



**PETRONAS**

# **PETRONAS GAS BERHAD**

## **Quarterly Report**

**For the Fourth Quarter and Year Ended 31 December 2023**



# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

Key Financial Highlights (In RM'000)	Year ended		Variance
	2023	31 December 2022	
Revenue	6,445,423	6,160,176	+4.6
Gross profit	2,287,007	2,347,686	-2.6
Profit before taxation (PBT)	2,447,025	2,269,368	+7.8
Profit for the year	1,962,049	1,758,468	+11.6
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	3,267,150	3,244,519	+0.7
Earnings per share (EPS) (sen)	95.04	83.16	+14.3
Declared dividends per share (sen)	[X]	72.00	—

- **PETRONAS Gas Berhad Group recorded strong financial performance for the full year 2023** on the back of continued operational excellence and further supported by stronger margin from Utilities segment as well as higher contribution from joint venture companies.
- **Group revenue increased by 4.6% or RM285.2 million** mainly contributed by revenue from Utilities segment as a result of higher product prices in tandem with elevated fuel gas price. Electricity tariff for the year was also higher in line with upward revision of Imbalance Cost Pass-Through ("ICPT") surcharge.
- **Nevertheless, gross profit, declined by 2.6% or RM60.7 million** as a result of lower contribution from Regasification and Gas Processing segments due to higher operating expenses, mainly depreciation expense following the completion of capital projects, compounded with lower regasification tariff under RP2.
- **Despite lower gross profit, PBT improved by 7.8% or RM177.7 million** on the back of higher share of profit from joint venture companies, lower financing costs and lower impact from unfavourable foreign exchange movement following early settlement of USD lease liability for floating storage at LNG regasification terminal in Sg. Udang, Melaka.
- **Profit for the year increased by 11.6% or RM203.6 million** in tandem with higher PBT as well as lower tax expense. The corresponding year tax expense was higher as a result of imposition of Prosperity Tax for year of assessment 2022.
- **EBITDA was higher by 0.7% or RM22.6 million** in line with higher PBT.
- **EPS increased by 14.3%**, reflecting higher profit attributable to shareholders of the Company.
- **The Board of Directors has approved a fourth interim dividend** of [X] sen per ordinary share amounting to RM[X] million in respect of the financial year ended 31 December 2023.

# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

The Board of Directors of PETRONAS Gas Berhad (PGB or the Company) is pleased to announce the following unaudited condensed consolidated financial statements of PGB Group of Companies (PGB Group or the Group) for the fourth quarter and year ended 31 December 2023 that should be read in conjunction with the accompanying explanatory notes on pages 8 to 27.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Individual quarter ended 31 December		Year ended 31 December	
		2023	2022	2023	2022
<i>In RM'000</i>					
Revenue		1,582,836	1,632,871	6,445,423	6,160,176
Cost of revenue		(1,076,022)	(1,164,494)	(4,158,416)	(3,812,490)
<b>Gross profit</b>		<b>506,814</b>	468,377	<b>2,287,007</b>	2,347,686
Administration expenses		(39,088)	(30,753)	(131,123)	(113,535)
Other expenses		(2,993)	(22,516)	(55,176)	(76,814)
Other income		61,854	141,226	172,980	162,748
<b>Operating profit</b>	34	<b>526,587</b>	556,334	<b>2,273,688</b>	2,320,085
Financing costs		(23,425)	(47,433)	(126,757)	(178,434)
Share of profit after tax of equity-accounted joint ventures and associate		166,325	18,562	300,094	127,717
<b>Profit before taxation</b>		<b>669,487</b>	527,463	<b>2,447,025</b>	2,269,368
Tax expense	22	(142,863)	(65,360)	(484,976)	(510,900)
<b>PROFIT FOR THE PERIOD/YEAR</b>		<b>526,624</b>	462,103	<b>1,962,049</b>	1,758,468
<b>Profit attributable to:</b>					
Shareholders of the Company		502,601	412,546	1,880,610	1,645,446
Non-controlling interests		24,023	49,557	81,439	113,022
<b>PROFIT FOR THE PERIOD/YEAR</b>		<b>526,624</b>	462,103	<b>1,962,049</b>	1,758,468
<b>Basic and diluted earnings per ordinary share (sen)</b>	32	<b>25.40</b>	20.85	<b>95.04</b>	83.16

The unaudited condensed consolidated statement of profit or loss should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Note	Individual quarter ended 31 December		Year ended 31 December	
		2023	2022	2023	2022
<i>In RM'000</i>					
<b>Profit for the period/year</b>		<b>526,624</b>	462,103	<b>1,962,049</b>	1,758,468
<b>Other comprehensive (loss)/income</b>					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Net movements from exchange differences		(7,053)	(19,328)	11,662	17,185
Share of cash flow hedge of an equity-accounted joint venture		(1,072)	(4,105)	404	9,448
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR</b>		<b>518,499</b>	438,670	<b>1,974,115</b>	1,785,101
<b>Total comprehensive income attributable to:</b>					
Shareholders of the Company		494,476	389,113	1,892,676	1,672,079
Non-controlling interests		24,023	49,557	81,439	113,022
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR</b>		<b>518,499</b>	438,670	<b>1,974,115</b>	1,785,101

The unaudited condensed consolidated statement of other comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In RM'000</i>	Note	As at 31 December 2023	As at 31 December 2022
<b>ASSETS</b>			
Property, plant and equipment		13,630,499	13,408,441
Investment in joint ventures		894,594	767,048
Investments in associate		186,519	175,435
Long term receivables		69,416	122,818
Deferred tax assets		86,051	134,914
<b>TOTAL NON-CURRENT ASSETS</b>		<b>14,867,079</b>	14,608,656
Trade and other inventories		38,670	42,573
Trade and other receivables	26	926,633	990,010
Tax recoverable		19,963	20,919
Cash and cash equivalents		3,527,943	4,026,244
<b>TOTAL CURRENT ASSETS</b>		<b>4,513,209</b>	5,079,746
<b>TOTAL ASSETS</b>		<b>19,380,288</b>	19,688,402
<b>EQUITY</b>			
Share capital		3,165,204	3,165,204
Reserves		10,450,868	9,982,879
<b>Total equity attributable to the shareholders of the Company</b>		<b>13,616,072</b>	13,148,083
Non-controlling interests		260,088	261,758
<b>TOTAL EQUITY</b>		<b>13,876,160</b>	13,409,841
<b>LIABILITIES</b>			
Borrowings	28	1,859,186	3,662,833
Deferred tax liabilities		1,202,035	1,207,184
Provisions		32,209	31,808
Deferred income		20,032	236
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,113,462</b>	4,902,061
Trade and other payables		1,097,383	1,203,591
Borrowings	28	1,293,283	172,909
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,390,666</b>	1,376,500
<b>TOTAL LIABILITIES</b>		<b>5,504,128</b>	6,278,561
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>19,380,288</b>	19,688,402
<b>Net assets per share attributable to the shareholders of the Company (RM)</b>		<b>6.8812</b>	6.6447

