

A SUSTAINABLE FUTURE TOGETHER

Integrated Annual Report 2024



What's Inside





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NAVIGATION ICONS

Key Capitals





Material Matters











Physical

Human Rights

Ocean Health

Security

Sustainable Supply Chain











Financial Performance





Social & Relationship

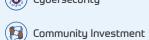


Natural











United Nations Sustainable

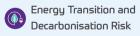
Development Goals





Risks





















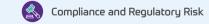




Communities

Industry Peers

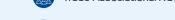














Overview

We are pleased to present MISC Berhad's ("MISC" or "the Group") Integrated Annual Report 2024. The purpose of this report is to provide a balanced and fair assessment of how we create value for our diverse stakeholders.

This report presents a factual narrative of our material matters, business strategies, risks, corporate governance, as well as financial and non-financial performance. It also seeks to underscore our relentless drive towards innovation and low-carbon solutions, creating value for our shareholders and stakeholders alike.

REPORTING SCOPE AND BOUNDARIES

This Integrated Annual Report (IAR) provides disclosures on MISC Berhad, its subsidiaries, associates and joint ventures, which are referred to as MISC or the Group throughout the report. It covers the full calendar year from 1 January to 31 December 2024, unless stated otherwise. The report may also include reporting on material events that occurred after this date up to the date of publication.

The information presented relates to the Group's business activities and operations, which cover Gas Assets & Solutions, Petroleum & Products, Offshore, Marine & Heavy Engineering, Marine Services and Maritime Education & Training.

MATERIALITY

The information presented in this IAR is based on material matters that are most important to our business and stakeholders. In determining our material matters, we took into consideration issues that impact our

ability to deploy our strategies or create shared value and long-term financial and non-financial performance, the risks identified and the interests of our key stakeholders.

DEMONSTRATING OUR INTEGRATED THINKING

We provide an overview of the Group's ability to create value by implementing corporate and sustainability strategies. We identified the linkages, impacts and synergies between our financial and non-financial capitals, material topics, stakeholder expectations, strategic objectives, risks and opportunities.

SUSTAINABILITY RISKS AND GOVERNANCE

In all markets where we operate, material economic, environmental, social and governance (EES&G) principles are taken into consideration when creating our strategies, policies and initiatives. We have also integrated EES&G risk management approaches into our performance modelling.

ASSURANCE

The financial information in this report is based on the consolidated Audited Financial Statements for the year ended 31 December 2024, audited by Ernst & Young PLT. In 2024, MISC conducted an independent limited assurance exercise for its greenhouse gas (GHG) emissions and safety performance data recorded in 2023 and 2024. The statement of assurance can be found in the Sustainability Report 2024.

EXCLUSIONS

The information is guided by our appetite for disclosure. We have withheld information that falls within the following categories:

- Information that would jeopardise our strategic and competitive advantage;
- Information that we are contractually precluded from sharing; and
- Information which we are unable to verifu.

FORWARD-LOOKING STATEMENTS

This IAR incorporates forward-looking statements that represent the Group's expectations of its future value creation prospects. Given the dynamic nature of the operating environment and the inherent uncertainties within the industry in which MISC operates, actual outcomes mau deviate from the projections outlined in forward-looking statements. Thus, these statements should not be considered as an implicit or explicit quarantee of MISC's future performance.

RESPONSIBILITY STATEMENT

The Board of Directors acknowledges its responsibility in ensuring the integrity of the MISC Berhad Integrated Annual Report 2024. In the Board's opinion, this report has addressed all material issues and matters and fairly presents the Group's performance for the year 2024. This report has been prepared in accordance with the International Integrated Reporting <IR> Framework.

Approved by the Board of Directors on 20 February 2025 and signed on behalf of the Board:

DATUK ABU HURAIRA ABU YAZID

Chairman

ZAHID OSMAN

President & Group Chief Executive Officer

MISC's 2024 Integrated Reporting Suite



INTEGRATED ANNUAL REPORT (IAR) 2024

Offers shareholders and stakeholders a balanced and comprehensive overview of our financial and non-financial performance. It includes insights into the external environment, our business model, strategy, achievements, financial statements, material matters, corporate governance and risk management.



SUSTAINABILITY REPORT (SR) 2024

Details our initiatives, outcomes and performance in key Environmental, Social and Governance (ESG) areas, enhancing transparency in our ESG efforts. This report also encompasses our Climate-related Financial Disclosures Report.



FINANCIAL REPORT (FR) 2024

Provides detailed financial disclosures, including the Directors' Report, Audited Financial Statements and Independent Auditors' Report, catering to shareholders, investors, analysts and other interested parties.

| Key Frameworks Applied | IAR | SR | FR |
|---|-----|----|----|
| International <ir> Framework issued by the International Integrated Reporting Council (IIRC)</ir> | √ | | |
| Main Market Listing Requirements (MMLR) issued by Bursa Malaysia | √ | √ | √ |
| Companies Act 2016 (CA 2016) | √ | | √ |
| Malaysian Code on Corporate Governance 2021 | √ | √ | √ |
| Corporate Governance Guide (4 th Edition) issued by Bursa Malaysia | √ | √ | |
| Malaysian Financial Reporting Standards (MFRS) | √ | | √ |
| International Financial Reporting Standards (IFRS) | √ | | √ |
| Bursa Malaysia Sustainability Reporting Guide | | √ | |
| Global Reporting Initiative (GRI) Standards | | √ | |
| Sustainability Accounting Standards Board (SASB) Standards | | √ | |
| FTSE4Good Bursa Malaysia Index | | √ | |
| Carbon Disclosure Project (CDP) | | √ | |
| MSCI ESG Ratings | | √ | |
| Morningstar Sustainalytics ESG Risk Ratings | | √ | |
| S&P Corporate Sustainability Assessment | | √ | |
| IFRS S2 Climate-related Disclosures | | √ | |
| AA1000 Stakeholder Engagement Standard | | √ | |
| United Nations Global Compact Guiding Principles | | √ | |
| United Nations Guiding Principles on Business and Human Rights | | √ | |
| Principles of Climate Governance by World Economic Forum | | √ | |
| United Nations Sustainable Development Goals (SDGs) | | √ | |

SECTION 2

ABOUT MISC

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- 8 Our Businesses
- 12 How We Move Energy



Who We Are

Who We Are

INTEGRATED ANNUAL REPORT 2024

MISC Berhad is a global leader in energy-related maritime solutions and services, with 56 years of experience in the maritime industry.

