(9,796)	(15,830)	(9,385)
- Rental of office premises	(7,966)	(7,318)	(7,966)	(7,318)
- Reimbursement of key management costs	(2,188)	(2,089)	(2,188)	(2,089)
- Fees for representation on the Board of Directors	(795)	(643)	(795)	(643)
<b>Related companies:</b>				
CEFS Response				
- Contribution for emergency response services	(12,996)	(12,611)	(12,996)	(12,543)
Gas Asia Terminal (L) Pte. Ltd.				
- Time charter services	(127,365)	(123,058)	—	—
PCG PCC Oxyalkylates Sdn Bhd				
- Sales of industrial utilities	15,080	15,379	15,080	15,379
Pengerang Power Sdn. Bhd.				
- Purchase of electricity	(36,613)	(37,544)	—	—
PETCO Trading Labuan Co. Ltd.				
- LPG import and export service income	6,543	6,543	6,543	6,543
PETRONAS Chemicals Ammonia Sdn. Bhd.				
- Sales of industrial utilities	233,853	264,667	233,853	264,667
PETRONAS Chemicals Aromatics Sdn. Bhd.				
- Sales of industrial utilities	64,512	84,671	64,512	84,671

## 26. RELATED PARTY DISCLOSURES (continued)

<i>In RM'000</i>	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>Related companies (continued):</b>				
PETRONAS Chemicals Derivatives Sdn. Bhd.				
- Sales of industrial utilities	749,258	788,058	749,258	788,058
PETRONAS Chemicals Ethylene Sdn. Bhd.				
- Sales of industrial utilities	16,545	17,607	16,545	17,607
PETRONAS Chemicals LDPE Sdn. Bhd.				
- Sales of industrial utilities	113,795	136,645	113,795	136,645
PETRONAS Chemicals Marketing Labuan Ltd.				
- Purchase of hydrogen	(7,419)	(5,138)	(7,419)	(5,138)
PETRONAS Chemicals MTBE Sdn. Bhd.				
- Sales of industrial utilities	254,314	238,286	254,314	238,286
PETRONAS Digital Sdn. Bhd.				
- Information, communication and technology	(31,380)	(18,255)	(28,051)	(16,754)
PETRONAS Energy and Gas Trading Sdn. Bhd.				
- Regasification fee income	1,324,695	1,330,352	—	—
- Gas transportation fee income	1,110,497	1,175,648	1,110,497	1,175,648
- Reloading income	8,115	10,913	—	—
- LNG truck loading income	11,631	9,893	—	—
- Purchase of fuel gas	(1,391,859)	(1,468,671)	(1,391,859)	(1,468,671)
- Purchase of gas for internal gas consumption	(168,971)	(181,007)	(159,012)	(178,285)
- Purchase of heelstock for FSU	(5,507)	—	—	—
PETRONAS Global Technical Services Sdn. Bhd.				
- Technical manpower services	(3,868)	(16,622)	—	—
PETRONAS LNG Ltd.				
- Storage fee income	32,765	—	—	—
PETRONAS Lubricants Marketing Sdn. Bhd.				
- Purchase of petroleum products	(5,703)	(4,853)	(5,561)	(4,573)
PETRONAS Refinery and Petrochemical Sdn. Bhd.				
- Information, communication and technology services	(493)	(5,515)	—	—
PETRONAS Technical Services Sdn. Bhd.				
- Technical consultancy fees	(175,479)	(133,656)	(169,549)	(126,474)
PETRONAS Technical Training Sdn. Bhd.				
- Training and development related costs	(5,095)	(12,107)	(4,836)	(11,726)
Southern Gas Terminal (L) Private Limited				
- Project commissioning fee	(28,868)	(17,823)	—	—
- Charter operating and maintenance services	(15,807)	—	—	—
Sungai Udang Port Sdn. Bhd.				
- Marine services	(6,864)	(6,767)	—	—

**26. RELATED PARTY DISCLOSURES (continued)**

<i>In RM'000</i>	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>Subsidiaries:</b>				
Regas Terminal (Sg. Udang) Sdn. Bhd.				
- Management fee income	—	—	3,918	3,979
- Pipeline maintenance fee income	—	—	1,804	1,771
- Technical and engineering services fee income	—	—	1,361	2,257
- Annual access right fee income	—	—	417	417
- Rental office income	—	—	(42)	256
- Rental warehouse income	—	—	47	80
Pengerang LNG (Two) Sdn. Bhd.				
- Management fee income	—	—	4,011	4,106
- Technical and engineering services fee income	—	—	621	2,473
- Rental office income	—	—	(16)	199
- Pipeline maintenance fee income	—	—	65	77
PG Cold Energy 1 Sdn. Bhd. [Formerly known as Regas Terminal (Pengerang) Sdn. Bhd.]				
- Management fee income	—	—	1,718	1,997
Sipitang Utilities Sdn. Bhd.				
- Management fee income	—	—	377	429
- Manpower charges	—	—	877	631
PG Energia Sdn. Bhd.				
- Management fee income	—	—	269	—
PG LinkaranFibre Sdn. Bhd.				
- Management fee income	—	—	2,488	—
<b>Joint ventures:</b>				
Industrial Gases Solutions Sdn. Bhd.				
- Sales of industrial utilities	8,594	12,638	8,594	12,638
- Purchase of nitrogen	(8,136)	(10,611)	(8,116)	(9,955)
Kimanis Power Sdn. Bhd.				
- Secondment fee income	1,538	1,389	1,538	1,389
Pengerang Gas Solutions Sdn. Bhd.				
- Interest income	2,684	5,968	2,684	5,968
- Secondment fee income	1,070	1,070	1,070	1,070
- Management fee income	538	538	538	538
<b>Joint ventures and associates of the holding company and related companies:</b>				
BASF PETRONAS Chemicals Sdn. Bhd.				
- Sales of industrial utilities	166,198	175,517	166,198	175,517
- Settlement payment for industrial utilities	52,000	—	52,000	—

**26. RELATED PARTY DISCLOSURES (continued)**

<i>In RM'000</i>	<b>2025</b>	<b>Group 2024</b>	<b>2025</b>	<b>Company 2024</b>
<b>Joint ventures and associates of the holding company and related companies (continued):</b>				
Ineos PCG Acetyls Sdn. Bhd.				
- Sales of industrial utilities	38,662	47,363	38,662	47,363
Kertih Terminals Sdn. Bhd.				
- Sales of industrial utilities	7,130	8,249	7,130	8,249
Pengerang Terminals (Two) Sdn. Bhd.				
- Jetty usage charges*	(777,120)	(88,301)	—	—
Trans Thai-Malaysia (Malaysia) Sdn. Bhd.				
- Right of way and maintenance fees income	4,681	6,503	4,681	6,503
Kimanis Power (Dua) Sdn. Bhd.				
- Project commissioning fee	4,642	—	4,642	—

\* Includes a one-off settlement arrangement for lease outstanding balances related to jetty usage charges.

