

Business Review



Gas Processing

Shahrul Izan Bakti A Aziz
Chief Operating Officer, Gas Processing and Utilities

Revenue

RM1.87
billion

2024: RM1.87 billion

Gross Profit

RM0.87
billion

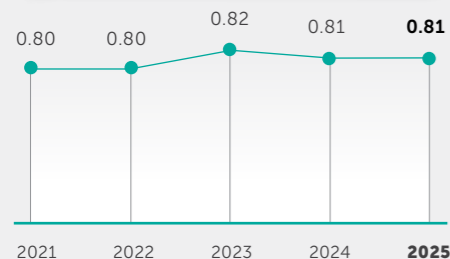
2024: RM0.80 billion

Segment Asset

RM4.72
billion

2024: RM4.44 billion

Sales Gas Recovery Factor



Human Capital



Operational Performance

2025 Operational Metrics	Overall Equipment Effectiveness (OEE)	Product Delivery Reliability (PDR)
Sales Gas	100%	100%
Ethane	99.69%	100%
Propane	99.78%	100%
Butane	99.80%	100%

Performance Against Strategic Key Performance Indicators (KPIs)

Strategic Focus Area	2025 Performance
Health, Safety, Security and Environment (HSSE) Excellence	i. Zero Major Health, Safety and Environment (HSE) Incident ii. Zero Major Security Incident
Financial Excellence	i. Continuous optimisation and value creation initiatives leading to RM208 million in value creation* ii. Maximise performance incentive as provided under the Third Term Gas Processing Agreement (GPA) iii. Timely execution and completion of capital expenditure (CAPEX) according to the Third Term GPA
Operational Excellence	i. Gas Processing (GP) PDR at 100 per cent ii. GP OEE at >99 per cent iii. 100 per cent regulatory compliance iv. Zero recurrence of "High" findings from audit
Strategic and Initiatives and Project Delivery Excellence	i. 100 per cent completion of value creation initiatives through our business strategy roadmap ii. Cooling Tower Upgrading Project was successfully completed
People Development	i. 100 per cent capability-based assessment in having the right competency for the operation* ii. 90 per cent ready successors for Regulations- and Act-related critical positions*

* Combined assessment for Gas Processing and Utilities

For further details on our sustainability performance, refer to our standalone Sustainability Report 2025.

Highlights From 2025

Strategic Objectives	Operational Excellence	Commercial Excellence	Growth
Initiatives	<ul style="list-style-type: none"> Optimised value through innovative, agile and energy-efficient operational strategies, achieving measurable improvements in performance, cost efficiency and sustainability, such as: <ul style="list-style-type: none"> Sustained production through agile plant operations during elevated risk conditions Sustained OEE and reliability at above 99 per cent Delivered additional value creation of RM208 million through the business strategy roadmap 	<ul style="list-style-type: none"> Implemented strategies to maximise Performance Based Scheme incentives with a focus on continuous improvement 	<ul style="list-style-type: none"> Continued to pursue strategic business opportunities aligned with the sustainability agenda for gas processing plants