Our principal businesses include energy shipping and its related activities, offshore floating solutions, marine repair and conversion, integrated marine services, port management and maritime services, as well as maritime education and training.

Leveraging our extensive global presence, we deliver a comprehensive range of solutions across the maritime energy value chain.

At the core of our success is a modern and diversified fleet of over 100 owned and in-chartered vessels, including liquefied natural gas carriers (LNGCs), petroleum tankers and offshore floating facilities, with a combined deadweight tonnage capacity exceeding 13 million tonnes.

Powered by a diverse and skilled global workforce, our fleet ensures the safe and efficient transportation of energy resources worldwide.

As a future-focused organisation, MISC is committed to advancing new energy solutions, underscoring our dedication to supporting the global energy transition while maintaining excellence in our core businesses.

Our Vision

To consistently provide better energy-related maritime solutions and services

Our Mission

To be consistently better, we strive to:

- Exceed the expectations of our customers
- · Promote individual and team excellence of our
- Create a positive difference to the lives of communities
- Care for the environment and operate responsibly
- Drive sustainable value for our shareholders

OUR STRENGTHS



Diversified business portfolio and track record of operational excellence



Sustainable partnerships with key industry players



Stable cash flow with strong discipline in risk and financial management

Integrated commercial viability and ESG priorities in our business operations

Highly experienced leaders, operating within a strong governance framework

OUR KEY HIGHLIGHTS

Proven Track Record

56 uears of experience in delivering energy-related maritime solutions and services

Global Operations



Operating presence in **11** countries, moving energy across continents

Market Strength

Among the world's leading energy shipping and maritime solutions provider



Market Capitalisation:

RM33.9 billion

Fleet Strenath



102 modern fleet of LNG, Petroleum and Product vessels



Reputable Floating Production System Owner-Operator with 12 assets

Strong Credit Ratings

Moody's Baa2 (Stable)

S&P Global Ratings **BBB+ (Stable)**



Over **9,000** sea and shore employees

For more information, please refer to the MISC corporate website at <u>www.miscgroup.com</u>.

OUR SHARED VALUES

Loyalty Loyal to corporation

Honest and upright

Strive for excellence



Cohesiveness

United, trust and respect for each other

.

Our Businesses

Our Businesses

GAS ASSETS & SOLUTIONS

Our Gas Assets & Solutions (GAS) segment specialises in transporting liquefied natural gas (LNG) and ethane, as well as providing asset-based solutions, leveraging decades of expertise. We prioritise operational excellence, backed by a strong track record of timely deliveries, while selectively investing in modern, fuel-efficient assets and venturing into new energy solutions to solidify our role in the global energy transition.





construction

FSU under ronversion

Please refer to Gas Assets & Solutions Business Review on page 78 for more information

Fleet Strength





due to its space-efficient containment robust and reduces sloshing.



5 Moss-type LNGCs

The membrane-type system has a The Moss-type vessel has higher capacity than Moss-type vessels self-supporting spherical tanks that are



1 LNG Bunker Vessel (LBV)

ship-to-ship (STS) transfer operations. land-based facilities.



2 Floating Storage Units (FSUs)



6 Very Large Ethane Carriers (VLECs)

An LBV supplies LNG as marine fuel An FSU is a flexible LNG storage A VLEC is a specialised gas carrier that transports liquefied ethane at -94° Celsius (bunker) to LNG-fuelled vessels via solution and an alternative to in membrane tanks over long distances. The vessel is equipped with dual-fuel propulsion and reliquefaction systems.

PETROLEUM & PRODUCTS

We operate a modern and diverse fleet of petroleum and product tankers, including specialised vessels such as Dynamic Positioning Shuttle Tankers and Modular Capture Vessels. Our fleet is designed to deliver petroleum and refined products with a focus on safety, reliability and efficiency. Aligned with our commitment to sustainable shipping, we are advancing decarbonisation efforts through the development of LNG and ammonia dual-fuel vessels.



vessels under

Please refer to Petroleum & Products Business Review on page 81 for more information

Fleet Strength



13 Very Large Crude Carriers (VLCCs) 6 Suezmax Tankers A VLCC has the capacity to transport A Suezmax tanker has a capacity of

approximately two million barrels approximately one million barrels of of crude oil over long distances to crude oil, with the flexibility to ship both facilitate global trades.



long-haul cargo and shorter, regional trades.



20 Aframax Tankers*

An Aframax tanker has the capacity **Tankers (DPSTs)** oil, in mainly regional trade.

* Includes two modular capture vessels (MCVs).



17 Dunamic Positioning Shuttle

barrels of crude oil. It is used to carry technology to maintain a fixed position cargo transfer operations. crude oil or dirtu products, such as fuel while loading crude oil from remote offshore production facilities located in deepwater and/or harsh weather conditions, transporting it to shore for storage or refining.



8 Lightering Support Vessels (LSVs) 2 Long Range 2 (LR2) Tankers



An LSV transports equipment and An LR2 tanker is a coated tanker with to transport approximately 0.7 million A DPST utilises dynamic positioning crew that are required to perform STS the capacity to transport approximately 0.7 million barrels of oil. It can carry both clean and dirtu products and is mainly utilised for regional trade.

OFFSHORE

We are owners and operators of floating production systems across various locations globally, offering a comprehensive suite of services tailored to meet the dynamic floating solutions needs of the offshore business landscape, from shallow to ultra-deepwater field developments.



fshore floating solutions

Please refer to Offshore Business Review on page 84 for more information.

As at 20 February 2025

Fleet Strength



1 Semi-submersible Floating Production System (Semi-FPS)

A Semi-FPS is an offshore platform that floats on the surface of the water, supported by submerged pontoons. It is equipped with production facilities to process hydrocarbons by separating fluids received from a subsea reservoir through risers into crude oil, natural gas, water and impurities. The extracted oil is exported via pipeline to an oil and gas terminal, operating at a depth of approximately 1,400 meters.