Included in the fees for representation on the Board of Directors are fees paid directly to holding company in respect of certain directors who are appointees of the holding company.

Information regarding outstanding balances at reporting date arising from related party transactions are disclosed in Note 7, Note 11, Note 16, Note 17 and Note 18.

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established on a commercial basis.

## 27. OPERATING SEGMENTS

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Chief Operating Decision Maker which is the Board of Directors, reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Gas processing – activities include processing of natural gas into sales gas and other by-products such as ethane, propane and butane.
- Gas transportation – activities include transportation of processed gas to shippers' end customers and provision of operations and maintenance services.
- Regasification – activities include regasification of liquefied natural gas ("LNG") and provision of ancillary services comprising LNG reloading, truck loading, gassing up, cooling down services and storage services.
- Utilities – activities include manufacturing, marketing and supplying of industrial utilities.

Performance is measured based on segment gross profit as included in the internal management reports. Segment gross profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments.

Segment results refer to segment gross profit. The total segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated income mainly comprise forex gain or loss as well as other corporate income and expenses.

The total of segment assets are measured based on all assets of a segment, excluding interest bearing assets and corporate assets as these are managed on a group basis.

The segmental information in respect of the joint ventures and associate is not presented as the contribution of the joint ventures and associate and the carrying amounts of investment in the joint ventures and associate have been reflected in the statement of profit or loss and other comprehensive income and statement of financial position of the Group. Details of the joint ventures and associate are disclosed in Note 35 and Note 36 to the financial statements respectively.

Segment capital expenditure is the total cost incurred during the period to acquire non-current assets that are expected to be used for more than one period, other than financial instruments and deferred tax assets.

27. OPERATING SEGMENTS (continued)

**Group  
Business Segments  
2025**

<i>In RM'000</i>	<b>Gas Processing</b>	<b>Gas Transportation</b>	<b>Gas Regasification</b>	<b>Utilities</b>	<b>Total</b>
Revenue	1,866,642	1,130,326	1,378,536	1,998,336	6,373,840
Segment results	867,928	414,521	607,549	257,607	2,147,605
Unallocated income					101,581
Operating profit					2,249,186
Financing costs					(82,565)
Share of profit after tax of equity-accounted joint ventures and associate					178,383
Profit before taxation					2,345,004
Tax expense					(508,532)
<b>Profit for the year</b>					<b>1,836,472</b>
<b>Included in the measure of segment profit are:</b>					
Depreciation	(501,280)	(160,751)	(403,454)	(159,787)	(1,225,272)
Unallocated depreciation	—	—	—	—	1,806

**Group  
Business Segments  
2024**

<i>In RM'000</i>	<b>Gas Processing</b>	<b>Gas Transportation</b>	<b>Gas Regasification</b>	<b>Utilities</b>	<b>Total</b>
Revenue	1,872,525	1,199,561	1,355,240	2,110,919	6,538,245
Segment results	801,073	592,660	599,819	283,791	2,277,343
Unallocated income					25,608
Operating profit					2,302,951
Financing costs					(89,893)
Share of profit after tax of equity-accounted joint ventures and associate					147,288
Profit before taxation					2,360,346
Tax expense					(436,698)
<b>Profit for the year</b>					<b>1,923,648</b>
<b>Included in the measure of segment profit are:</b>					
Depreciation	(506,493)	(129,148)	(392,380)	(146,924)	(1,174,945)
Unallocated depreciation	—	—	—	—	1,717

27. OPERATING SEGMENTS (continued)

**Group  
Business Segments  
2025**

<i>In RM'000</i>	<b>Gas Processing</b>	<b>Gas Transportation</b>	<b>Regasification</b>	<b>Utilities</b>	<b>Total</b>
Segment assets	4,714,962	4,899,708	5,010,865	2,232,027	16,857,562
Investment in joint ventures					1,099,340
Investment in associate					218,250
Unallocated assets					1,638,563
Total assets					<u>19,813,715</u>

**Included in the measure of segment assets are:**

Capital expenditure	792,718	747,201	451,361	609,538	2,600,818
Unallocated capital expenditure	—	—	—	—	94,649

**Group  
Business Segments  
2024**

<i>In RM'000</i>	<b>Gas Processing</b>	<b>Gas Transportation</b>	<b>Regasification</b>	<b>Utilities</b>	<b>Total</b>
Segment assets	4,435,464	4,349,926	4,473,680	1,779,000	15,038,070
Investment in joint ventures					939,805
Investment in associate					209,783
Unallocated assets					2,567,001
Total assets					<u>18,754,659</u>

**Included in the measure of segment assets are:**

Capital expenditure	366,517	635,556	120,876	335,232	1,458,181
Unallocated capital expenditure	—	—	—	—	4,107

**Major customers**

The following are major customers with revenue that contribute to equal or more than 10 percent of Group revenue:

<b>Group</b>	<b>Segment</b>	<b>2025</b>	<b>2024</b>
<i>In RM'000</i>			
- PETRONAS Energy and Gas Trading Sdn. Bhd.	Gas Transportation and Regasification	2,460,234	2,520,521
- PETRONAS	Gas Processing	1,860,100	1,865,983
- PETRONAS Chemicals Group Berhad	Utilities	1,435,057	1,533,256

**28. FINANCIAL INSTRUMENTS****Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as follows:

- (i) Amortised cost (“AC”); and
- (ii) Fair value through profit or loss (“FVTPL”)
  - Mandatorily required by MFRS 9

<b>Group</b>				
<b>2025</b>	<b>Note</b>	<b>AC</b>	<b>FVTPL - mandatorily at FVTPL</b>	<b>Total carrying amount</b>
<i>In RM'000</i>				
<b>Financial assets</b>				
Long-term receivable	7	2,000	—	2,000
Trade and other receivables*	11	844,080	27	844,107
Cash and cash equivalents	12	1,937,796	—	1,937,796
		<u>2,783,876</u>	<u>27</u>	<u>2,783,903</u>
<b>Financial liabilities</b>				
Borrowings*	16	(1,165,000)	—	(1,165,000)
Trade and other payables*	18	(2,216,369)	(3,703)	(2,220,072)
		<u>(3,381,369)</u>	<u>(3,703)</u>	<u>(3,385,072)</u>
<b>2024</b>				
<i>In RM'000</i>		<b>AC</b>	<b>FVTPL - mandatorily at FVTPL</b>	<b>Total carrying amount</b>
<b>Financial assets</b>				
Long-term receivable	7	2,000	—	2,000
Trade and other receivables*	11	924,394	3,681	928,075
Cash and cash equivalents	12	2,595,705	—	2,595,705
		<u>3,522,099</u>	<u>3,681</u>	<u>3,525,780</u>
<b>Financial liabilities</b>				
Borrowings*	16	(1,285,000)	—	(1,285,000)
Trade and other payables*	18	(1,382,227)	(757)	(1,382,984)
		<u>(2,667,227)</u>	<u>(757)</u>	<u>(2,667,984)</u>

\* These balances exclude non-financial instrument balances.