Response to Challenges and Risks

	Challenges and Risks	Mitigations
HSE	High number of projects, turnaround and site activities resulted in heightened exposure to HSSE risks	Established the Gas Processing and Utilities HSSE Gameplan, a long-term roadmap designed to embed HSSE as a core operating principle under the mantra "HSSE is how I do business." <ol style="list-style-type: none"> Strengthened personal and organisational responsibility for HSSE with: <ol style="list-style-type: none"> Consequence management framework to support behavioural improvement Healthy lifestyle programme to enhance workforce fitness Embedded proactive incident prevention and predictive analysis through: <ol style="list-style-type: none"> Dashboard for real-time monitoring of HSSE leading indicators Assurance programme to assess compliance with HSSE leading indicators Implemented visual risk management tools, such as the piping integrity heat map, hazard signage and dashboards Strengthened emergency preparedness for worst-case scenario events Structured incident sharing and upskilling sessions based on the last five years of PETRONAS incident data Gap assessment programmes and visual management enhancements to address findings from the five-year PETRONAS incident list
Operational Excellence	<ul style="list-style-type: none"> External threats affecting supply and demand required careful planning to meet yearly requirements Sustaining high asset reliability remained critical as facilities continue to age 	<ol style="list-style-type: none"> Optimised ethane and liquefied petroleum gas production through agile plant configurations and operating modes, enabling maintenance flexibility under the Ready-to-Fix approach to address reliability risks and maintain uninterrupted customer supply Sustained asset reliability at above 99 per cent by executing reliability value creation efforts and ensuring swift response actions to minimise prolonged downtime during plant interruptions Implemented improvement projects, by adopting a future-proof approach to manage forecast variations in feed gas composition and contamination, supporting long-term operability Strengthened asset integrity through systematic asset inspection activities to mitigate loss-of-containment risks Participated in a strategic collaboration with PETRONAS Upstream Business to reduce enterprise-level greenhouse gas (GHG) emissions
Business Environment	Market volatility and cost pressures	<ol style="list-style-type: none"> Used hedging strategies and improved commercial terms to protect against price spikes and market fluctuations Adopted flexible plant operations and targeted efficiency initiatives to minimise downtime and control operational expenses

Outlook

Short-Term

The short-term focus is to meet the contractual operating parameters through disciplined execution of operations and maintenance activities. Efforts will prioritise mitigating reliability risks to sustain high plant availability and ensure customer demand is consistently met. The division will also strengthen its project engineering and project management ecosystem to support safe and timely operational readiness.

Medium- to Long-Term

Over the medium- to long-term, the division will explore domestic infrastructure improvement initiatives and long-term solutions aimed at managing high feed gas contaminants, delivering operational sustainability and resilience.

Business Review



Gas Transportation

Azrul Roshazli Abdul Rahman
Chief Operating Officer, Gas Transportation and Regasification

Revenue

RM1.13
billion

2024: RM1.20 billion

Gross Profit

RM0.41
billion

2024: RM0.59 billion

Segment Asset

RM4.90
billion

2024: RM4.35 billion

Human Capital



Operational Performance

Operational Metrics	2025
Reliability	99.3%
Availability	99.3%
Sales Gas Peninsular Gas Utilisation (PGU) PDR	99.6%

Performance Against Strategic KPIs

Strategic Focus Area	2025 Performance
HSSE Excellence	i. Two Major HSE Incident ii. Zero Major Security Incident
Financial Excellence	i. Continuous optimisation and value creation initiatives leading to RM52 million in value creation* ii. CAPEX utilisation remained within Suruhanjaya Tenaga's (ST) approved allocation
Operational Excellence	i. PGU PDR at 99.6 per cent ii. Reliability at 99.3 per cent iii. 100 per cent customer complaint resolution iv. 100 per cent regulatory compliance
Strategic and Initiatives and Project Delivery Excellence	i. Successful completion of Kluang Compressor Station project ii. Successfully concluded Regulatory Period 2 (RP2) and obtained RP3 approval in December 2025
People Development	100 per cent ready successors for Regulations- and Act-related critical positions*

* Combined assessment for Gas Transportation and Regasification

SR For further details on our sustainability performance, refer to our standalone Sustainability Report 2025.

Highlights From 2025

Strategic Objectives	Operational Excellence	Commercial Excellence	Growth
Initiatives	<ul style="list-style-type: none"> Strengthened pipeline integrity through inline inspection, corrosion control and predictive maintenance Upgraded compression systems and rejuvenated ageing facilities, achieving higher reliability and extended asset lifecycles Enhanced emergency preparedness, public awareness and Right-of-Way (ROW) security to safeguard assets and ensure uninterrupted, reliable gas transmission Improved asset utilisation through load balancing and scheduling efficiencies, maximising throughput from existing infrastructure 	<ul style="list-style-type: none"> Optimised gas throughput and operational costs by integrating demand forecasting and data analytics to support sustained delivery Strong performance during the RP2 cycle reflected disciplined execution and regulatory alignment. As the division transitions into RP3, robust strategic and tactical planning for accurate submissions will be critical in sustaining revenue stability, optimising resource allocation and maintaining regulatory confidence Renewal of operations and maintenance (O&M) agreement for Trans Thai-Malaysia (M) Sdn. Bhd. pipeline for a period of 20 years 	<ul style="list-style-type: none"> Executed strategic pipeline and network capacity expansion, thus enabling the system to meet growing energy demand Completion of Kluang Compressor Station project Progressing the construction of the Jeram Compressor Station to meet growing gas demand