6 Floating Production, Storage and Offloading (FPSOs) An FPSO is a vessel-type unit that

combines the functions of production, storage and offloading of oil and gas. It is equipped with processing facilities and designed for permanent mooring at a location for long periods i.e. 20 years or more of continuous operations. The production facilities on board separate oil, gas and water from hydrocarbons received from a subsea reservoir. After processing, the oil is stored in the FPSO's tanks and later offloaded to shuttle tankers or pipelines to onshore receiving facilities.



5 Floating Storage and Offloading (FSOs) An FSO unit is primarily used for the

storage and offloading of oil and gas and it does not have any production processing capabilities. It is normally integrated with other production systems, such as fixed platforms, mobile offshore production units and tension leg platforms. FSOs receive hydrocarbons from nearby production platforms or subsea wells, store them and later offload the stored oil to a shuttle tanker.

Our Businesses

INTEGRATED ANNUAL REPORT 2024

Our Businesses

MARINE & HEAVY ENGINEERING

As a premier energy and marine solutions provider, our Marine & Heavy Engineering segment operates one of the largest fabrication yards in Southeast Asia. We specialise in offshore construction, including deepwater facilities, marine repair, conversion services and marine refurbishment, with a niche focus on LNGCs. Leveraging our extensive expertise, we construct carbon capture facilities, advanced offshore wind farm substations, and provide fabrication services for green hydrogen facilities.

Please refer to Marine & Heavy Engineering Business Review on page 87 for more

Key Facilities





Heavy Engineering

We have the largest fabrication area by tonnage capacity in Malaysia, to provide engineering, procurement, construction, installation and commissioning (EPCIC) of complex structures for offshore and onshore facilities.

Our well-equipped yard includes three dry docks, land berths, guays and a shiplift. These facilities enable us to perform repair works, maintenance, marine conversion and refurbishment for a wide range of vessels.

MARINE SERVICES

We provide a comprehensive range of solutions including ship management, port and terminal operations, port engineering and maintenance and marine assurance services. Our services are designed to cater to the evolving needs of our diverse clientele and anticipated shifts in the industry. We actively support the Group's decarbonisation goals by cultivating talents with expertise in future-fuel solutions.

Please refer to Marine Services Business Review on page 90 for more information.

Key Services





Ship Management Services

- Ship management, engineering and procurement
- Project management: Supervision and consultancy services for dry docking and newbuilding of vessels

Port Management & Maritime Services

- Port and Terminal Management: Port and terminal operations, pilotage, mooring master, loading master and marine controller, jetty maintenance and single point mooring (SPM) maintenance
- Port Engineering and Maintenance: Jetty maintenance, SPM maintenance, SPM refurbishment and dredging activities
- Marine Services: Ship vetting, offshore vessel inspection, marine assurance and consultancy (Ship Screening, Tanker Management Self-Assessment, Offshore Vessel Management and Self-Assessment and Roving Marine Marshall Services)

MARITIME EDUCATION & TRAINING

Akademi Laut Malaysia (ALAM) offers a spectrum of maritime courses including nautical and marine engineering programmes, maritime and offshore safety courses, simulator-based courses and maritime management programmes, as well as research and consultancy services. Through strategic partnerships with leading academic institutions and industry pioneers, we enhance research, develop future-ready talent and address critical industry challenges.

Please refer to Maritime Education & Training Business Review on page 94 for more

Key Services





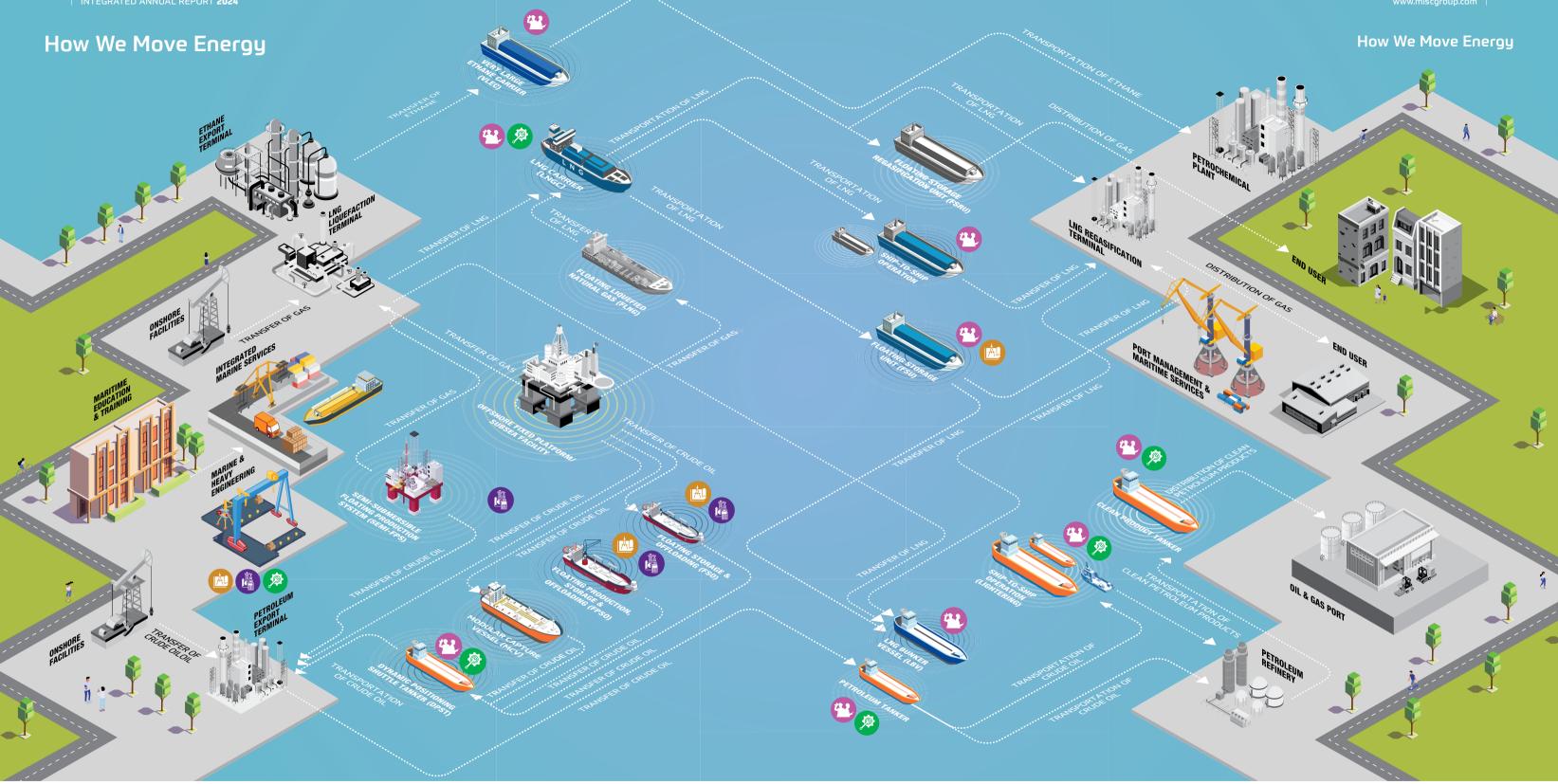
Pre-Sea Diploma, Post-Sea, Ratings and Modular Programmes