**28. FINANCIAL INSTRUMENTS (continued)****Categories of financial instruments (continued)**

<b>Company 2025</b>	<b>Note</b>	<b>AC</b>	<b>FVTPL - mandatorily at FVTPL</b>	<b>Total carrying amount</b>
<i>In RM'000</i>				
<b>Financial assets</b>				
Trade and other receivables*	11	809,739	—	809,739
Cash and cash equivalents	12	1,512,318	—	1,512,318
		2,322,057	—	2,322,057
<b>Financial liabilities</b>				
Trade and other payables*	18	(1,338,856)	(3,602)	(1,342,458)
		(1,338,856)	(3,602)	(1,342,458)
<b>2024</b>		<b>AC</b>	<b>FVTPL - mandatorily at FVTPL</b>	<b>Total carrying amount</b>
<i>In RM'000</i>				
<b>Financial assets</b>				
Trade and other receivables*	11	814,029	3,681	817,710
Cash and cash equivalents	12	2,451,008	—	2,451,008
		3,265,037	3,681	3,268,718
<b>Financial liabilities</b>				
Trade and other payables*	18	(1,164,970)	—	(1,164,970)
		(1,164,970)	—	(1,164,970)

\* These balances exclude non-financial instrument balances.

**Financial risk management**

The Group and the Company are exposed to various risks that are particular to its core business which consists of separating natural gas into its components and storing, transporting and distributing such components thereof for a fee, the sale of industrial utilities and the regasification of liquefied natural gas for a fee. These risks, which arise in the normal course of the Group's and the Company's business, comprise counterparty credit risk, liquidity risk and market risk relating to interest rates and foreign exchange risk.

The Group has policies, standards and guidelines in place that sets the foundation for a consistent approach towards establishing an effective integrated financial risk management.

**28. FINANCIAL INSTRUMENTS (continued)****Financial risk management (continued)**

Risk taking activities are undertaken within acceptable level of risk or risk appetite, whereby the risk appetite level reflects business considerations and capacity to assume such risks. The risk appetite is established at Board level, where relevant, based on defined methodology and translated into operational thresholds.

The Group's and the Company's goal in risk management are to ensure that the management understands, measures, monitors and reports the financial risks that arise in connection with their operations. The policies, standards and guidelines have been developed to identify, analyse, appraise, monitor and report the dynamic risks facing the Group and the Company. Based on this assessment, the Group and the Company adopt appropriate measures to mitigate these risks in accordance with their view of the balance between risk and reward.

**Credit risk**

Counterparty credit risk refers to risk of loss resulting from a counterparty failing to perform its contractual financial obligation or making payment for goods and services, due to circumstances such as bankruptcy, financial constraints, political restrictions and government directives.

The Group's and the Company's exposures to credit risk arise principally from their receivables from third party and related party customers, fund and other investments. Credit risks are controlled in accordance with PETRONAS' policies, standards and guidelines implemented across PETRONAS Group.

**(i) Trade receivables*****Risk management objectives, policies and processes for managing the risk***

The Group and the Company minimise credit risk by entering into contracts with highly rated counterparties. Potential counterparties are subject to credit assessment and approval prior to any transaction being concluded and existing counterparties are subject to regular reviews, including re-appraisal and approval of granted limits where applicable. The creditworthiness of counterparties is assessed based on an analysis of all available quantitative and qualitative data regarding business risks and financial standing, together with the review of any relevant third party and market information. Reports are prepared and presented to the management that cover the Group's overall credit exposure against portfolio level risk appetite.

Depending on the types of transactions and counterparty creditworthiness, the Group and the Company further mitigate credit risk by requiring collateral or other credit enhancements such as cash deposits, letter of credit and bank guarantees.

At each reporting date, the Group and the Company assess whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

## 28. FINANCIAL INSTRUMENTS (continued)

### Credit risk (continued)

#### (i) Trade receivables (continued)

##### *Exposure to credit risk*

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statement of financial position.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the customer;
- a breach of contract such as a default; or
- it is probable that the customer will enter bankruptcy or other financial reorganisation.

##### *Concentration of credit risk*

As at the reporting date, significant receivables relate to amounts due from holding company and amounts due from related companies.

##### *Recognition and measurement of impairment loss*

In managing credit risk of trade receivables, the Group and the Company manage their debtors and take appropriate actions (including but not limited to legal actions) to recover long overdue balances.

The Group and the Company perform credit rating assessment of all its counterparties in order to measure ECL of trade receivables for all segments using the PETRONAS Credit Risk Rating system. This credit rating assessment considers quantitative assessment using the counterparties' financial statements or a qualitative assessment of the counterparties which includes but is not limited to their reputation, competitive position, industry and geopolitical outlook.

In determining the ECL, the probability of default assigned to each counterparty is based on their individual credit rating. This probability of default is derived by benchmarking against available third party and market information, which also incorporates forward looking information.

Loss given default is the assumption of the proportion of financial asset that cannot be recovered by conversion of collateral to cash or by legal process and is assessed based on the Group's and the Company's historical experience.

The following table provides information about the exposure to credit risk and ECL for trade receivables as at 31 December 2025 which are grouped together as they are expected to have similar risk nature.

**28. FINANCIAL INSTRUMENTS (continued)****Credit risk (continued)****(i) Trade receivables (continued)****Recognition and measurement of impairment loss (continued)**

<b>Group</b>	<b>Gross</b>	<b>Loss</b>	
<b>2025</b>	<b>carrying</b>	<b>allowance</b>	<b>Net balance</b>
<i>In RM'000</i>	<b>amount</b>		
<b>Credit Risk Rating</b>			
Excellent	444,948	—	444,948
Good	331,101	(45)	331,056
Fair	5,108	(37)	5,071
Amounts not subject to loss allowances*	(736)	—	(736)
	<u>780,421</u>	<u>(82)</u>	<u>780,339</u>
<b>Representing</b>			
Trade receivables	<u>780,421</u>	<u>(82)</u>	<u>780,339</u>
<b>2024</b>	<b>Gross</b>	<b>Loss</b>	
<i>In RM'000</i>	<b>carrying</b>	<b>allowance</b>	<b>Net balance</b>
	<b>amount</b>		
<b>Credit Risk Rating</b>			
Excellent	459,992	—	459,992
Good	335,261	(12)	335,249
Fair	16,253	—	16,253
Amounts not subject to loss allowances*	(777)	—	(777)
	<u>810,729</u>	<u>(12)</u>	<u>810,717</u>
<b>Representing</b>			
Trade receivables	<u>810,729</u>	<u>(12)</u>	<u>810,717</u>

\* Amounts not subject to loss allowances relate to credit notes issued to customers.