Response to Challenges and Risks

	Challenges and Risks	Mitigations
HSSE	Managing HSSE risk exposure effectively, including risks related to regulators and stakeholders	i. Strengthened collaboration with internal and external stakeholders to support implementation of the Let's Comply & Intervene campaign ii. Promoted HSSE Generative Culture among employees and partners iii. Strengthened regulatory compliance and HSSE governance in response to increased major project and critical activity requirements iv. Enhanced operational resilience post-Putra Heights by strengthening emergency response capabilities, refining Incident Action Plan and conducting joint drills with authorities and surrounding communities to ensure effective incident management v. Reinforced HSSE Personal Accountability for Safe System of Work, including Management of Change, Fitness-to-Work requirements and Chemical and Scheduled Waste Management
Operational Excellence	a. Third-party encroachments and external infrastructure activities that may interfere with regulated assets b. Third parties' adjacent land development resulting in potential asset damage and reputation impact, including related legal issues c. Ageing asset integrity	i. Conducted routine ground, aerial and subsea surveillance to detect unauthorised activities ii. Used drones and virtual fencing for real-time monitoring of pipeline ROW and high-risk hotspots iii. Installed warning signage and pipeline markers to alert third parties in sensitive areas iv. Held regular engagements and awareness programmes with local communities, authorities and industrial parties to reduce external interference risks v. Implemented engineering controls, such as physical barriers at locations with a higher likelihood of third-party intrusion i. Conducted proactive engagements and negotiations with landowners, authorities and legal teams to address land development issues ii. Assessed resolution options such as land acquisition, tenancy or right-of-use agreements or pipeline relocation where necessary iii. Maintained accurate as-built alignment drawings and conducted regular surveys to verify ROW condition and pipeline positioning i. Evaluated the integrity of existing assets and managed ageing facilities to maintain a secure gas supply ii. Pursued continuous improvement initiatives to enhance performance efficiency and value delivery
Business Environment	Delivering performance with regulated assets in line with regulatory requirements	i. Applied efficient and optimum O&M practices to support national energy demand ii. Used digital tools and technology to improve efficiency and maintain competitive operating costs iii. Identified new growth opportunities from existing facilities while managing varied demand requirements

Outlook

Short-Term

Our short-term priority is to strengthen operational excellence through improved pipeline integrity management and ageing facilities maintenance. We aim to boost compression system efficiency to ensure reliable and competitive gas delivery. Operational resilience will be enhanced through robust emergency response protocols, regular drills, awareness programmes and improved ROW surveillance to prevent encroachments and ensure stable transportation services.

Medium- to Long-Term

Over the medium- to long-term, we will pursue new growth opportunities and optimise asset utilisation to meet evolving national energy needs. We will continue investing in strategic asset rejuvenation and timely execution of growth projects. Workforce development will remain a priority to strengthen agility, innovation and resilience in support of long-term organisational performance.