We provide a broad spectrum of maritime education and training, beyond the Standards of Training, Certification and Watchkeeping (STCW)

Research & Consultancy Services

Through our research and consultancy experts, we provide flexible solutions encompassing the total lifecycle of port development





MISC holds a crucial position We are proactively transitioning to new energy **in the energy value chain as** solutions to reduce emissions and ensure compliance an effective long-distance with evolving local and international maritime commodities transporter and regulations. By fostering innovation, sustainability **maritime assets supplier for** and operational excellence, we strive to contribute to **offshore oil and gas extraction.** a resilient and responsible energy future.



Complete/Full Range Offshore Platform EPCIC Services for Offshore & Onshore Construction



Comprehensive Marine Repair & Refurbishment



Conversion Works



Ship Management

MISC Businesses and Activities

Gas Assets & Solutions

Offshore

Petroleum & Products

- Marine & Heavy Engineering
- Marine Services
- Maritime Education & Training

Related Activities in Oil and Gas Value Chain

SECTION 3

KEY MESSAGES

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- 24 Chief Strategy & Sustainability Officer's Message
- **26** Chief Financial Officer's Message



Chairman's Message

INTEGRATED ANNUAL REPORT 2024



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Dear Stakeholders,

2024 was a defining chapter in MISC's journey, a year marked by both challenges and strategic milestones that reinforced our commitment to long-term value creation.

We navigated a dynamic and evolving landscape influenced by geopolitical tensions. economic challenges, regulatory demands and the ongoing energy transition. MISC responded with a re-energised strategic focus, operational agility and a steadfast approach to decarbonisation. Through these efforts, we charted the way forward and continued to create value for stakeholders while building a more resilient and future-ready MISC.

NAVIGATING A COMPLEX OPERATING LANDSCAPE

The macroeconomic and geopolitical environment in 2024 remained uncertain, presenting both risks and opportunities. However, with our strategic focus on advancing MISC's low-carbon future while strengthening our core businesses, we continued to explore growth opportunities to drive meaningful progress.

Geopolitical tensions disrupted trade flows, causing increased tonne-mile demand and operational risks. Sanctions on Russian oil and gas have reshaped global trade, resulting in longer voyage distances, while instability in the Middle East has forced vessels to reroute around the Cape of Good Hope. Despite these headwinds, MISC remained agile, ensuring operational stability, safeguarding our crew and vessels and delivering reliable service to our clients.

The LNG sector faced challenges due to liquefaction project delays and a high number of new LNGC deliveries, which led to weakening charter rates, particularly for steam vessels. In response, we are rejuvenating our LNGC fleet with modern and lower-carbon emissions vessels secured under long-term contracts, strengthening revenue stability and ensuring consistent cash flow in the future.

Additionally, with heightened regulatory requirements from the International Maritime Organization (IMO) and the European Union (EU), we have strengthened our decarbonisation efforts. This involves upgrading our fleet with LNG dual-fuel and ammonia-readu vessels and exploring other future fuels as well as abatement technologies to achieve a targeted 50% reduction in GHG emissions by 2030. We continued embedding our Internal Carbon Pricing (ICP) Framework into our project assessments and investment decisions, ensuring readiness for the anticipated global carbon taxes.

RE-ENERGISED FOCUS, RESILIENT ACHIEVEMENTS

Amidst a rapidly changing environment, MISC has strategically refined its focus while building a foundation for sustainable growth. In 2024, we moved forward with MISC 2030 Ambition by prioritising three key pillars: Resilient Core, Profitable New Energy Business and Decarbonisation. Through targeted emphasis on these areas, we have achieved balanced progress in fortifying our core operations, venturing into the new energy sector and adhering to evolving regulatory requirements.

In 2024, we accomplished a significant milestone following the successful delivery of FPSO Marechal Duque de Caxias after it achieved its first oil on 30 October. Being our largest investment to date, it demonstrates our ability to manage complex projects despite pandemic-related disruptions.

Our Marine & Heavy Engineering segment also recorded a turnaround, driven by improved project delivery and financial performance, culminating in the delivery of key projects, such as the Jerun Development and Rosmari-Marjoram Gas projects.

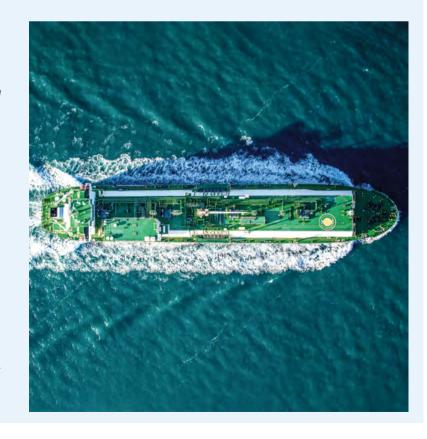
In future fuel innovations, MISC has made significant advancements in ammonia dual-fuel technology. A milestone this year was AET's groundbreaking long-term charter agreement with PETCO Trading Labuan Company Ltd. (PTLCL) for the deployment of the world's first two ammonia dual-fuel Aframaxes.

In 2024, we accomplished a significant milestone with the FPSO Marechal Duque de Caxias achieving first oil on 30 October.

As part of the PETRONAS Group's Gas and Maritime division, we will continue to explore new value-creation opportunities and synergies by aligning the core aspects of our business. Strengthening our partnership with PETRONAS, we have signed Time Charter Parties (TCPs) for two new LNGCs, each secured under firm 15-year contracts.