The unaudited condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In RM'000	Attributable to shareholders of the Company								
	Non-distributable				Distributable			Non-controlling Interests	Total Equity
	Share Capital	Capital Reserve	Foreign Currency Translation Reserve	Hedging Reserve	Retained Profits	Total			
<b>Year ended 31 December 2023</b>									
Balance at 1 January 2023	3,165,204	520,801	34,659	35,119	9,392,300	13,148,083	261,758	13,409,841	
Net movements from exchange differences	—	—	11,662	—	—	11,662	—	11,662	
Share of cash flow hedge of an equity-accounted joint venture	—	—	—	404	—	404	—	404	
Profit for the year	—	—	—	—	1,880,610	1,880,610	81,439	1,962,049	
<b>Total comprehensive income for the year</b>	—	—	11,662	404	1,880,610	1,892,676	81,439	1,974,115	
Changes in ownership interest in a subsidiary	—	—	—	—	—	—	2	2	
Issuance of shares to non-controlling interests	—	—	—	—	—	—	2,587	2,587	
Redemption of redeemable preference share in subsidiary	—	—	—	—	—	—	(5,556)	(5,556)	
Interim dividend declared and paid in respect of previous year	—	—	—	—	(435,321)	(435,321)	—	(435,321)	
Interim dividend declared and paid in respect of current year	—	—	—	—	(989,366)	(989,366)	(80,142)	(1,069,508)	
<b>Total transactions with shareholders of the Company</b>	—	—	—	—	(1,424,687)	(1,424,687)	(83,109)	(1,507,796)	
<b>Balance at 31 December 2023</b>	<b>3,165,204</b>	<b>520,801</b>	<b>46,321</b>	<b>35,523</b>	<b>9,848,223</b>	<b>13,616,072</b>	<b>260,088</b>	<b>13,876,160</b>	

Continue to next page

# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

In RM'000	Attributable to shareholders of the Company								
	Non-distributable				Distributable			Non-controlling Interests	Total Equity
	Share Capital	Capital Reserve	Foreign Currency Translation Reserve	Hedging Reserve	Retained Profits	Total			
<b>Year ended 31 December 2022</b>									
Balance at 1 January 2022	3,165,204	520,801	17,474	25,671	9,369,414	13,098,564	240,946	13,339,510	
Net movements from exchange differences	—	—	17,185	—	—	17,185	—	17,185	
Share of cash flow hedge of an equity-accounted joint venture	—	—	—	9,448	—	9,448	—	9,448	
Profit for the year	—	—	—	—	1,645,446	1,645,446	113,022	1,758,468	
<b>Total comprehensive income for the year</b>	—	—	17,185	9,448	1,645,446	1,672,079	113,022	1,785,101	
Redemption of redeemable preference share in a subsidiary	—	—	—	—	—	—	(9,801)	(9,801)	
Interim dividends declared and paid in respect of previous year	—	—	—	—	(633,194)	(633,194)	—	(633,194)	
Interim dividend declared and paid in respect of current year	—	—	—	—	(989,366)	(989,366)	(82,409)	(1,071,775)	
<b>Total transactions with shareholders of the Company</b>	—	—	—	—	(1,622,560)	(1,622,560)	(92,210)	(1,714,770)	
<b>Balance at 31 December 2022</b>	<b>3,165,204</b>	<b>520,801</b>	<b>34,659</b>	<b>35,119</b>	<b>9,392,300</b>	<b>13,148,083</b>	<b>261,758</b>	<b>13,409,841</b>	

Continued from previous page

# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In RM'000</i>	Note	Year ended 31 December 2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		2,447,025	2,269,368
<i>Adjustments for:</i>			
Depreciation and amortisation	34	1,141,399	1,035,511
Share of profit after tax of equity-accounted joint ventures and associate		(300,094)	(127,717)
Unrealised (gain)/loss on foreign exchange	34	21,993	67,672
Interest income	34	(149,170)	(120,218)
Financing costs		126,757	178,434
Other non-cash items		11,717	13,671
<b>Operating profit before changes in working capital</b>		<b>3,299,627</b>	3,316,721
Change in trade and other receivables		59,357	(92,426)
Change in trade and other inventories		(4,585)	(3,496)
Change in trade and other payables		(58,176)	176,000
<b>Cash generated from operations</b>		<b>3,296,223</b>	3,396,799
Interest income		149,170	120,218
Taxation paid		(440,306)	(590,758)
<b>Net cash generated from operating activities</b>		<b>3,005,087</b>	2,926,259
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends received from joint ventures and associate		173,530	68,665
Repayment of term loan due from a joint venture		54,466	46,316
Proceeds from partial disposal of investment in a subsidiary		2	—
Proceeds from disposal of property, plant and equipment		8,954	3,572
Purchase of property, plant and equipment		(1,167,246)	(1,169,163)
<b>Net cash used in investing activities</b>		<b>(930,294)</b>	(1,050,610)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid to shareholders of the Company	9	(1,424,687)	(1,622,560)
Dividends paid to non-controlling interest		(80,142)	(82,409)
Drawdown of Islamic financing facility	28	303,600	457,000
Payment of lease liabilities	28	(1,094,739)	(67,362)
Repayment of Islamic financing facility		(105,000)	(110,000)
Interest expense paid		(169,157)	(196,730)
Payment to non-controlling interests on redemption of shares		(5,556)	(9,801)
Proceeds from shares issued to a non-controlling interest		2,587	—
<b>Net cash used in financing activities</b>		<b>(2,573,094)</b>	(1,631,862)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(498,301)</b>	243,787
Cash and cash equivalents at beginning of the year		4,026,244	3,782,457
<b>Cash and cash equivalents at end of the year</b>		<b>3,527,943</b>	4,026,244

Included in the Group's cash and cash equivalents are RM23,924,000 (2022: RM22,282,000) being designated as security and a fixed balance amounting to RM30,000 (2022: RM30,000) in a trustee reimbursable account in relation to a subsidiary's Islamic financing facility.



# QUARTERLY REPORT

## FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

### PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

#### 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared using historical cost basis except for certain financial assets and financial liabilities that are stated at fair value.