**28. FINANCIAL INSTRUMENTS (continued)**

**Credit risk (continued)**

**(i) Trade receivables (continued)**

*Recognition and measurement of impairment loss (continued)*

<b>Company</b>	<b>Gross</b>	<b>Loss</b>	<b>Net balance</b>
<b>2025</b>	<b>carrying</b>	<b>allowance</b>	
<i>In RM'000</i>	<b>amount</b>		
<b>Credit Risk Rating</b>			
Excellent	444,948	—	444,948
Good	207,850	(45)	207,805
Fair	5,108	(37)	5,071
Amounts not subject to loss allowances*	(736)	—	(736)
	657,170	(82)	657,088
<b>Representing</b>			
Trade receivables	657,170	(82)	657,088
<b>2024</b>	<b>Gross</b>	<b>Loss</b>	<b>Net balance</b>
<i>In RM'000</i>	<b>carrying</b>	<b>allowance</b>	
	<b>amount</b>		
<b>Credit Risk Rating</b>			
Excellent	459,992	—	459,992
Good	221,026	(12)	221,014
Fair	16,253	—	16,253
Amounts not subject to loss allowances*	(777)	—	(777)
	696,494	(12)	696,482
<b>Representing</b>			
Trade receivables	696,494	(12)	696,482

\* Amounts not subject to loss allowances relate to credit notes issued to customers.

**28. FINANCIAL INSTRUMENTS (continued)****Credit risk (continued)****(i) Trade receivables (continued)*****Recognition and measurement of impairment loss (continued)***

The ageing of trade receivables as at the end of reporting date, before loss allowances, are analysed as below:

<i>In RM'000</i>	<b>Note</b>	<b>2025</b>	<b>Group 2024</b>	<b>2025</b>	<b>Company 2024</b>
<b>At net</b>					
Current		778,105	810,729	654,854	696,494
Past due 1 to 30 days		1,057	—	1,057	—
Past due 31 to 60 days		1,259	—	1,259	—
		<u>780,421</u>	<u>810,729</u>	<u>657,170</u>	<u>696,494</u>
Representing:					
Trade receivables	11	53,758	35,767	53,758	35,767
Amount due from holding company	11.1	163,856	163,826	163,856	163,826
Amount due from subsidiaries	11.2	—	—	156	457
Amount due from joint ventures and associate	11.3	536	1,075	536	1,075
Amount due from related companies	11.4	529,945	565,457	406,538	450,765
Amount due from related parties	11.5	32,326	44,604	32,326	44,604
		<u>780,421</u>	<u>810,729</u>	<u>657,170</u>	<u>696,494</u>

**28. FINANCIAL INSTRUMENTS (continued)****Credit risk (continued)****(i) Trade receivables (continued)*****Recognition and measurement of impairment loss (continued)***

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. The Group and the Company have provided allowances for expected credit losses on these amounts. The movements in the allowance for impairment losses of receivables during the year are as follows:

**2025**

<i>In RM'000</i>	<b>Trade receivables</b>	<b>Other receivables</b>	<b>Total</b>
<b>Group and Company</b>			
Opening balance	(12)	(75)	(87)
Impairment recognised	(70)	(91)	(161)
Closing balance	(82)	(166)	(248)

**(ii) Fund investments*****Risk management objectives, policies and processes for managing the risk***

The Group and the Company are also exposed to counterparty credit risk from financial institutions through fund investments activities which is managed by PETRONAS IFSSC on behalf of the Group comprising primarily money market placement. These exposures are managed in accordance with existing policies and guidelines that define the parameters within which the investment activities shall be undertaken in order to achieve the Group's investment objective of preserving capital and generating optimal returns above appropriate benchmarks within allowable risk parameters.

Investments are only made with approved counterparties who met the appropriate rating and other relevant criteria, and within approved credit limits, as stipulated in the policies and guidelines.

***Exposure to credit risk***

As at the end of the reporting period, the maximum exposure to credit risk arising from fund investments is represented by the carrying amounts in the statement of financial position.

The credit risk on a financial instrument is considered low, if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

While the fund investments are unsecured, the Group and the Company do not expect any of the counterparties to fail to meet their obligations in view of their sound credit ratings.

**28. FINANCIAL INSTRUMENTS (continued)****Liquidity risk**

Liquidity risk is the risk that the Group and the Company will have insufficient funds to meet financial commitments in a timely manner. The Group's and the Company's exposure to liquidity risk arise principally from its trade and other payables and borrowings. In managing its liquidity risk, the Group and the Company maintain sufficient cash and liquid marketable assets.

The Group's and the Company's borrowing power is not limited by the Company's and respective Group entities' constitutions. However, certain borrowing covenants impose limited restrictions on some of the debt level of the Group and the Company.

**Maturity analysis**

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the reporting date based on undiscounted contractual payments:

<b>Group 2025</b> <i>In RM'000</i>	<b>Carrying amount</b>	<b>Contractual profit per annum/ discount rate %</b>	<b>Contractual cash flows<sup>^</sup></b>	<b>Within 1 year</b>
Islamic Murabahah Medium Term Notes	1,165,000	2.03 to 3.74	1,436,531	136,751
Lease liabilities	358,745	4.27 to 8.40	608,921	39,696
Trade and other payables*	2,220,072	—	2,220,072	2,220,072
	<u>3,743,817</u>		<u>4,265,524</u>	<u>2,396,519</u>

  

<b>Group 2025</b> <i>In RM'000</i>	<b>More than 5 years</b>		
	<b>1-2 years</b>	<b>2-5 years</b>	
Islamic Murabahah Medium Term Notes	129,081	366,093	804,606
Lease liabilities	30,811	92,489	445,925
Trade and other payables*	—	—	—
	<u>159,892</u>	<u>458,582</u>	<u>1,250,531</u>

<sup>^</sup> The contractual cash flow is inclusive of the principal and interest payments.

\* These balances exclude non-financial instrument balances.