DELIVERING CONSISTENT RETURNS

Amidst prevailing market uncertainties, MISC remained financially resilient. The Group recorded a profit before tax of RM1,283.5 million, lower than in 2023 due to headwinds in the Gas Assets & Solutions and Offshore segments. Despite these challenges, the Group's cash flow remained strong. Accordingly, the Board declared a dividend of 36 sen per share, reflecting our ability to deliver systainable returns consistentlu.



Chairman's Message

Chairman's Message

INTEGRATED ANNUAL REPORT 2024

STRENGTHENING TRANSPARENCY AND ACCOUNTABILITY

Governance is a fundamental pillar of MISC's operations, ensuring that corporate responsibility and integrity are upheld to the highest standards. A key initiative was the establishment of Director's Conflict of Interest (COI) Review Procedures to ensure that compliance with reporting and disclosure requirements are met, while fostering a culture of accountability and integrity.

To ensure long-term stability, we prioritised senior management succession planning, equipping MISC with a strong pipeline of capable leaders to drive the Group's continued growth and resilience. Additionally, with the introduction of the MISC Human Rights Policy, we embedded a risk-based approach to identifying and mitigating potential human rights impacts, aligning our operations with international human rights standards. Reinforcing a culture of ethical conduct and regulatory compliance, Board members also participated in mandatory training to uphold robust governance practices.



RECOGNISING EXCELLENCE ACROSS OUR ACHIEVEMENTS

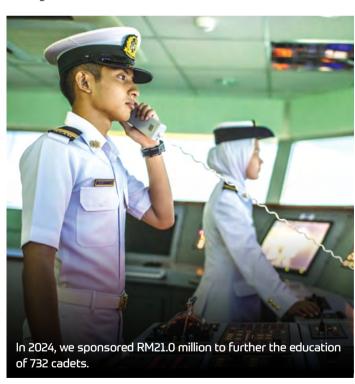
Our achievements in 2024 earned industry recognition, underscoring our commitment to excellence. AET was named joint winner of Tanker Operator of the Year at The Tanker Shipping & Trade 2024 Awards. MISC's dedication to sustainability earned us the Silver Award at The Edge ESG Awards 2024, marking our third win in the Transport & Logistics Sector category. Additionally, MISC received the Industry Excellence Award in Transportation & Logistics at the National Corporate Governance & Sustainability Awards 2024 and was recognised among Malaysia's Top 25 Overall Excellence Award winners.

AET's financino innovation was accorded the Islamic Finance Deal of the Year by EuroMoney for its USD100 million sustainability-linked Islamic revolving credit facility. AET also secured two awards in the Best Sustainability-Linked Financing category at The Asset's Triple A Islamic Finance Awards 2024.

CHARTING A COURSE FOR SUSTAINABLE GROWTH

Looking ahead, the maritime landscape will continue to be shaped by geopolitical shifts, economic pressures and evolving regulations. Navigating this environment requires agility, foresight and decisive action to manage risks and capitalise on

MISC remains committed to sustainable growth, founded on a resilient business model, disciplined financial management and a clear sustainability agenda. We are aligned with international climate goals to maintain business continuity and competitiveness. Our target to achieve a 50% reduction in GHG emissions by 2030 underscores our proactive approach to leading a sustainable maritime future.



MISC is dedicated to nurturing future maritime professionals, continuously investing in maritime talent development through ALAM. In 2024, we allocated RM21.0 million to sponsor 732 cadets, demonstrating our commitment to building a skilled maritime workforce. Complementing this effort, we strengthened our unwavering dedication to diversity and inclusive leadership with three female Captains actively serving in command roles.



AFFIRMATION OF MISC'S STRONG BOARD AND LEADERSHIP TEAM

In 2024, MISC recorded some changes in the Board, adding new skills and capabilities. On behalf of the Board, I am pleased to welcome Datuk Adif Zulkifli as a Non-Independent Non-Executive Director. His extensive experience and expertise will drive MISC's continued growth and success.

Another essential aspect of our leadership strategy is succession planning. En. Zahid Osman, the former Chief Operating Officer of MISC, took over as President & Group CEO after Captain Rajalingam Subramaniam's departure in August. En. Zahid Osman seamlessly transitioned into the role with his extensive experience and deep understanding of the company, ensuring a smooth leadership change. This transition also played a key role in streamlining the executive leadership team, reinforcing leadership continuity and supporting long-term stability.

On behalf of the Group, I would like to express our heartfelt appreciation and gratitude to Captain Rajalingam Subramaniam for his exceptional leadership at MISC. With a distinguished career spanning over 40 years in the maritime industry, starting as a cadet and progressing through various management and leadership roles within the Group, his contributions have been invaluable.

I would also like to warmly welcome En. Zahid Osman and reaffirm our complete trust and confidence in his ability to lead MISC forward, delivering progress and success.

ACKNOWLEDGEMENTS

I would like to extend my gratitude to all our stakeholders for their continued trust and support, which have been vital to MISC's progress.

To our shareholders, your confidence is our strength. Despite the challenging operating environment, we remain dedicated to delivering sustainable value and fostering MISC's growth. Your trust drives our perseverance and innovation as we chart our path forward.

To my fellow Board members, I sincerely appreciate your guidance and teamwork. Your strategic insights and leadership have been essential in steering us through complexities and keeping our focus on long-term growth and sustainability.

To our management team and employees, your dedication and innovative spirit continue to drive our progress. Your passion and hard work keep MISC on an even keel. ensuring we remain at the forefront of our industry. We take pride in fostering strong connections between leadership and our workforce through initiatives such as Health, Safety, Security and Environment (HSSE) moments and direct engagement with the Board. These interactions cultivate a culture of inclusiveness and collaboration. strengthening MISC from within.

Finally, to our customers, business partners and communities, your continued trust and collaboration are vital to our journey. Together, we are building a future characterised by excellence, sustainability and impactful progress for generations to come.

DATUK ABU HURAIRA ABU YAZID

Independent Non-Executive Director

INTEGRATED ANNUAL REPORT 2024

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President & Group Chief Executive Officer's Message





Dear Stakeholders,

2024 was a pivotal year for MISC, one defined by strategic progress amidst an increasingly complex global environment. The year unfolded against a backdrop of geopolitical and economic uncertainties, from trade flow disruptions due to global conflicts to heightened regulatory demands reshaping the maritime sector. Despite these challenges, MISC remained resilient, responding with agility and a re-energised strategic focus to advance our growth trajectory and deliver value to our stakeholders.