The condensed consolidated financial statements are unaudited and have been prepared in accordance with the requirements of IAS 34, *Interim Financial Reporting*, MFRS 134, *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

They should also be read in conjunction with the Group's audited consolidated financial statements and the accompanying notes for the year ended 31 December 2022. The explanatory notes attached to the condensed consolidated financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2022.

Within the context of these financial statements, the Group comprises the Company and its subsidiaries and the Group's interest in an associate and its joint ventures as at and for the year ended 31 December 2023.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

The financial information presented herein has been prepared in accordance with the accounting policies to be used in preparing the annual consolidated financial statements for the year ended 31 December 2023 under the Malaysian Financial Reporting Standards (MFRS) framework. These policies do not differ significantly from those used in the audited consolidated financial statements for the year ended 31 December 2022 except as described below.

As of 1 January 2023, the Group has adopted the following amendments to MFRSs ("pronouncements") which are effective for annual periods beginning on or after 1 January 2023:

Amendments to MFRS 101 *Presentation of Financial Statements and MFRS Practice Statement 2 (Disclosure of Accounting Policies)*

Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)*

Amendments to MFRS 112 *Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)*

The initial application of the above-mentioned pronouncements do not have any material impact to the financial statements of the Group.

On 2 June 2023, the MASB has also issued the Amendments to MFRS 112 *Income Taxes International Tax Reform – Pillar Two Model Rules*. This pronouncement is effective from annual period beginning on or after 1 January 2023. On 29 December 2023, Pillar Two legislation has been enacted in Malaysia, which will come into effect on 1 January 2025.

The Amendments to MFRS 112 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 assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements available for the constituent entities in the Group. Based on the assessment carried out as at 31 December 2023, the Pillar Two effective tax rates in which the Group operates are above 15%. Therefore, the Group does not expect a potential exposure to Pillar Two top-up taxes.

#### 3. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audited financial statements of the Group for the year ended 31 December 2022 were not subject to any audit qualification.

# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

## PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

### 4. SEASONAL OR CYCLICAL FACTORS

The Group's operations are not significantly affected by seasonal or cyclical fluctuations of the business/industry.

### 5. EXCEPTIONAL ITEMS

There were no exceptional items during the period under review.

# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

## PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

### 6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of the amounts reported in the most recent annual financial statements of the Group for the year ended 31 December 2022 that may have a material effect on the results of the period under review.

### 7. PROPERTY, PLANT AND EQUIPMENT

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 accumulated impairment losses, if any.

### 8. DEBT AND EQUITY SECURITIES

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the period under review other than as disclosed in Note 28.

### 9. DIVIDENDS

The following dividends were declared and paid by the Company:

<i>In RM'000</i>	<b>Year ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
<b>Ordinary</b>		
Interim paid:		
2021 - Fourth interim dividend of 22 sen per ordinary share	—	435,321
2021 - Special interim dividend of 10 sen per ordinary share	—	197,873
2022 - First interim dividend of 16 sen per ordinary share	—	316,597
2022 - Second interim dividend of 16 sen per ordinary share	—	316,597
2022 - Third interim dividend of 18 sen per ordinary share	—	356,172
2022 - Fourth interim dividend of 22 sen per ordinary share	<b>435,321</b>	—
2023 - First interim dividend of 16 sen per ordinary share	<b>316,597</b>	—
2023 - Second interim dividend of 16 sen per ordinary share	<b>316,597</b>	—
2023 - Third interim dividend of 18 sen per ordinary share	<b>356,172</b>	—
	<b>1,424,687</b>	1,622,560

On 27 February 2024, the Directors of the Company has approved a fourth interim dividend of [X] sen per ordinary share amounting to RM[X] million in respect of the financial year ended 31 December 2023.

The dividend is payable on [X] to depositors registered in the Records of Depositors at the close of business on [X].

A Depositor shall qualify for entitlement to the dividends only in respect of:

- Shares transferred into the Depositor's Securities Account before 4.30 pm on [X] in respect of ordinary transfers.
- Shares brought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of the Bursa Malaysia Securities Berhad.

The financial statements for the current quarter do not reflect this approved interim dividend. The dividend will be accounted for in equity as an appropriation of retained profits in the financial statements for the financial year ending 31 December 2024.

# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

## PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

### 10. CHANGES IN COMPOSITION OF THE GROUP

There was no material changes in the composition of the Group during the period under review.

### 11. FAIR VALUE INFORMATION

The carrying amounts of cash and cash equivalents, short-term receivables and payables reasonably approximate their fair values due to the relatively short 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 fair values and carrying amounts shown in the statement of financial position. The fair value hierarchy in the valuation technique are as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical 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 Group recognises transfers between levels of fair value hierarchy as at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 2 and 3 of the fair value valuation hierarchy during the financial period.

<i>In RM'000</i>	Fair value of financial instruments carried at fair value Level 2	Fair value of financial instruments not carried at fair value Level 3	Total fair value	Carrying amounts
<b>31 December 2023</b>				
<b>Financial assets</b>				
<i>Current</i>				
Derivative assets	2	—	2	2
<i>Non-current</i>				
Long term receivables	—	131,597	131,597	123,066
<b>Total financial assets</b>	<b>2</b>	<b>131,597</b>	<b>131,599</b>	<b>123,068</b>
<b>Financial liabilities</b>				
<i>Current</i>				
Secured Islamic financing facility	—	(110,000)	(110,000)	(110,000)
Unsecured Islamic financing facility	—	(1,169,349)	(1,169,349)	(1,169,349)
Derivative liabilities	(80)	—	(80)	(80)
	(80)	(1,279,349)	(1,279,429)	(1,279,429)
<i>Non-current</i>				
Secured Islamic financing facility	—	(2,027,378)	(2,027,378)	(1,285,000)
<b>Total financial liabilities</b>	<b>(80)</b>	<b>(3,306,727)</b>	<b>(3,306,807)</b>	<b>(2,564,429)</b>

# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

## PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

### 11. FAIR VALUE INFORMATION (continued)

<i>In RM'000</i>	Fair value of financial instruments carried at fair value Level 2	Fair value of financial instruments not carried at fair value Level 3	Total fair value	Carrying amounts
<b>31 December 2022</b>				
<b>Financial assets</b>				
<i>Non-current</i>				
Long term receivables	–	131,597	131,597	123,066
<b>Total financial assets</b>	–	131,597	131,597	123,066
<b>Financial liabilities</b>				
<i>Current</i>				
Secured Islamic financing facility	–	(105,000)	(105,000)	(105,000)
Derivative liabilities	(10,432)	–	(10,432)	(10,432)
	(10,432)	(105,000)	(115,432)	(115,432)
<i>Non-current</i>				
Secured Islamic financing facility	–	(1,253,094)	(1,253,094)	(1,395,000)
Unsecured Islamic financing facility	–	(862,744)	(862,744)	(862,744)
	–	(2,115,838)	(2,115,838)	(2,257,744)
<b>Total financial liabilities</b>	(10,432)	(2,220,838)	(2,231,270)	(2,373,176)

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.

# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

## PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

### 12. SEGMENTAL INFORMATION

The Group has four reporting 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 it requires different technology and marketing strategies. The following summary describes the operations in each of the Group's reporting segments:

- Gas Processing – activities include processing of natural gas into salesgas and other by-products such as ethane, propane and butane.
- Gas Transportation – activities include transportation of processed gas to gas 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 and gassing up and cooling down services.
- Utilities – activities include manufacturing, marketing and supplying of industrial utilities and provision of operations and maintenance services.

Performance is measured based on segment gross profit, as included in the performance reports to the Board of Directors as the Company believes that such information is the most relevant in evaluating the results of the segments.

The segmental information in respect of the associate and joint ventures are not presented, as the contribution of the associate and joint ventures and the carrying amount of investment in the associate and joint ventures have been reflected in the statement of profit or loss and other comprehensive income and statement of financial position of the Group respectively.

Business Segment					Year ended
	Gas Processing	Gas Transportation	Regasification	Utilities	31 December 2023
Revenue	1,778,200	1,144,124	1,352,275	2,170,824	6,445,423
Segment results	796,485	562,219	637,610	290,693	2,287,007
Unallocated expense					(13,319)
Operating profit					2,273,688
Financing costs					(126,757)
Share of profit after tax of equity-accounted joint ventures and associate					300,094
Profit before taxation					2,447,025

Business Segment					Year ended
	Gas Processing	Gas Transportation	Regasification	Utilities	31 December 2022
Revenue	1,746,788	1,168,418	1,412,098	1,832,872	6,160,176
Segment results	892,410	563,338	750,913	141,025	2,347,686
Unallocated expense					(27,601)
Operating profit					2,320,085
Financing costs					(178,434)
Share of profit after tax of equity-accounted joint ventures and associate					127,717
Profit before taxation					2,269,368

# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

## PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

### 12. SEGMENTAL INFORMATION (continued)

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated income or expenses mainly comprise foreign exchange gain or loss as well as other corporate income and expenses.

The Group's revenue from contracts with customers which also represents reportable segment revenue are further disaggregated as follows:

<i>In RM'000</i>	<b>2023</b>	<b>Year ended 31 December 2022</b>
<b>Geographical Locations</b>		
Peninsular Malaysia	6,443,334	6,152,551
Sabah	2,089	7,625
<b>Total</b>	<b>6,445,423</b>	<b>6,160,176</b>
<b>Products and Services</b>		
Gas processing services	1,778,200	1,746,788
Gas transportation services	1,139,524	1,162,381
Regasification services	1,327,667	1,391,139
Utilities		
- Electricity	772,362	631,181
- Steam	925,898	778,785
- Industrial gases	399,285	356,464
- Others <sup>1</sup>	73,279	66,099
LNG ancillary services	24,608	20,959
Operations and maintenance services	4,600	6,380
<b>Total</b>	<b>6,445,423</b>	<b>6,160,176</b>

### 13. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the quarter.

### 14. CONTINGENCIES

There were no material contingent liabilities and contingent assets subsequent to the audited financial statements for the year ended 31 December 2022.

<sup>1</sup> Others relates to sale of water and other utilities products.

# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

## PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

### 15. CAPITAL COMMITMENTS

Outstanding commitments in respect of capital expenditure at the end of each reporting period not provided for in the interim financial statements are as follows:

<i>In RM'000</i>	<b>As at 31 December 2023</b>	<b>As at 31 December 2022</b>
Property, plant and equipment		
Approved and contracted for	817,685	436,700
Approved but not contracted for	4,500,720	4,586,240
	<u>5,318,405</u>	<u>5,022,940</u>
Share of capital expenditure of joint ventures		
Approved and contracted for	4,260	351
Approved but not contracted for	63,395	15,526
	<u>67,655</u>	<u>15,877</u>
	<u>5,386,060</u>	<u>5,038,817</u>

### 16. RELATED PARTY TRANSACTIONS

On 23 May 2023, PGB has announced the Regas Terminal (Sg. Udang) Sdn Bhd ("RGTSU")'s prepayment of CAPEX Hire fee under the revised Time Charter Party ("TCP") agreement with Gas Asia Terminal (L) Pte. Ltd., a wholly owned subsidiary of MISC Berhad amounting to USD233.6 million. The settlement was part of PGB Group's foreign exchange risk mitigation strategy.

Further details of the settlement can be found in a separate Bursa announcement on 23 May 2023.

There were no significant transactions with related parties in addition to the related party transactions disclosed in the audited financial statements for the year ended 31 December 2022 and mentioned above.

### 17. DISCONTINUED OPERATIONS

There were no discontinued operations in the Group during the period under review.



# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD**

## 18. REVIEW OF GROUP PERFORMANCE

### (a) Performance of current quarter against the corresponding quarter

In RM'000	Individual quarter ended 31 December		Variance %
	2023	2022	
Revenue	1,582,836	1,632,871	-3.1
Gross profit	506,814	468,377	+8.2
Profit before taxation (PBT)	669,487	527,463	+26.9
Profit for the quarter	526,624	462,103	+14.0
EBITDA <sup>1</sup>	786,156	790,769	-0.6

The Group maintained its world-class reliability performance across all its plants and facilities during the quarter under review.