## 28. FINANCIAL INSTRUMENTS (continued)

## Liquidity risk (continued)

## Maturity analysis (continued)

<b>Company 2025</b>	<b>Carrying amount</b>	<b>Contractual profit per annum/ discount rate %</b>	<b>Contractual cash flows<sup>^</sup></b>	<b>Within 1 year</b>
<i>In RM'000</i>				
Lease liabilities	6,360	8.20	13,195	640
Trade and other payables*	1,342,458	—	1,342,458	1,342,458
	<u>1,348,818</u>		<u>1,355,653</u>	<u>1,343,098</u>

<b>Company 2025</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>More than 5 years</b>
<i>In RM'000</i>			
Lease liabilities	640	1,921	9,994
Trade and other payables*	—	—	—
	<u>640</u>	<u>1,921</u>	<u>9,994</u>

<b>Group 2024</b>	<b>Carrying amount</b>	<b>Contractual profit per annum/ discount rate %</b>	<b>Contractual cash flows<sup>^</sup></b>	<b>Within 1 year</b>
<i>In RM'000</i>				
Islamic Murabahah Medium Term Notes	1,285,000	2.03 to 3.74	1,596,270	159,739
Lease liabilities	562,402	4.27 to 8.40	1,067,222	59,480
Trade and other payables*	1,382,984	—	1,382,984	1,382,984
	<u>3,230,386</u>		<u>4,046,476</u>	<u>1,602,203</u>

<b>Group 2024</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>More than 5 years</b>
<i>In RM'000</i>			
Islamic Murabahah Medium Term Notes	136,751	379,274	920,506
Lease liabilities	59,665	179,074	769,003
Trade and other payables*	—	—	—
	<u>196,416</u>	<u>558,348</u>	<u>1,689,509</u>

<sup>^</sup> The contractual cash flow is inclusive of the principal and interest payments.

\* These balances exclude non-financial instrument balances.

**28. FINANCIAL INSTRUMENTS (continued)****Liquidity risk (continued)***Maturity analysis (continued)*

<b>Company 2024</b>	<b>Carrying amount</b>	<b>Contractual profit per annum/ discount rate %</b>	<b>Contractual cash flows<sup>^</sup></b>	<b>Within 1 year</b>
<i>In RM'000</i>				
Lease liabilities	6,474	8.20	13,836	640
Trade and other payables*	1,164,970	—	1,164,970	1,164,970
	<u>1,171,444</u>		<u>1,178,806</u>	<u>1,165,610</u>

<b>Company 2024</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>More than 5 years</b>
<i>In RM'000</i>			
Lease liabilities	640	1,921	10,635
Trade and other payables*	—	—	—
	<u>640</u>	<u>1,921</u>	<u>10,635</u>

<sup>^</sup> The contractual cash flow is inclusive of the principal and interest payments.

\* These balances exclude non-financial instrument balances.

**Market risk**

Market risk is the risk or uncertainty arising from changes in market prices and their impact on the performance of the business. The market price changes that the Group and the Company are exposed to include interest rates, foreign currency exchange rates and other indices that could adversely affect the value of the Group's and of the Company's financial assets, liabilities or expected future cash flows.

**Interest rate risk**

The Group's and the Company's investments in fixed rate debt securities and fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

All interest rate exposures are monitored and managed proactively in line with PETRONAS' policies and guidelines.

**28. FINANCIAL INSTRUMENTS (continued)****Market risk (continued)*****Interest rate risk (continued)***

The carrying amount of the Group's and the Company's interest-bearing financial instruments as at reporting date is as follows:

<i>In RM'000</i>	<b>2025</b>	<b>Group 2024</b>	<b>2025</b>	<b>Company 2024</b>
<b>Fixed rate instruments</b>				
Financial assets	861,777	1,106,791	843,409	1,086,976
Financial liabilities	(1,523,745)	(1,847,402)	(6,360)	(6,474)
	<u>(661,968)</u>	<u>(740,611)</u>	<u>837,049</u>	<u>1,080,502</u>
<b>Floating rate instruments</b>				
Financial assets	1,076,019	1,556,370	668,909	1,431,488
	<u>1,076,019</u>	<u>1,556,370</u>	<u>668,909</u>	<u>1,431,488</u>

***Cash flow sensitivity analysis for variable rate instruments***

A change of basis points (b.p.s) in interest rates for financial assets at the end of the reporting period would have increased pre-tax profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular foreign currency rates, remain constant.

<i>In RM'000</i>	<b>2025</b>	<b>Group 2024</b>	<b>2025</b>	<b>Company 2024</b>
Increase/ decrease in interest rate b.p.s				
Financial assets	40 b.p.s	50 b.p.s	40 b.p.s	50 b.p.s
Profit or loss	4,304	7,782	2,676	7,157

For the Group's and the Company's interest-bearing financial assets and liabilities that are fixed rate instruments measured at amortised cost, a change in interest rate is not expected to have material impact on the Group's and the Company's profit or loss.

**28. FINANCIAL INSTRUMENTS (continued)****Market risk (continued)*****Foreign currency risk***

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Group and the Company are exposed to varying levels of foreign currency risk when they enter into transactions that are not denominated in the respective companies' functional currencies and/or when foreign currency monetary assets and liabilities are translated at the reporting date.

The Group and the Company operate predominantly in Malaysia and transact mainly in Ringgit Malaysia.

The Group's and the Company's foreign exchange management policy are to minimise economic and significant transactional exposures arising from currency movements. For major capital projects, the Group and the Company perform assessment of potential foreign exchange risk exposure at the investment decision phase to determine the appropriate foreign exchange risk management strategy. Residual net positions are actively managed and monitored against prescribed policies and control procedures. When deemed necessary and appropriate, the Group and the Company will enter into derivative financial instruments to hedge and minimise its exposures to the foreign currency movements.

The Group's and the Company's significant exposure to foreign currency risk (a currency which is other than the functional currency of the Group entities), based on carrying amounts as at the reporting date are as follows:

<b>Group</b>	<b>2025</b>	<b>2024</b>
<i>In RM'000</i>		
<b>Denominated in USD</b>		
<b>Financial assets</b>		
Trade and other receivables	13,723	92,268
	<u>13,723</u>	<u>92,268</u>
<b>Financial liabilities</b>		
Lease liabilities	(342,447)	(544,146)
Trade and other payables	(746,489)	(37,893)
	<u>(1,088,936)</u>	<u>(582,039)</u>
<b>Net exposure</b>	<u>(1,075,213)</u>	<u>(489,771)</u>

**28. FINANCIAL INSTRUMENTS (continued)****Market risk (continued)***Foreign currency risk (continued)***Company***In RM'000***Denominated in USD****Financial assets**

Trade and other receivables

**2025****2024**

2,667

80,417

**Financial liabilities**

Trade and other payables

(15,311)

(32,321)

**Net exposure**

(12,644)

48,096

*Currency risk sensitivity analysis*

Sensitivity analysis for a given market variable provided in this note, discloses the effect on profit or loss and equity as at 31 December 2025 assuming that a reasonably possible change in the relevant market variable had occurred at 31 December 2025 and been applied to the risk exposures in existence at that date to show the effects of reasonably possible changes in price on profit or loss and equity to the next annual reporting date. Reasonably possible changes in market variables used in the sensitivity analysis are based on implied volatilities, where available, or historical data for equity and commodity prices and foreign exchange rates. Reasonably possible changes in interest rates are based on management judgment and historical experience.