Since assuming the role of President & Group CEO in August 2024, I have had the privilege of witnessing the unwavering dedication of our people firsthand. Their commitment continues to drive our achievements, enabling us to navigate uncertainty with confidence and purpose.

RESILIENT PERFORMANCE AMIDST MARKET CHALLENGES

In a year marked by global volatility and evolving market dynamics, MISC maintained strategic discipline, effectively managing challenges while staying focused on sustainable growth and long-term value creation.

For the financial year 2024, we recorded a revenue of RM13,237.5 million compared to RM14,271.7 million the year before. Our profit before tax (PBT) stood at RM1,283.5 million, down from RM2,093.7 million, primarily due to headwinds in our GAS Business and Offshore segments. The GAS Business segment was impacted by lower spot rates, driven by increased vessel availability from new LNGC deliveries into the LNG shipping market and delayed liquefaction projects, leading to impairments that affected financial performance. Simultaneously, the Offshore segment experienced reduced construction margins and project close-out costs as major projects neared completion. However, excluding impairments, our adjusted PBT remained largely consistent with the previous year's adjusted PBT.

Despite these challenges, our Petroleum & Products segment delivered commendable results and the turnaround of the Marine & Heavy Engineering segment (MHB) further supported our financial performance. Cash flows from operations (CFO) remained strong at RM4,276.9 million. Adjusting for non-recurring factors, such as one-off prepayments for FSUs received in 2023, our operational cash flow for 2024 continued to reflect the Group's financial resilience.

#deliveringProgress TOWARDS OUR MISC 2030 **AMBITION**

In 2024, we accelerated the execution of our re-energised strategy, the MISC 2030 Ambition. In a bold shift from intentions to execution, this sharpened direction embodies delivering energy more efficiently and with lower emissions. Our efforts remained focused on strengthening our core businesses, expanding into profitable new energy ventures and accelerating decarbonisation initiatives.

With a well-diversified portfolio, our core businesses provide a solid foundation for long-term growth, while unlocking opportunities in emerging energy solutions.

A key milestone in 2024 was the successful delivery of FPSO Marechal Duque de Caxias, which achieved first oil on 30 October 2024 and Final Acceptance on 2 November 2024, following a successful 72-hour performance test. This achievement exemplifies our technical expertise and strengthens our standing in the global deepwater FPSO sector.

AET delivered Eagle Veracruz, its third LNG dual-fuel VLCC, to Shell Tankers (Singapore) Private Limited, demonstrating our commitment to more efficient, lower-emission shipping solutions.

AET achieved a notable milestone bu securing long-term charters for the world's first two ammonia dual-fuel Aframaxes.

President & Group Chief Executive Officer's Message

Significant strides were made in rejuvenating our LNGC fleet, a proactive move to strengthen our GAS Business segment, improve cash flow and advance our decarbonisation strategy. We secured long-term TCPs with QatarEnergy for three newbuild LNGCs scheduled for delivery in 2026 and 2027. Additionally, we signed long-term TCPs with PETRONAS LNG Ltd. (PLL) for two newbuild LNGCs scheduled for delivery in 2027, further strengthening our LNG shipping portfolio. As part of our fleet rejuvenation strategy, we also monetised three LNGCs that completed their long-term charters to reinvest in modern and energy-efficient vessels.

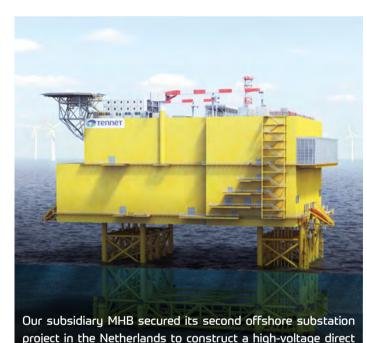
Furthermore, we formalised the New Energy and Decarbonisation (NED) division to spearhead strategic investments in carbon abatement and new energy solutions. NED, together with our business units within the Group, will drive the development and commercialisation of new energy initiatives integral to the future of maritime energy solutions, emissions reduction and alignment with our sustainability goals.



President & Group Chief Executive Officer's Message

A notable milestone in our new energy venture was AET's long-term charters with PTLCL for the world's first two ammonia dual-fuel Aframaxes, with delivery expected in 2027.

We also advanced our decarbonisation agenda through a Memorandum of Understanding (MoU) with Aker Solutions, PETRONAS Carigali Sdn. Bhd. and Clean Energy Systems Inc to develop a pilot Zero Emission Power Station (ZEUS), leveraging oxyfuel combustion for immediate carbon capture and storage (CCS). Additionally, we will explore opportunities in integrated shipping and floating solutions for ammonia through our collaboration with PETRONAS Group.



Expanding into renewable energy ventures, our subsidiary MHB secured its second offshore substation (OSS) project in the Netherlands to construct a high-voltage direct current (HVDC) platform under TenneT's 2-Gigawatt (2GW) Programme.

current platform under TenneT's 2-Gigawatt Programme.

To drive effective execution of our strategies, we implemented a refreshed management structure in January 2025, fostering an enterprise-wide mindset, essential in ensuring agility in a dynamic business environment. Grounded in accountability, transparency and efficiency, this structure empowers our leaders to make decisive and market responsive decisions.

COMMITMENT TO OUR PEOPLE, SAFETY AND FUTURE

Our people continue to be the driving force behind MISC's success. We are committed to fostering a supportive, inclusive and empowering environment where talents thrive and contribute meaningfully to our shared goals.

Our HR Transformation Project aligns human resources with our long-term strategic ambitions, ensuring we are well-equipped for the future. We continue to invest in targeted development initiatives that nurture leadership capabilities and foster innovation. At the same time, our focus on Diversity and Inclusion is steadfast, with initiatives such as 'The Platform Series' and the Conscious Inclusion Programme raising awareness of unconscious biases and promoting inclusive leadership practices.

At MISC, safety is not just a priority, but also a core value embedded into our culture. Our safety culture is built on the principles of Care and Comply. Care reflects our commitment to doing the right thing out of genuine concern for the well-being of those around us, while Comply reinforces the non-negotiable importance of adhering to safety rules and procedures.