Business Review



Regasification

Azrul Roshazli Abdul Rahman

Chief Operating Officer, Gas Transportation and Regasification

Revenue

RM1.38
billion

2024: RM1.36 billion

Gross Profit

RM0.61
billion

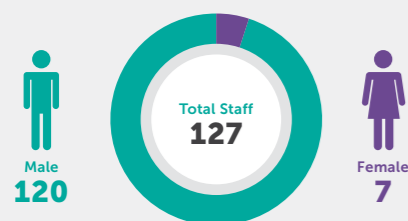
2024: RM0.60 billion

Segment Asset

RM5.01
billion

2024: RM4.47 billion

Human Capital



Operational Performance

2025 Operational Metrics	RGTSU	RGTP
Reliability	99.9%	100%
Availability	99.9%	100%
OEE	100%	100%

Performance Against Strategic KPIs

Strategic Focus Area	2025 Performance
HSSE Excellence	i. Zero Major HSE Incident ii. Zero Major Security Incident
Financial Excellence	i. Continuous optimisation and value creation initiatives leading to RM52 million in value creation* ii. CAPEX utilisation remained within ST's approved allocation
Operational Excellence	i. Regasification Terminal Sungai Udang (RGTSU) and Regasification Terminal Pengerang (RGTP) OEE at 100 per cent ii. RGTSU Reliability at 99.9 per cent and RGTP Reliability at 100 per cent iii. 100 per cent customer complaint resolution iv. 100 per cent regulatory compliance
Strategic and Initiatives and Project Delivery Excellence	i. Completed expansion of Liquefied Natural Gas (LNG) storage facilities at Regasification Terminal Pengerang in August 2025 ii. Successfully concluded RP2 and obtained RP3 approval in December 2025
People Development	100 per cent ready successors for Regulations- and Act- related critical positions*

* Combined assessment for Gas Transportation and Regasification

For further details on our sustainability performance, refer to our standalone Sustainability Report 2025.

Highlights From 2025

Strategic Objectives	Operational Excellence	Commercial Excellence	Growth
Initiatives	<ul style="list-style-type: none"> Strengthened asset integrity programme through corrosion management and predictive maintenance Strengthened safety programmes to improve HSSE outcomes across regasification facilities 	<ul style="list-style-type: none"> Strong performance during the RP2 cycle reflects disciplined execution and regulatory alignment. As the division transitions into RP3, robust strategic and tactical planning for accurate submissions will be critical in sustaining revenue stability, optimising resource allocation and maintaining regulatory confidence One-off settlement for prepayment of Annual Fixed Charges under the Jetty Usage Agreement remaining period to minimise foreign currency exposure 	<ul style="list-style-type: none"> Completed the expansion of LNG storage facilities at Regasification Terminal Pengerang Leveraging cold energy from regasification process to generate new revenue streams

Response to Challenges and Risks

	Challenges and Risks	Mitigations
HSSE	Managing HSSE risk exposure, including risks related to regulatory and stakeholder expectations	i. Strengthened collaboration with internal and external stakeholders to increase HSSE awareness and ensure consistent compliance ii. Reinforced regulatory compliance and HSSE governance in response to increased major project activities iii. Promoted Personal Accountability through Safe System of Work, including Management of Change, Fitness-to-Work requirements and Chemical and Scheduled Waste Management
Operational Excellence	Sustaining operational excellence while managing ageing assets to ensure continuity of business value chain	i. Managed equipment performance to support plant reliability and gas supply continuity ii. Assessed asset integrity and rejuvenated facilities to maintain secure and stable gas supply iii. Delivered project execution that maximises value-chain capacity, including floating LNG storage in Pengerang iv. Conducted continuous preventive maintenance and predictive analysis to sustain equipment performance
Business Environment	Delivering performance with regulated assets in line with regulatory requirements	i. Applied efficient and optimised O&M practices to support national energy demand ii. Used digital tools and technology to enhance efficiency and maintain competitive operating costs iii. Sought new growth opportunities through asset optimisation and diversified service requirements

Outlook

Short-Term

Our short-term priority is to maintain asset reliability and integrity through ongoing optimisation programmes to ensure asset availability and responsiveness to market needs. We will prioritise disciplined project execution to support effective CAPEX utilisation within the regulatory period. We will also maximise existing regasification capacity to meet rising national gas demand.

Medium- to Long-Term

Over the medium- to long-term, we will expand asset capacity to meet increasing national energy demand while supporting sustainability and maintaining resilience in a dynamic market environment.

Business Review



Utilities

Shahrul Izan Bakti A Aziz
Chief Operating Officer, Gas Processing and Utilities

Revenue

RM2.00
billion

2024: RM2.11 billion

Gross Profit

RM0.26
billion

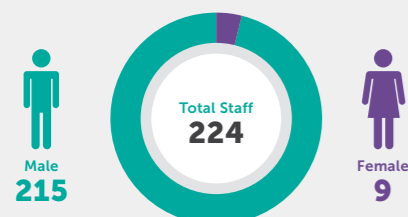
2024: RM0.28 billion

Segment Asset

RM2.23
billion

2024: RM1.78 billion

Human Capital



Operational Performance

Utilities	2024	2025
Electricity (GWh)	1,680	1,736
Steam (kMT)	4,499	4,850
Industrial Gases (MilNm ³)	696	640

The Key Planning and Budget Input target was met in 2025.