The sensitivity analysis is hypothetical and should not be considered to be predictive of future performance because the Group's actual exposure to market prices is constantly changing with changes in the Group's portfolio of among others, debt and foreign currency contracts where relevant. Changes in fair values or cash flows based on a variation in a market variable cannot be extrapolated because the relationship between the change in market variable and the change in fair value or cash flows may not be linear. In addition, the effect of a change in a given market variable is calculated independently of any change in another assumption and mitigating actions that would be taken by the Group. In reality, changes in one factor may contribute to changes in another, which may magnify or counteract the sensitivities.

**28. FINANCIAL INSTRUMENTS (continued)****Market risk (continued)*****Currency risk sensitivity analysis (continued)***

The following table demonstrates the indicative pre-tax effects on the profit or loss and equity of applying reasonably foreseeable market movements in the following currency exchange rates:

<i>In RM'000</i>	<b>Appreciation in foreign currency rate</b>	<b>Group</b>		<b>Company</b>	
		<b>Effect on equity</b>	<b>Effect on profit/(loss)</b>	<b>Effect on equity</b>	<b>Effect on profit/(loss)</b>
<b>2025</b>	<b>%</b>				
USD	5	(16,123)	(37,637)	—	(632)
<b>2024</b>					
USD	10	—	(48,977)	—	4,810

A depreciation in foreign currency rate above would have had equal but opposite effect, on the basis that all other variables remain constant.

**Cash flow hedge**

The Group is exposed to transactional foreign currency risk arising from mismatches between the currencies in which lease liabilities and receipts from transactions with customers are denominated and the Group's functional currency. The Group's functional currency is primarily RM, while the lease transactions are primarily denominated USD.

The Group uses USD-denominated forecasted lease payments as hedging instruments to manage its exposure to foreign currency risk arising from forecast USD-denominated storage receipts from customers. The Group designates the change in the fair value of the lease liabilities as the hedging instrument in its cash flow hedging relationships and applies hedge ratio of 1:1.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the expected highly probable forecast transactions with customers match with the terms of the leasing commitments. To test the hedge effectiveness, the Group compare the nominal value of the lease liability against the nominal value of the forecasted cashflow from transactions with its customer.

The hedge ineffectiveness can arise from any of the following:

- changes in economic relationship between the hedged item and the hedging instrument; or
- change in the notional value of the hedged item; or
- change in settlement dates or terms; or
- change in credit risk whereby the counterparty may not be able to deliver on their financial obligation

**28. FINANCIAL INSTRUMENTS (continued)****Cash flow hedge (continued)**

The following table indicates the periods in which the cash flows are expected to occur for cash flow hedges:

<b>Group 2025</b> <i>In RM'000</i>	<b>Total nominal amount</b>	<b>Within 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>More than 5 years</b>
Lease payments*	(549,311)	(27,960)	(27,960)	(83,955)	(409,436)
Forecasted storage fees receipts**	549,311	27,960	27,960	83,955	409,436
	—	—	—	—	—

\* The carrying amounts of the above hedging instruments are included in Note 16 Borrowings.

\*\* Forecasted storages fees receipts represent the effective portion of the hedge.

During the year, an unrealised foreign exchange gain of RM12,158,000 (2024: Nil) was recognised in equity and no ineffective portion was recognised in the profit or loss that arises from cash flow hedges amount.

**28. FINANCIAL INSTRUMENTS (continued)****Fair value information**

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings, reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The following table analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their carrying amounts shown in the statement of financial position.

<b>Group 2025</b>	<b>Fair value of financial instruments carried at fair value</b>	<b>Fair value of financial instruments not carried at fair value</b>	<b>Total fair value</b>	<b>Carrying amount</b>
<i>In RM'000</i>	<b>Level 2</b>	<b>Level 3</b>		
<b>Financial assets</b>				
Long-term receivable	—	814	814	2,000
Derivative assets	27	—	27	27
	27	814	841	2,027
<b>Financial liabilities</b>				
Islamic financing facility	—	(1,096,185)	(1,096,185)	(1,165,000)
Derivative liabilities	(3,703)	—	(3,703)	(3,703)
	(3,703)	(1,096,185)	(1,099,888)	(1,168,703)
<b>Group 2024</b>				
<i>In RM'000</i>	<b>Fair value of financial instruments carried at fair value</b>	<b>Fair value of financial instruments not carried at fair value</b>	<b>Total fair value</b>	<b>Carrying amount</b>
	<b>Level 2</b>	<b>Level 3</b>		
<b>Financial assets</b>				
Long-term receivable	—	2,000	2,000	2,000
Derivative assets	3,681	—	3,681	3,681
	3,681	2,000	5,681	5,681
<b>Financial liabilities</b>				
Islamic financing facilities	—	(1,168,655)	(1,168,655)	(1,285,000)
Derivative liabilities	(757)	—	(757)	(757)
	(757)	(1,168,655)	(1,169,412)	(1,285,757)

**28. FINANCIAL INSTRUMENTS (continued)****Fair value information (continued)**

<b>Company 2025</b>	<b>Fair value of financial instruments carried at fair value</b>	<b>Fair value of financial instruments not carried at fair value</b>	<b>Total fair value</b>	<b>Carrying amount</b>
<i>In RM'000</i>	<b>Level 2</b>	<b>Level 3</b>		
<b>Financial liabilities</b>				
Derivative liabilities	(3,602)	—	(3,602)	(3,602)
	(3,602)	—	(3,602)	(3,602)

<b>Company 2024</b>	<b>Fair value of financial instruments carried at fair value</b>	<b>Fair value of financial instruments not carried at fair value</b>	<b>Total fair value</b>	<b>Carrying amount</b>
<i>In RM'000</i>	<b>Level 2</b>	<b>Level 3</b>		
<b>Financial assets</b>				
Derivative assets	3,681	—	3,681	3,681
	3,681	—	3,681	3,681

The calculation of fair value for derivative and non-derivative assets and liabilities within financial instruments depends on the type of instruments as follows:

- Fair value of non-derivative financial instruments, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.
- Fair value of forward exchange contracts are estimated by discounting the difference between the forward exchange rates and the contractual rate.