Following unfortunate safety-related incidents in 2024, including a fatality, we took immediate and comprehensive remedial actions to further strengthen our HSSE policies and procedures. This included conducting a Safety Culture Assessment, identifying gaps and enhancing our frontline safety processes and contractor management systems.

AWARDS AND ACCOLADES

In 2024, MISC and its subsidiaries received numerous industry accolades, reinforcing our commitment to operational excellence, safety and sustainability. MISC received the Jones F. Devlin Safety Award for 47 vessels, along with an Environmental Achievement Award for 57 vessels. AET was recognised as joint winner for Tanker Operator of the Year at The Tanker Shipping & Trade 2024 Awards. Our dedication to sustainable shipping was further acknowledged when AET's LNG dual-fuel VLCCs, Eagle Veracruz and Eagle Ventura, were awarded Green Ship status under the Maritime and Port Authority of Singapore's (MPA) Green Ship Programme. At the 42nd Malaysian Society for Occupational Safety and Health Awards 2024. MISC secured seven awards across various operational categories, underscoring our unwavering commitment to safety excellence.



President & Group Chief Executive Officer's Message

SEIZING OPPORTUNITIES IN A SHIFTING ENERGY LANDSCAPE

As we enter 2025, we remain steadfast in our commitment to navigating geopolitical tensions, economic uncertainties, stricter decarbonisation regulations and the energy transition. While risks persist, including conflicts in the Middle East and the Russia-Ukraine war, escalating trade tensions disrupting supply chains and shipping, as well as China's economic slowdown, we see significant opportunities in emerging energy solutions.

As part of PETRONAS Group's Gas and Maritime division, we will strategically align our priorities to unlock new value and drive operational synergies. At the same time, we remain committed to forging strategic partnerships to rejuvenate our fleet and support decarbonisation through ammonia dual-fuel vessels, carbon value chains and the development of hydrogen and ammonia transportation solutions. Our initiatives, including collaborations with PETRONAS and other industry partners, will focus on lowering GHG emissions through investments in dual-fuel assets, enhancing operational efficiency and integrating responsible supply chain practices.

Even as we acknowledge challenges ahead, we are confident in our ability to seize opportunities, further develop our position in the global energy market and drive long-term value creation.

ACKNOWLEDGEMENTS

As we close another defining year for MISC. I am reminded that our achievements are the result of the collective dedication. passion and hard work of many. Our journey through 2024 was made possible by the unwavering support of our employees, stakeholders, customers and partners.

To our Board of Directors, your guidance and wisdom continue to be a source of strength, enabling the Group to navigate complexities and seize opportunities for sustainable growth.

To our employees, I offer my deepest appreciation. It is your commitment and drive that form the backbone of MISC's achievements. Your ability to adapt, innovate and lead in a constantly evolving environment is what enables us to remain resilient and forward-thinking.

To our stakeholders, thank you for your trust and confidence. Your continuous support fuels our ambition and strengthens our resolve to deliver consistent, long-term value.

Together, we will build on our legacy, strengthen our leadership and drive meaningful progress towards a more sustainable future. MISC will continue to lead with purpose and ambition, delivering lasting value for all.

ZAHID OSMAN

President & Group Chief Executive Officer

INTEGRATED ANNUAL REPORT 2024

Chief Strategy & Sustainability Officer's Message

Chief Strategy & Sustainability Officer's Message



Dear Stakeholders.

The past year has seen significant shifts in the global economy, geopolitical landscape and energy markets. In this evolving environment, the Group has focused on strengthening core businesses, expanding into new energy markets and advancing decarbonisation efforts. Navigating these changes requires agility, balancing long-term growth with the transition to a low-carbon economy while ensuring resilience in a complex operating landscape.

NAVIGATING MARKET UNCERTAINTIES AND PROGRESSING ENERGY TRANSITION

In 2024, geopolitical developments plaued a central role in shaping global trade and energy markets. Rising tensions in key maritime routes, particularly in the Middle East, disrupted global shipping, leading to vessel rerouting and logistical challenges. Meanwhile, the Russia-Ukraine conflict continued to reshape trade flows, with businesses reassessing supply chain dependencies and market access. Political transitions added further uncertainty, as new policies took shape following elections in over 70 countries, including the United States. These developments brought on both risks and opportunities, requiring close monitoring to assess potential implications to global energy supply chains and inflationary pressures.

Within the shipping industry, these shifts influenced market dunamics. The LNG sector experienced an increase in vessel availability, while delays in liquefaction projects affected demand for LNGCs. In contrast, petroleum tanker rates remained stable, supported by sustained tonne-mile demand and a historically low number of newbuild deliveries. The FPSO market continued to gain momentum, driven by increased offshore exploration and long-term production investments, particularly in Africa and Brazil's pre-salt fields.

Regulatory developments are also shaping the future of the maritime industry. Stricter decarbonisation measures introduced under the IMO Framework are now in effect, with preparations underway for the full enforcement of the EU's Emissions Trading System (ETS) and the 2025 FuelEU Maritime Regulation. In Malaysia, the anticipated Climate Change Bill and carbon tax on high-emission industries will further shape our domestic sustainability strategy. These evolving regulations will accelerate the industry's transition towards eco-efficient vessels and alternative fuels.

DELIVERING ON STRATEGIC PRIORITIES

Our strategic focus in 2024 was anchored on three key pillars: Business Model Transformation, Strategic Partnerships and Client Positioning and Organisational Culture and Behaviour. These pillars directed our efforts towards financial resilience, sustainable growth and environmental stewardship by strengthening core revenue streams, expanding into new energy ventures and ensuring long-term competitiveness. Our achievements during the year reflect our commitment to this strategic focus.

Project delivery remained a priority. A key milestone was the successful delivery of FPSO Marechal Duque de Caxias, achieving first oil on 30 October 2024. This achievement underscores our ability to execute complex deepwater offshore projects despite pandemic-related disruptions. The FPSO, which is now fully operational, reinforces our offshore presence while securing long-term revenue stability. We also took proactive steps to rejuvenate our LNG fleet, securing long-term charters with PETRONAS and QatarEnergy for five newbuild LNGCs.