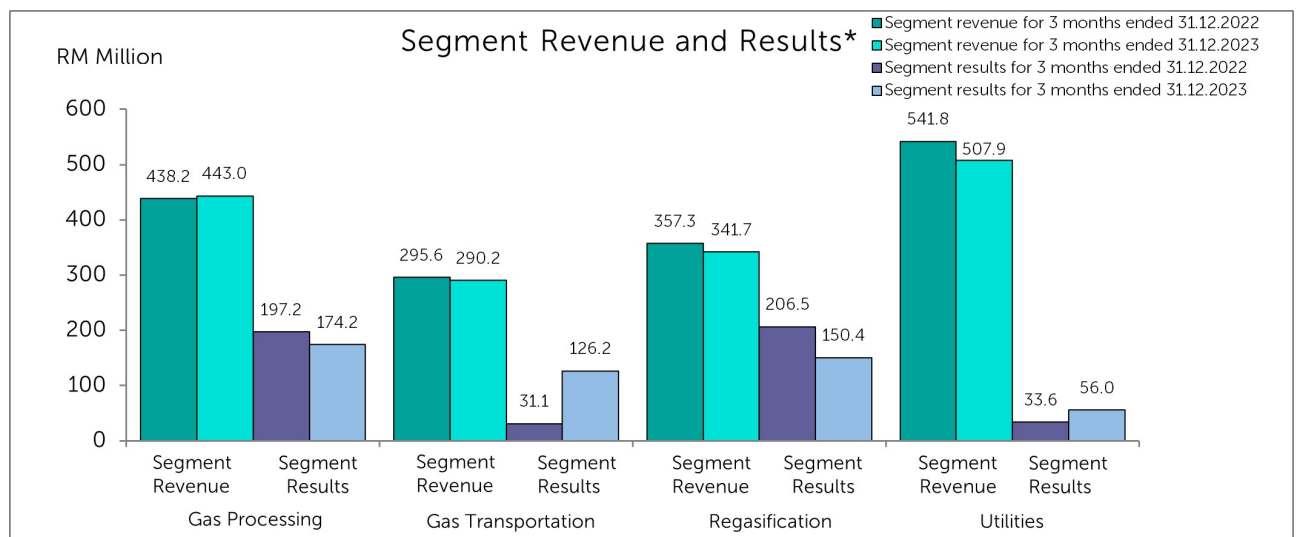
Group revenue decreased by 3.1% or RM50.0 million against the corresponding quarter largely attributable to lower revenue from Utilities and Regasification segments. Lower Utilities revenue was mainly due to lower products' price and customers' offtake while Regasification revenue was lower in line with lower RP2 tariff.

Gross profit however improved by 8.2% or RM38.4 million mainly due to lower fuel gas consumption, partly driven by optimisation efforts.

PBT rose by 26.9% or RM142.0 million in tandem with higher gross profit, and further supported by higher share of profit from joint venture companies.

Profit for the quarter was correspondingly higher by 14.0% or RM64.5 million.

The following section provides further analysis of the Group performance by operating segments.<sup>2</sup>



<sup>1</sup> EBITDA refers to earnings before interest, taxation, depreciation, amortisation and share of profit of equity accounted associate and joint ventures and other significant non-cash items.

<sup>2</sup> Segment Results refers to Gross Profit.

# QUARTERLY REPORT

## FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

### PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

#### 18. REVIEW OF GROUP PERFORMANCE (continued)

##### (a) Performance of current quarter against the corresponding quarter (continued)

###### Gas Processing

The Group's Gas Processing plants maintained its world class operational performance, recording close to 100% reliability.

Segment revenue increased by 1.1% or RM4.8 million against corresponding quarter following higher performance incentive achieved.

Conversely, segment results declined by 11.7% or RM23.0 million due to higher operating expenses, mainly depreciation expense in line with higher projects' completion during the quarter.

###### Gas Transportation

The Group's pipeline network achieved close to 100% reliability during the quarter under review.

Segment revenue decreased by 1.8% or RM5.4 million as a result of lower RP2 transportation tariff from RM1.129/GJ in RP1 to RM1.061/GJ in RP2. This was cushioned by the introduction of new compression tariff at RM0.553/GJ, effective 1 January 2023.

Segment results was nonetheless significantly higher at RM126.2 million driven by lower operating expenses, mainly internal gas consumption. **During the corresponding quarter, internal gas consumption expense was higher due to upward adjustment for full year was recognised.**

###### Regasification

The Group's LNG regasification terminals in Sg. Udang, Melaka ("RGTSU") and Pengerang, Johor ("RGTP") sustained their strong reliability performance at close to 100% during the quarter.

Segment revenue declined by 4.4% or RM15.6 million due to lower RP2 tariff for RGTP from RM3.485/GJ in RP1 to RM3.165/GJ in RP2.

Accordingly, segment results was lower by 27.2% or RM56.1 million in line with lower revenue coupled with higher operating expenses, mainly higher floating storage charges and internal gas consumption.

###### Utilities

The Group's Utilities plants achieved 100% Product Delivery Reliability for steam, electricity, and industrial gases during the quarter under review.

Segment revenue decreased by 6.3% or RM33.9 million, mainly attributable to lower price and sales volume from steam and industrial gases products following lower fuel gas price and lower customers' offtake, cushioned by upward revision of ICPT surcharge.

Despite lower revenue, segment results rose to RM56 million on the back of lower operating expenses, mainly fuel gas cost in tandem with downward movement of benchmark price.

# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)**

**18. REVIEW OF GROUP PERFORMANCE (continued)**

**(b) Performance of current year to date against the corresponding year to date**

In RM'000	Year ended 31 December		Variance
	2023	2022	%
Revenue	6,445,423	6,160,176	+4.6
Gross profit	2,287,007	2,347,686	-2.6
Profit before taxation (PBT)	2,447,025	2,269,368	+7.8
Profit for the period	1,962,049	1,758,468	+11.6
EBITDA <sup>1</sup>	3,267,150	3,244,519	+0.7

The Group maintained its world-class reliability performance across all its plants and facilities during the year.

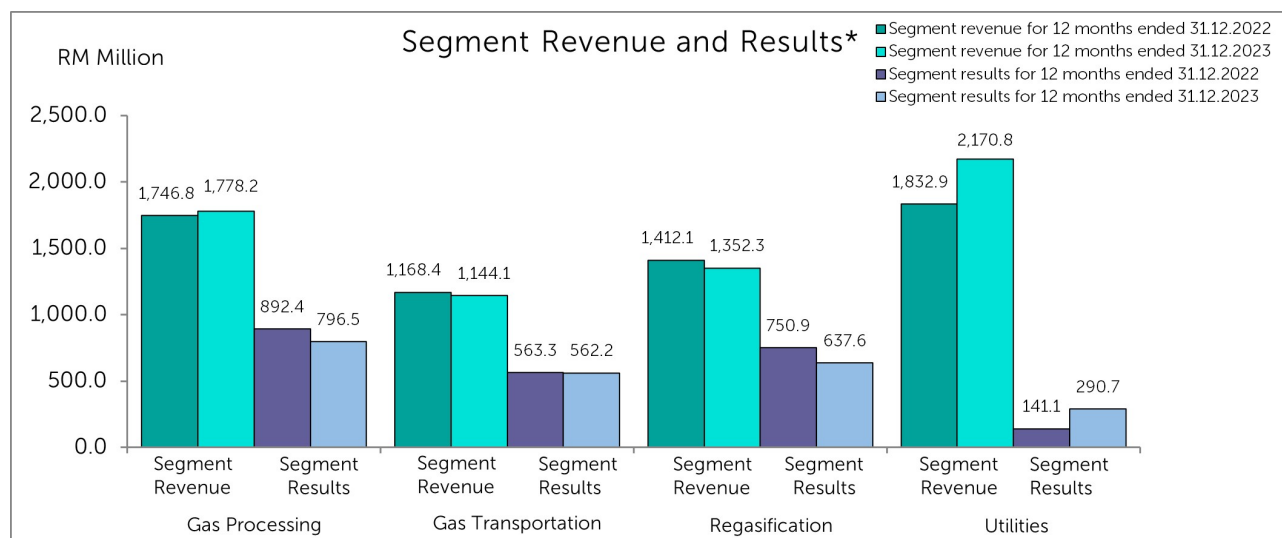
Group revenue increased by 4.6% or RM285.2 million mainly contributed by revenue from Utilities segment as a result of higher product prices in tandem with elevated fuel gas price. Electricity tariff for the year was also higher in line with upward revision of ICPT surcharge.