**28. FINANCIAL INSTRUMENTS (continued)****Income/(expense), net gains and losses arising from financial instruments****Group****2025**

<i>In RM'000</i>	<b>Interest income</b>	<b>Interest expense</b>	<b>Others</b>	<b>Total</b>
Financial assets at AC	96,193	—	(5,294)	90,899
Financial asset at FVTPL	—	—	27	27
Financial liabilities at AC	—	(35,899)	6,130	(29,769)
Financial liabilities at FVTPL	—	—	(13,196)	(13,196)
<b>Total</b>	<b>96,193</b>	<b>(35,899)</b>	<b>(12,333)</b>	<b>47,961</b>

**2024**

<i>In RM'000</i>	<b>Interest income</b>	<b>Interest expense</b>	<b>Others</b>	<b>Total</b>
Financial assets at AC	123,367	—	(2,958)	120,409
Financial assets at FVTPL	—	—	4,375	4,375
Financial liabilities at AC	—	(41,420)	1,126	(40,294)
Financial liabilities at FVTPL	—	—	(7,240)	(7,240)
<b>Total</b>	<b>123,367</b>	<b>(41,420)</b>	<b>(4,697)</b>	<b>77,250</b>

**Company****2025**

<i>In RM'000</i>	<b>Interest income</b>	<b>Others</b>	<b>Total</b>
Financial assets at AC	86,142	(5,267)	80,875
Financial liabilities at AC	—	(414)	(414)
Financial liabilities at FVTPL	—	(8,062)	(8,062)
<b>Total</b>	<b>86,142</b>	<b>(13,743)</b>	<b>72,399</b>

**2024**

<i>In RM'000</i>	<b>Interest income</b>	<b>Others</b>	<b>Total</b>
Financial assets at AC	115,734	(2,846)	112,888
Financial asset at FVTPL	—	4,375	4,375
Financial liabilities at AC	—	942	942
<b>Total</b>	<b>115,734</b>	<b>2,471</b>	<b>118,205</b>

## 29. CAPITAL MANAGEMENT

The Group and the Company define capital as their total equity and debt. The objective of the Group's and the Company's capital management is to maintain an optimal capital structure and ensuring availability of funds in order to meet financial obligations, support business growth and maximise shareholders' value. As a subsidiary of PETRONAS, the Company's approach in managing capital is outlined in the PETRONAS Financial Policy.

The Group and the Company monitor and maintain a prudent level of total debt to total asset ratio to optimise shareholders' value and to ensure compliance with covenants under debt and shareholders' agreements and regulatory requirements, if any.

There were no changes in the Group's and the Company's approach to capital management during the year.

## 30. SIGNIFICANT EVENTS

### **Putra Heights Pipeline Fire Incident**

On 1 April 2025, a fire occurred at the Company's main pipeline near Putra Heights, Selangor. The Group immediately activated contingency plans with the authorities to safeguard communities, protect the environment and maintain continuity of national gas supply. An Independent Taskforce was established at the Board level to provide strategic and independent oversight on the post incident investigation process, recovery and restoration works, and ensure safety of the gas transportation infrastructure.

Gas-in for a temporary pipeline was safely resumed on 1 July 2025, and the Company intensified various community-focused programmes, including safety awareness, emergency preparedness and environmental restoration activities around the affected area.

The total repair and restoration costs are estimated at RM170.0 million, a substantial portion of which is expected to be capitalised, with partial insurance recovery anticipated. For the financial year ended 31 December 2025, the total impact on the Group's and the Company's profit is approximately RM50.0 million, inclusive of revenue loss from temporary service interruption.

On 22 October 2025, the Company, together with several other parties, was served with a Writ of Summons and Statement of Claim by 36 residents of Putra Heights in relation to the April 2025 fire incident. The residents are seeking compensation for alleged losses and damages, including special, general, aggravated and exemplary damages, as well as costs and other reliefs deemed fit by the Court. The quantum of special damages claimed amounts to RM68 million. The Company has appointed legal counsel and has filed its Statement of Defence on 30 January 2026.

### **Internal Reorganisation**

On 1 October 2025, the Company announced a Proposed Internal Reorganisation ("PIR"), aimed to streamline the Company's business segments into identifiable business entities by establishing a distinction between regulated and non-regulated businesses.

The PIR entails the transfer of the assets, liabilities and business undertakings of the Company's core business segments, namely gas transportation, gas processing and utilities, into three (3) wholly owned subsidiaries. In addition, all entities operating the utilities and energy businesses will be consolidated under a wholly-owned holding company, PG Energia Sdn. Bhd., to better position the growing utilities and energy business.

### 30. SIGNIFICANT EVENTS (continued)

#### Internal Reorganisation (continued)

On 31 October 2025, in accordance with Section 366(1) of the Companies Act 2016, the Company filed the relevant court papers with the High Court of Malaya to obtain the requisite order granting leave to convene a members' meeting in relation to the PIR. The High Court granted the order on 8 December 2025.

Pursuant to the High Court order, a Court-Convened Meeting was held on 12 February 2026, at which the necessary approval from shareholders for the PIR was obtained.

### 31. ADOPTION OF REVISED PRONOUNCEMENT

During the financial year, the Group and the Company adopted the following pronouncement that had been issued by the MASB and is applicable as listed below:

#### ***Effective for annual periods beginning on or after 1 January 2025***

Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)*

The initial application of the above-mentioned pronouncement did not have any material impact to the financial statements of the Group and the Company.

### 32. PRONOUNCEMENTS YET IN EFFECT

The following pronouncements that have been issued by the MASB will become effective in future financial reporting periods and have not been adopted by the Group and the Company in these financial statements:

#### ***Effective for annual periods beginning on or after 1 January 2026***

Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures (Classification and Measurement of Financial Instruments)*

Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*, MFRS 7 *Financial Instruments: Disclosures*, MFRS 9 *Financial Instruments*, MFRS 10 *Consolidated Financial Statements* and MFRS 107 *Statement of Cash Flows (Annual Improvements to MFRS Accounting Standards - Volume 11)*

#### ***Effective for annual periods beginning on or after 1 January 2027***

MFRS 18 *Presentation and Disclosure in Financial Statements*

#### ***Effective for a date yet to be confirmed***

Amendments to MFRS 10 *Consolidated Financial Statements (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)*

Amendments to MFRS 128 *Investments in Associates and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)*

The Group and the Company are expected to apply the above-mentioned pronouncements beginning from the respective dates the pronouncements become effective. The initial application of the above-mentioned pronouncements is not expected to have any material impact to the financial statements of the Group and the Company, except for MFRS 18 pronouncement, which impact on initial application is currently being assessed. Further details on MFRS 18 pronouncements are discussed below.

## **32. PRONOUNCEMENTS YET IN EFFECT (continued)**

### ***MFRS 18 Presentation and Disclosure in Financial Statements***

MFRS 18 replaces MFRS 101 and introduces enhanced requirements for the presentation and disclosure of financial statements. The standard mandates structured subtotals in the statement of profit or loss, classification of income and expenses into defined categories, and disclosure of management-defined performance measures with reconciliations to MFRS amounts.

