



# Other Businesses




PETRONAS' other businesses, including MISC Group and KLCCP Stapled Group, stayed resilient and steadfast in contributing to PETRONAS' overall financial performance despite market volatility and high inflation in 2023.

As a key solutions provider to PETRONAS, MISC is committed to providing sustainable maritime transportation solutions and contributing to the PETRONAS Net Zero Carbon Emissions by 2050 Pathway.

MISC recorded a 2.9 per cent increase in revenue at RM14.27 billion compared to RM13.87 billion in 2022. The increase is mainly due to higher progress in both new and ongoing projects in the Marine and Heavy Engineering segment and benefitting from elevated charter rates in the Petroleum and Product Shipping, and Gas Assets and Solutions segments. We deployed excess cash to support projects under construction, optimising financing costs while maintaining liquidity.

In 2023, MISC achieved a 24 per cent reduction in its fleet average GHG intensity (for gas and petroleum fleets) compared to 2008 levels and a 7 per cent reduction from its 2022 performance. This improvement resulted from a decrease in GHG emissions intensity to 5.84 grammes carbon dioxide equivalent over tonne nautical mile (gCO<sub>2</sub>e/t-nm) in 2023 from 6.30 gCO<sub>2</sub>e/t-nm in 2022. The reduction was achieved mostly due to new higher efficiency vessels introduced to its fleet, and ongoing commercial and operational efficiency interventions on its existing fleet. During the year, MISC introduced two new eco-efficient liquefied natural gas carriers (LNGCs), Seri Damai and Seri Daya, recognised with the prestigious Green Ship status. The company also introduced two new LNG dual-fuel very large crude carriers (VLCCs), Eagle Ventura and Eagle Vellore, into its petroleum fleet.

In their steady progression towards sustainability, MISC was also recognised with the "Sustainability-Linked Deal of the Year for Asia" by Marine Money, for its USD527 million Senior Secured Term Loan for six very large ethane carriers. Other notable achievements include The Edge ESG Award 2023 – Silver Award in the Equities Category (Transport & Logistics) and The Star ESG Positive Impact Awards 2022 in the Large Companies Tier for the Environmental Category: Sustainable Ecosystems, both acknowledging MISC's excellence in ESG, along with PwC's "The Building Trust Awards 2023" recognition for outstanding efforts in building stakeholder trust.

Meanwhile KLCCP Stapled Group has produced solid results with profits going up by 17 per cent to RM1.1 billion from RM0.9 billion in 2022 due to the improved performance across all business segments. Notably, all segments have surpassed expectations, driven by increased footfall and consumer spending in our malls, higher hotel occupancy, and the expansion of operations in car park and facilities management.

## Other Businesses

### Maritime and Logistics

MISC Group is a world leader in international energy-related maritime solutions and services, playing a pivotal role in the energy value chain by efficiently transporting gas and petroleum products and supplying maritime assets for offshore extraction activities related to oil and gas resources. It maintains its position as one of the highest-rated shipping companies, with holdings ratings by Moody's Ratings of Baa2 and S&P Global Ratings of BBB+. In its commitment to provide sustainable maritime transportation solutions, MISC is actively increasing its use of cleaner energy solutions to minimise emissions and ensure alignment with evolving local and international maritime regulations.

### Highlights and Achievements

Highlights	What We Achieved
Sustainability	➔ Achieved <b>24 per cent</b> reduction in our fleet average GHG intensity compared to 2008.
	➔ Continued its efforts to give back to the community through the cadet sponsorship programme at <i>Akademi Laut Malaysia</i> (ALAM,) with an investment of <b>RM29.6 million</b> for <b>829 cadets</b> in 2023.
	➔ Completed supply chain ESG self-assessment for <b>55 per cent</b> of its critical suppliers.
Talent Excellence	➔ Invested <b>RM54.9 million</b> in continuous learning and development programmes for its employees.
	➔ Recorded <b>92.6 per cent</b> high-performing talent retention.

### ► Our Outlook

MISC is dedicated to building a supportive ecosystem through collaborations for a lower carbon future. This includes exploring innovative solutions such as zero-carbon emission vessels, carbon capture and storage technologies, liquefied carbon dioxide (LCO<sub>2</sub>) and ammonia carriers, floating CO<sub>2</sub> storage units (FCSU) and FCSU-I and other cleaner energy solutions.

Our short-term strategy includes:

- Expanding our conventional business operations responsibly.
- Optimising portfolio returns.
- Capitalising on selected asset monetisation opportunities.
- Emissions reductions of existing assets.
- Facilitating a transition into the cleaner energy sector.

For short- and medium-term goals, MISC aims to deliver sustainable financial returns while reducing GHG emissions. Our key targets include:

- 50 per cent improvement in cash flows from operations (compared to 2022 baseline of approximately USD1.2 billion).
- 25 per cent of cash flows from operations from cleaner energy solutions.
- An overall 50 per cent reduction in GHG emissions in shipping operations.

We aim to mobilise our workforce to pivot for a sustainable future aligned with the MISC 2050 Vision, aiming to advance towards a net zero and circular economy.