Nevertheless, gross profit, declined by 2.6% or RM60.7 million as a result of lower contribution from Regasification and Gas Processing segments due to higher operating expenses, mainly depreciation expense following the completion of several capital projects including plant rejuvenation and statutory plant turnarounds, compounded with lower regasification tariff under RP2.

Despite lower gross profit, PBT improved by 7.8% or RM177.7 million on the back of higher share of profit from joint venture companies, lower financing costs and lower impact from unfavourable foreign exchange movement following early settlement of USD lease liability for floating storage at LNG regasification terminal in Sg. Udang, Melaka.

Profit for the year increased by 11.6% or RM203.6 million in tandem with higher PBT as well as lower tax expense. The corresponding year tax expense was higher as a result of imposition of Prosperity Tax for year of assessment 2022.

The following section provides further analysis of the Group performance by operating segments<sup>2</sup>



<sup>1</sup> EBITDA refers to earnings before interest, taxation, depreciation, amortisation and share of profit of equity accounted associate and joint ventures and other significant non-cash items.

<sup>2</sup> Segment Results refers to Gross Profit.

# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA  
MALAYSIA SECURITIES BERHAD (continued)

## 18. REVIEW OF GROUP PERFORMANCE (continued)

### (b) Performance of current year to date against the corresponding year to date (continued)

#### Gas Processing

The Group's Gas Processing plants maintained its world class operational performance, recording close to 100% reliability.

Segment revenue increased by 1.8% or RM31.4 million against corresponding year as a result of higher performance incentive achieved.

Conversely, segment results declined by 10.7% or RM95.9 million due to higher operating expenses, mainly depreciation expense following completion of several capital projects including plant rejuvenation and statutory plant turnarounds.

#### Gas Transportation

The Group's pipeline network achieved close to 100% reliability, comparable to the corresponding year.

Segment revenue decreased by 2.1% or RM24.3 million as a result of lower RP2 transportation tariff.

Segment results was however comparable at RM562.2 million as lower revenue was partially offset by lower operating expenses, mainly due to lower internal gas consumption.

#### Regasification

The Group's LNG regasification terminals in Sg. Udang, Melaka and Pengerang, Johor sustained their strong reliability performance at close to 100% during the year.

Segment revenue and segment results were lower by 4.2% or RM59.8 million and 15.1% or RM113.3 million respectively mainly due to lower RP2 tariff for RGTP. Operating expenditure was also higher, mainly due to higher floating storage charges and depreciation expense.

#### Utilities

The Group's Utilities plants achieved close to 100% Product Delivery Reliability for steam, electricity, and industrial gases during the year.

Segment revenue rose by 18.4% or RM337.9 million, mainly attributable to higher product prices in tandem with elevated fuel gas price. Electricity tariff for the year was also higher in line with upward revision of ICPT surcharge.

Segment results surged by 106% or RM149.6 million in tandem with stronger margin following upward revision of ICPT surcharge and partly negated by higher operating expenses mainly fuel gas price and depreciation.

# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)**

## 19. COMPARISON AGAINST IMMEDIATE PRECEDING QUARTER RESULTS

<i>In RM'000</i>	Individual quarter ended		Variance %
	31 December 2023	30 September 2023	
Revenue	<b>1,582,836</b>	1,550,274	+2.1
Gross profit	<b>506,814</b>	581,527	-12.8
Profit before taxation (PBT)	<b>669,487</b>	594,484	+12.6
Profit for the quarter	<b>526,624</b>	491,161	+7.2
EBITDA <sup>1</sup>	<b>786,156</b>	836,462	-6.0

The Group sustained its strong performance across all of its plants and facilities during the quarter under review.

Group revenue increased by 2.1% or RM32.6 million against the preceding quarter mainly driven by higher revenue from Utilities segment as a result of higher product sales volume on the back of higher demand from customers.

Gross profit was nonetheless lower by 12.8% or RM74.7 million due to higher operating expenses, mainly maintenance expenses following higher level of maintenance activities performed during the quarter.

Despite lower gross profit, PBT improved by 12.6% or RM75.0 million driven by higher share of profit from joint venture companies, mainly due to recognition of deferred tax assets (DTA) in relation to tax incentive.

Correspondingly, profit for the quarter was higher by 7.2% or RM35.5 million.

## 20. REVIEW OF GROUP FINANCIAL POSITION

<i>In RM'000</i>	As at	As at	Variance %
	31 December 2023	31 December 2022	
Total assets	<b>19,380,288</b>	19,688,402	-1.6
Total equity attributable to the shareholders of the Company	<b>13,616,072</b>	13,148,083	+3.6
Total liabilities	<b>5,504,128</b>	6,278,561	-12.3
Return on equity (%)	<b>13.8</b>	12.5	+1.3

The Group's total assets was at RM19.4 billion lower by 1.6% or RM308.1 million due to lower cash balance as a result of early settlement of lease liabilities for floating storage units at LNG regasification terminal in Sg. Udang, Melaka, partially offset by higher property, plant and equipment and investment in joint ventures balances in tandem with higher capital expenditure and share of profit respectively.

Total equity attributable to shareholders of the Company increased by 3.6% or RM468.0 million to RM13.6 billion mainly attributable to profit for the year partially offset by dividends declared and paid to shareholders of the Company.

Total liabilities decreased by 12.3% or RM774.4 million as a result of early settlement of lease liabilities for floating storage units coupled with higher settlement of trade and other payables.

<sup>1</sup> EBITDA refers to earnings before interest, taxation, depreciation, amortisation and share of profit of equity accounted associate and joint ventures and other significant non-cash items.

# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

## PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

### 21. REVIEW OF GROUP CASH FLOWS

<i>In RM'000</i>	Year ended 31 December		Variance %
	2023	2022	
Net cash generated from operating activities	3,005,087	2,926,259	+2.7
Net cash used in investing activities	(930,294)	(1,050,610)	-11.5
Net cash used in financing activities	(2,573,094)	(1,631,862)	+57.7
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(498,301)</b>	<b>243,787</b>	<b>-304.4</b>

Net cash generated from operating activities was higher by 2.7% or RM78.8 million mainly due to lower tax payment following discontinuation of Prosperity Tax for year of assessment 2023.