2025 Operational Metrics	OEE	PDR
Electricity	99.8%	99.8%
Steam	99.9%	99.9%
Industrial Gases	98.3%	100%

Performance Against Strategic KPIs

Strategic Focus Area	2025 Performance
HSSE Excellence	i. Zero Major HSE Incident ii. Zero Major Security Incident
Financial Excellence	i. Continuous optimisation and value creation initiatives leading to RM208 million in value creation* ii. Timely execution and completion of CAPEX
Operational Excellence	i. UT PDR at 97.97 per cent ii. UT OEE at >99 per cent iii. 100 per cent regulatory compliance iv. Zero recurrence of "High" findings from audit
Strategic and Initiatives and Project Delivery Excellence	i. 100 per cent completion of value creation initiatives through our business strategy roadmap ii. Enhanced project management and execution for project delivery excellence* iii. Continuation of gas turbine life extension and efficiency improvement project
People Development	i. 100 per cent capability-based assessment in having the right competency for the operation* ii. 90 per cent ready successors for Regulations- and Act-related critical positions*

* Combined assessment for Gas Processing and Utilities

For further details on our sustainability performance, refer to our standalone Sustainability Report 2025.

Highlights From 2025

Strategic Objectives	Operational Excellence	Commercial Excellence	Growth
Initiatives	<ul style="list-style-type: none"> Drove operational excellence through targeted reliability strategies, energy and GHG reduction initiatives and process optimisation Focused on key priorities which included defect closure, efficient turnaround management, scenario modelling for contingency planning and continuous improvement in asset performance to maximise uptime, safety and cost efficiency 	<ul style="list-style-type: none"> Focused on expanding spot sales, strengthening revenue assurance and optimising contractual terms Implemented strategic initiatives that enhanced profitability, including scenario modelling and commercial resets underpinned by sustainable growth and value creation 	<ul style="list-style-type: none"> Intensified efforts to acquire new potential businesses while positioning the Utilities business in high-growth areas Centred growth plans on enhancing competitiveness and supporting expansion through plant integration opportunities

Response to Challenges and Risks

	Challenges and Risks	Mitigations
HSSE	High number of projects and site activities resulted in heightened exposure to HSSE risks Compliance with stricter environmental standards and regulations related to effluent and emissions discharge Commitment to sustainability and achieving Net Zero Carbon Emissions by 2050	i. Strengthened the culture of compliance through: <ol style="list-style-type: none"> Reinforced individual accountability using leading indicators and daily risk dashboards Improved understanding of hazards and risks with the "What Good Looks Like" checklist and empowered employees to apply the Stop Work Authority Used digital tools, such as Electronic Permit to Work+ 2.0, Integrated Process Safety Solution and Digital Pre-Activity Safety Review, to reduce human error and standardise processes Addressed external risks through the External Risk Management Programme to enhance protection and compliance ii. Advanced long-term solutions through project enhancements, supported by interim operational controls to improve effluent treatment, including improved chemical injection management iii. Continued carbon abatement initiatives to support sustainability goals and reduce emissions
Operational Excellence	Sustaining optimised operating condition while addressing customer needs for uninterrupted product supply	i. Strengthened steam system resilience through improved deviation analysis and optimised monitoring to proactively manage supply-demand imbalances, enabling economical operation and reliable product supply
Business Environment	Rising operational and support costs affected service delivery and margin performance Revision of the electricity tariff structure under the new RP4 resulted in a lower electricity margin	i. Mitigated operational and maintenance cost pressures through targeted efficiency initiatives and process optimisation to support profitability

Outlook

Short-Term

Our short-term priority is to ensure high plant availability, improving industrial gases performance and strengthening reliability measures to ensure high PDR.

Medium- to Long-Term

Our priorities over the medium- to long-term include exploring new customer segments while leveraging digital transformation to drive greater efficiency.