The Group and the Company have assessed the estimated impact on financial statements upon the initial application of MFRS 18. The implementation of MFRS 18 will not result in changes to the recognition and measurement of financial statements. The impact will be limited to the financial statements' disclosures and presentation.

Upon adoption, the Group and the Company expect the impact mainly from the classification of income derived from the Group's equity accounted investments and the Company's interest income from related parties into the investing category within the statement of profit or loss.

The Group and the Company do not expect significant changes to the information that is currently disclosed in the notes as the requirement to disclose material information remains unchanged. However, there will be new disclosures required for:

- i. Management-defined performance measures; and
- ii. The nature of expenses for certain line items presented by function in the operating category of the statement of profit or loss.

## **33. NEW AND REVISED PRONOUNCEMENTS NOT APPLICABLE TO THE GROUP AND THE COMPANY**

The MASB has issued new pronouncements which are not relevant to the Group and the Company and hence, no further disclosure is warranted.

### ***Effective for annual periods beginning on or after 1 January 2026***

Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures (Contracts Referencing Nature-dependent Electricity)*

### ***Effective for annual periods beginning on or after 1 January 2027***

Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates Translation to a Hyperinflationary Presentation Currency*

MFRS 19 *Subsidiaries without Public Accountability: Disclosures*

**34. SUBSIDIARIES AND ACTIVITIES**

Details of the subsidiaries are as follows:

Name of entity	Principal activities	Country of incorporation	Effective ownership and voting interest	
			2025 %	2024 %
<b><i>Subsidiaries of the Company</i></b>				
Regas Terminal (Sg. Udang) Sdn. Bhd.	Own and operate LNG regasification terminal	Malaysia	100	100
PG Cold Energy 1 Sdn. Bhd. [Formerly known as Regas Terminal (Pengerang) Sdn. Bhd.]	Construct, own and lease LNG air separation unit facilities	Malaysia	—	100
Sipitang Utilities Sdn. Bhd.	Construct, own and operate power plant for generation of electricity	Malaysia	—	90
Pengerang LNG (Two) Sdn. Bhd.	Own and operate LNG regasification terminal	Malaysia	65	65
PG Energia Sdn. Bhd.	Investment holding company for utility and energy business	Malaysia	100	100
PG Gas Processing Sdn. Bhd.	Dormant	Malaysia	100	100
PG Transco Sdn. Bhd.	Dormant	Malaysia	100	100
<b><i>Subsidiaries of PG Energia Sdn. Bhd.</i></b>				
PG Cold Energy 1 Sdn. Bhd.	Construct, own and lease LNG air separation unit facilities	Malaysia	72.2	—
Sipitang Utilities Sdn. Bhd.	Construct, own and operate power plant for generation of electricity	Malaysia	90	—
PG Linkaranfibre Sdn. Bhd.	Network infrastructure and service provider for telecommunications and technology solutions	Malaysia	100	—
PG Utilities East Sdn. Bhd.	Dormant	Malaysia	100	100
Rancha Power Sdn. Bhd.	Dormant	Malaysia	—	100

**35. JOINT VENTURES AND ACTIVITIES**

Details of the joint ventures are as follows:

Name of entity	Principal activities	Country of incorporation	Effective ownership and voting interest	
			2025	2024
			%	%
Kimanis Power Sdn. Bhd.*	Generation and sale of electricity	Malaysia	60	60
Kimanis O&M Sdn. Bhd.*	Dormant	Malaysia	60	60
Pengerang Gas Solutions Sdn. Bhd.*	Own and operate air separation unit plant	Malaysia	51	51
Industrial Gases Solutions Sdn. Bhd.	Selling, marketing, distribution and promotion of industrial gas	Malaysia	50	50
Kimanis Power (Dua) Sdn. Bhd.*^	Operation of generation facilities that produce electric energy	Malaysia	60	60
Rancha Power Sdn. Bhd.*^	Operation of generation facilities that produce electricity	Malaysia	60	—

\* Although the Group has more than 50% of the ownership in the equity interest of these entities, the Group has determined that it does not have sole control over these entities considering that strategic and financial decisions of the relevant activities of these entities require unanimous consent by all shareholders.

^ Joint venture of PG Energia Sdn. Bhd.

**36. ASSOCIATE AND ACTIVITY**

Details of the associate are as follows:

Name of entity	Principal activities	Country of incorporation	Effective ownership and voting interest	
			2025	2024
			%	%
Gas Malaysia Berhad	Selling, marketing, distribution and promotion of natural gas	Malaysia	14.8	14.8

Although the Group has less than 20% of the ownership in the equity interest of Gas Malaysia Berhad, the Group has determined that it has significant influence over the financial and operating policies of the associate through representation on the Board of Directors.

**37. COMPARATIVE**

Certain comparative figures have been reclassified to conform with current financial year's presentation, which more appropriately reflects the nature of relevant transactions.

**38. HOLDING AND ULTIMATE HOLDING COMPANY**

The ultimate holding company is PETRONAS, a company incorporated in Malaysia.



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## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PETRONAS GAS BERHAD**

(Company No. 198301006447 (101671-H))  
(Incorporated in Malaysia)

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of PETRONAS Gas Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 8 to 104.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

#### **Basis for Opinion**

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.



## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Capitalisation and componentisation of completed projects

Refer to Note 2.4 – Material accounting policy: Property, plant and equipment and depreciation and Note 3 – Property, plant and equipment.

The Group and the Company have significant property, plant and equipment including project-in-progress recognised as at the end of the reporting period. During the year, the Group and the Company completed significant capital projects and capitalised costs amounting to RM1,828 million and RM1,620 million respectively. Due to the size, complexity and volume of transactions involved in the capitalisation and componentisation process, there is a risk that the costs capitalised are not in accordance of MFRS 116, *Property, Plant and Equipment*. It is a significant area that our audit focuses on because it requires us to exercise judgement in evaluating management's process over the capitalisation and componentisation of the completed projects.

We performed the following audit procedures, among others:

- checked the completion date of project-in-progress to determine that completed projects were capitalised timely;
- evaluated the capitalisation process and determined that costs capitalised met the requirements of MFRS 116;
- evaluated the componentisation process to determine that significant components with different useful lives are depreciated separately; and
- assessed that any borrowing costs capitalised met the requirement of MFRS 123, *Borrowing Costs*.

### Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report and Statement on Risk Management and Internal Control (but does not include the financial statements of the Group and of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved accounting standards on auditing in Malaysia and International Standards on Auditing.



### **Responsibilities of the Directors for the Financial Statements**

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.



### Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**KPMG PLT**  
(LLP0010081-LCA & AF 0758)  
Chartered Accountants

Petaling Jaya

Date: 24 February 2026

**Lam Shuh Siang**  
Approval Number: 03045/02/2027J  
Chartered Accountant