Net cash used in investing activities decreased by 11.5% or RM120.3 million mainly driven by higher dividend received from joint ventures and associate companies.

Net cash used in financing activities increased by 57.7% or RM941.2 million following early settlement of lease liabilities for floating storage units at LNG regasification terminal in Sg. Udang, Melaka.

### 22. TAX EXPENSE

<i>In RM'000</i>	Individual quarter ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
<b>Current tax expenses</b>				
Malaysia				
- current period	121,609	111,391	420,918	511,976
- under/(over) provision in prior years	32,522	—	20,344	(596)
	<u>154,131</u>	<u>111,391</u>	<u>441,262</u>	<u>511,380</u>
<b>Deferred tax expenses</b>				
- origination and reversal of temporary differences	(11,268)	(46,119)	48,652	(5,830)
- under/(over) provision in prior years	—	88	(4,938)	5,350
	<u>(11,268)</u>	<u>(46,031)</u>	<u>43,714</u>	<u>(480)</u>
<b>Total tax expenses</b>	<b>142,863</b>	<b>65,360</b>	<b>484,976</b>	<b>510,900</b>

The effective tax rate ("ETR") for the current quarter was higher than the statutory tax rate of 24% following reversal of prior years tax provision while the ETR for the year ended 31 December 2023 was lower than the statutory tax rate mainly due to tax incentive granted for LNG regasification terminal in Pengerang, Johor.

# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

## PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

### 23. COMMENTARY ON PROSPECTS

The Group's Gas Processing Processing segment earnings is expected to remain resilient with the 3rd term Gas Agreement was agreed upon and finalised with PETRONAS on 17 December 2023.

Contribution from the Group's Utilities, Regasification and Gas Transportation segments are expected to remain competitive and comparable with 2023. The Government has also announced the continuation of imbalance cost pass-through surcharge for the first half of the year 2024 that will partly mitigate the adverse impact of fuel gas cost which is expected to remain elevated to Utilities segment's earning.

The Group anticipates a healthy performance in 2024, will remain attentive on the challenges ahead and strive for operational excellence. As the Group pursues its growth strategy, it will continue to strike the right balance between growth investments, financial prudence and shareholders' distribution.

### 24. PROFIT FORECAST OR PROFIT GUARANTEE

There was no profit forecast or profit guarantee published by the Group as at the date of this report.

### 25. STATUS OF CORPORATE PROPOSAL ANNOUNCED BUT NOT COMPLETED

There was no corporate proposal announced but not completed as at the date of this report.

# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)**

## 26. TRADE AND OTHER RECEIVABLES

<i>In RM'000</i>	<b>As at 31 December 2023</b>	<b>As at 31 December 2022</b>
<b>Trade receivables</b>		
- Third party	37,043	28,649
- Related companies	711,371	782,893
- Joint ventures	1,272	1,647
- Related parties	39,591	31,967
	<b>789,277</b>	845,156
<b>Other receivables</b>	<b>137,484</b>	144,972
Less: Impairment losses	(128)	(118)
<b>Trade and other receivables</b>	<b>926,633</b>	990,010

Average credit term for trade receivables granted to related companies and third parties is 30 days.

The ageing of trade receivables as at reporting date are as follows:

<i>In RM'000</i>	<b>As at 31 December 2023</b>	<b>As at 31 December 2022</b>
Current	789,277	845,156
Past due 1 to 30 days	—	—
Past due 31 to 60 days	—	—
Past due 61 to 90 days	—	—
Past due more than 90 days	—	—
<b>Trade receivables</b>	<b>789,277</b>	845,156

With respect to the Group's trade receivables, there are no indications as at reporting date that the debtors will not meet their payment obligations.

### Significant related company trade receivables

<b>Related companies</b>	<b>Nature of transactions</b>
<b>a. Holding company</b>	
Petroliam Nasional Berhad	Provision of gas processing services.
<b>b. Related companies</b>	
PETRONAS Energy & Trading Sdn Bhd	Provision of gas transportation services and LNG regasification services.
PETRONAS Chemical Derivatives Sdn Bhd	Sales of industrial utilities.



# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

## PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

### 27. FOREIGN EXCHANGE EXPOSURE / HEDGING POLICY

The Group operates predominantly in Malaysia and transacts mainly in Ringgit Malaysia. Nevertheless, the Group is exposed to varying levels of foreign exchange risk when it enters into transactions that are not denominated in the respective companies' functional currencies and when foreign currency monetary assets and liabilities are translated at the reporting date. As at 31 December 2023, the Group's foreign currency liabilities largely relate to USD lease liability for jetty usage at its LNG regasification terminal in Pengerang, Johor amounting to USD124.9 million. (31 December 2022: USD127.6 million).

The Group's foreign currency management policy is to minimise economic and significant transactional exposure arising from currency movements. Residual net positions are actively managed and monitored against prescribed policies and control procedures. When deemed necessary and appropriate, the Group will enter derivative financial instruments to hedge and minimise their exposure to the foreign currency movements.

### 28. BORROWINGS

Particulars of Group's borrowings are as follows:

<i>In RM'000</i>	<b>As at 31 December 2023</b>	<b>As at 31 December 2022</b>
<b>Non-Current</b>		
<b>Secured</b>		
Islamic financing facility	1,285,000	1,395,000
Lease liabilities	574,186	1,405,089
<b>Unsecured</b>		
Islamic financing facility	—	862,744
	<b>1,859,186</b>	<b>3,662,833</b>
<b>Current</b>		
<b>Secured</b>		
Islamic financing facility	110,000	105,000
Lease liabilities	13,934	67,909
<b>Unsecured</b>		
Islamic financing facility	1,169,349	—
	<b>1,293,283</b>	<b>172,909</b>
	<b>3,152,469</b>	<b>3,835,742</b>
<b>By Currency</b>		
RM	2,577,848	2,376,922
USD	574,621	1,458,820
	<b>3,152,469</b>	<b>3,835,742</b>
Closing exchange rate (RM/USD)	4.5995	4.4150

# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)**

**28. BORROWINGS (continued)**

<i>In RM'000</i>	Total	Less than 1 year	Between 1-5 years	More than 5 years
<b>Secured</b>				
Islamic financing facility <sup>1</sup>	1,395,000	110,000	415,000	870,000
Lease liabilities <sup>2</sup>	588,120	13,934	67,923	506,263
<b>Unsecured</b>				
Islamic financing facility <sup>3</sup>	1,169,349	1,169,349	—	—
	<b>3,152,469</b>	<b>1,293,283</b>	<b>482,923</b>	<b>1,376,263</b>

Reconciliation of liabilities arising from financing activities:

<i>In RM'000</i>	At 1 January 2023	Net changes from financing cash flows	Non-cash changes <sup>4</sup>	At 31 December 2023
Secured Islamic financing facility	1,500,000	(105,000)	—	1,395,000
Lease liabilities	1,472,998	(1,094,739)	209,861	588,120
Unsecured Islamic financing facility	862,744	303,600	3,005	1,169,349
	<b>3,835,742</b>	<b>(896,139)</b>	<b>212,866</b>	<b>3,152,469</b>

**Islamic financing facilities**

<i>In RM'000</i>	As at 31 December 2023	As at 31 December 2022
Secured RM Murabahah Medium Term Notes	1,395,000	1,500,000
Unsecured RM Commodity Murabahah Term Financing	1,169,349	862,744
	<b>2,564,349</b>	<b>2,362,744</b>

**Lease liabilities**

Lease liabilities mainly represents future obligation to make lease payments for the right to use the jetty facilities in Pengerang, Johor.

<sup>1</sup> The secured Islamic financing facility (Islamic Murabahah Medium Term Notes) bears profit rates ranging from 2.03% to 3.74% (2022: 2.03% to 3.74%) per annum and the remaining amount is fully repayable at their various tranches due dates from 2024 to 2040.

<sup>2</sup> The lease liabilities bear interest at rates between 8.1% to 8.4% (2022: between 8.1% to 9.1%) per annum.

<sup>3</sup> The unsecured Islamic financing facility (Commodity Murabahah Term Financing) bears profit rates ranging from 3.46% to 4.18% (2022: 2.38% to 3.56%) per annum and is repayable in full in March 2024.

<sup>4</sup> Non-cash changes consist of foreign exchange translation, lease adjustment and other amortisation.

# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

## PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

### 29. DERIVATIVES

Outstanding derivatives as at the date of the statement of financial position are as follows:

	Notional/Contract Value		Fair Value	
	As at	As at	As at	As at
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	USD'000	USD'000	RM'000	RM'000
Forwards exchange contracts				
- Less than 1 year	10,656	36,064	(78)	(10,432)

There were no changes to the requirements and nature of the outstanding derivatives as disclosed since the last audited financial statements for the year ended 31 December 2022, other than as disclosed above.

### 30. FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

The Group does not have any financial liabilities that are measured at fair value (other than derivative financial instruments) for the period under review.

### 31. MATERIAL LITIGATION

On 25 November 2019, PETRONAS Gas Berhad ("the Company") was served a Notice of Arbitration by PBJV Group Sdn Bhd ("PBJV"). The claim amounting to RM159.5 million is in relation to the procurement, construction, and commissioning of Pengerang Gas Pipeline Project ("the Project") where a Consortium was appointed by the Company as the contractor for the Project. PBJV was one of the Consortium partners for the Project.

On 24 December 2019, the Company has responded to the Notice of Arbitration and denied all PBJV claims as baseless allegation and without any merit as the Global Settlement Agreement agreed by both Consortium partners recorded the settlement terms in relation to the Project. The arbitration is currently ongoing.

There has been no other new material litigation since the last audited consolidated financial statements for the year ended 31 December 2022.

### 32. EARNINGS PER SHARE

Basic earnings per share ("EPS") is derived based on the net profit attributable to shareholders of the Company and the number of ordinary shares outstanding during the period.

	Individual quarter ended		Year ended	
	2023	31 December 2022	2023	31 December 2022
Net profit for the period attributable to ordinary shareholders of the Company (RM'000)	502,601	412,546	1,880,610	1,645,446
Number of ordinary shares in issue ('000)	1,978,732	1,978,732	1,978,732	1,978,732
<b>EPS (sen)</b>	<b>25.40</b>	20.85	<b>95.04</b>	83.16

As at the date of the statement of financial position, the Company has not issued any dilutive potential ordinary shares and hence, the diluted EPS is the same as the basic EPS.

### 33. AUDITOR REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

As disclosed in Note 3.

# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)**

## 34. OPERATING PROFIT FOR THE PERIOD

In RM'000	Individual quarter ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
<b>Operating profit includes the following charges:</b>				
Depreciation of property, plant and equipment <sup>1</sup>	304,825	274,927	1,141,399	1,035,511
Property, plant and equipment written off	220	718	220	718
Unrealised loss on foreign exchange	—	—	21,993	67,672
Realised loss on foreign exchange <sup>2</sup>	1,761	—	25,045	—
Net impairment losses on:				
- property, plant and equipment	1,233	9,141	1,233	9,141
- expected credit loss	—	7	—	—
- inventories	8,351	6,874	8,351	6,874
Inventory written off	137	—	137	—
<b>and crediting:</b>				
Gain on disposal of property, plant and equipment	1,806	396	2,984	3,510
Net impairment reversals on expected credit loss	6	—	88	79
Realised gain on foreign exchange	—	3,779	—	2,773
Unrealised gain on foreign exchange	10,597	50,020	—	—
Interest income:				
- fund investments	44,306	46,838	139,586	108,277
- term loan due from a joint venture	2,183	2,795	9,584	11,941

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

## 35. DIVIDENDS

As disclosed in Note 9.

## 36. EXCHANGE RATE

USD/MYR	Individual quarter ended			Year ended		
	31.12.2023	30.9.2023	31.12.2022	31.12.2023	30.9.2023	31.12.2022
Average rate	4.6976	4.6277	4.5756	4.5602	4.5144	4.4001
Closing rate	4.5995	4.6950	4.4150	4.5995	4.6950	4.4150

<sup>1</sup> The depreciation of property, plant and equipment includes depreciation on right-of-use (ROU) assets and amortisation of prepaid lease payments.

<sup>2</sup> The year ended includes a realised forex loss from early settlement of USD lease liabilities for floating storage units at LNG regasification terminal in Sg. Udang, Melaka to minimise economic and significant transactional exposure arising from currency movements as per Note 27.

# QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2023

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA  
MALAYSIA SECURITIES BERHAD (continued)

## 37. AUTHORISED FOR ISSUE

The quarterly report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 February 2024.

### BY ORDER OF THE BOARD

Mek Yam @ Mariam Hassan  
MAICSA 7030578  
SSM Practising Certificate No. 201908000788

Cik Azizahwati Ishak  
MAICSA 7060684  
SSM Practising Certificate No. 202008002944

*Company Secretaries*  
Kuala Lumpur  
27 February 2024