With a steady pipeline of deliveries from 2025 to 2027, we remain on track to expand our fleet with modern, eco-efficient LNGCs. Aligning with our objective to optimise our fleet, we successfully concluded the sale of three LNGCs: Portovenere. Lerici and Puteri Intan. unlocking capital for reinvestment into newer and more efficient vessels. Additionally, we optimised our FPSO portfolio through the acquisition of SBM's 49% equitu stake in FPSO Kikeh and the divestment of our 49% stake in FPSO Espirito Santo, aligning our asset base with long-term value creation.

To accelerate our energy transition ambitions, we formalised the NED division within MISC, which will work collaboratively with our core business seaments to drive strategic investments in carbon abatement and sustainable solutions. We also enhanced operational efficiencies by establishing Marine Services on 1 April 2024, through the successful integration of Eaglestar Marine Holdings (L) Pte. Ltd. (Eaglestar) and MISC Maritime Services Sdn. Bhd. (MMS) to deliver enhanced maritime services.

Beyond strengthening core operations, our investments in sustainability yielded measurable progress. The Group recorded a 32% reduction in average GHG intensity from the gas and petroleum fleet compared to 2008 levels. Building on this momentum, we secured long-term charters with PETRONAS' trading arm. PTLCL, for the world's first two ammonia dual-fuel Aframax tankers, further reinforcing our decarbonisation efforts. Further strengthening its renewables footprint, MHB secured its second offshore wind project to construct an OSS HVDC platform, as part of TenneT's 2GW Programme in the Netherlands.

Industry recognition highlighted the impact of these efforts. AET's LNG dual-fuel VLCCs, Eagle Veracruz and Eagle Ventura, were awarded Green Ship status under MPA's Green Ship Programme. Additionally, the Group was honoured with the Industry Excellence Award in Transportation & Logistics at the National Corporate Governance & Sustainability Awards 2024.

CHARTING A LOW-CARBON FUTURE WITH MISC 2030 **AMBITION**

As part of our long-term vision, the Group refined its strategic direction, transitioning from the MISC 2030 Aspiration to the MISC 2030 Ambition. This renewed strategy is anchored on three focus areas: Resilient Core, Profitable New Energy Business and Decarbonisation.

MISC's Resilient Core remains the foundation of our business. ensuring operational excellence and financial discipline. We are advancing fleet rejuvenation, enhancing asset utilisation and optimising cost efficiency, while upholding safety and quality standards. By strengthening project execution and unlocking value through the strategic monetisation of our assets, we continue to reinforce long-term resilience.

At the same time, we are driving a Profitable New Energy Business by expanding into carbon capture, offshore wind

and alternative fuels. Through strategic partnerships and integrated value offerings, MISC is positioning itself as a key player in the maritime solutions value chain, ensuring sustainable and commercially viable growth in emerging enerou markets.

Aligned with our sustainability commitments, decarbonisation is central to our strategy. We will continue to adopt emissions reduction technologies and invest in lower carbon solutions as part of our strategy. Our transition is further supported by dual-fuel assets and a responsible supply chain approach. enabling MISC to navigate the evolving energy landscape with a reduced carbon footprint.

Through these three focus areas, MISC 2030 Ambition sets a clear path towards a low-carbon future, balancing profitability with sustainability to drive long-term value creation.

To further support our MISC 2030 Ambition, we will continue to prioritise environmental conservation, investments in people and communities, as well as upholding good governance practices. In 2024, we launched a new Human Rights policy which replaced the previous Human Rights Commitment and Modern Slavery Policy, to strengthen responsible business practices across our operations and supply chains.

FUTURE OUTLOOK

Geopolitical conflicts and shifting alliances are driving a more polarised world, increasing economic uncertainty and trade disruptions. The shipping industry must brace for volatility in 2025 due to shifting trade flows and new environmental regulations. Strong oil and gas demand, particularly in Asia, will support tanker demand. At the same time, with renewables outpacing fossil fuel investments, stricter IMO regulations will accelerate decarbonisation through alternative fuels, greater energy efficiency and the prospect of carbon pricing mechanisms.

We are committed to creating value across a diverse business portfolio. Fleet rejuvenation will continue, improving operational efficiency and strengthening our market position. At the same time, development in the global energy transition, renewable energy and low-carbon fuel value chains, will be actively pursued to support long-term growth. Robust risk management will also remain central in our business conversations as we navigate the uncertain landscape.

With a disciplined approach, the Group is positioned to generate sustainable value for our stakeholders and shape a future-ready MISC.

RAJA AZLAN SHAH RAJA AZWA

Chief Strategy & Sustainability Officer

Chief Financial Officer's Message







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Dear Stakeholders,

The global financial market continues to evolve as central banks transition from aggressive interest rate hikes to a more measured approach. With inflation easing in key economies, long-term market stability is gradually improving, amidst uncertainties stemming from the impact of US trade policies. At the same time, financing costs remained elevated, placing liquidity management and capital efficiency at the centre of business priorities. In this dynamic environment, MISC has remained resilient, enabling us to adapt and stay on course.

MISC experienced a challenging year in FY2024, navigating market fluctuations while ensuring our competitiveness. Revenue stood at RM13,237.5 million, a decrease of 7.2% compared to RM14,271.7 million in FY2023, primarily due to the reduced project progress in the Offshore segment, following the successful first oil of FPSO Marechal Duque de Caxias on 30 October 2024. Meanwhile, the Gas Assets & Solutions segment was shaped by fewer earning days from contract expiries and lower charter rates, influenced by an oversupply of vessels and lower LNG volumes.

DELIVERING SHAREHOLDER VALUE

Despite these pressures, other segments demonstrated resilience. The Marine & Heavy Engineering segment posted a 9% increase in revenue, driven by ongoing projects that have now progressed into the construction stage. The Petroleum & Products segment delivered stable revenue performance in line with the previous year, leveraging on shifting global trade patterns and optimising fleet deployment strategies.

These dynamics impacted profitability, with operating profit at RM2,593.7 million in FY2024, compared to RM2,881.4 million the year before. Lower project progress and higher cost provisions in the Offshore segment along with higher operating costs in the Gas Assets & Solutions segment weighed on earnings. However, improved cost discipline and successful cost recovery claims in the Marine & Heavy Engineering segment partially offset these impacts, returning the segment to profitability this year. Profit before tax (PBT) stood at RM1,283.5 million, down from RM2,093.7 million in FY2023, largely due to vessel impairments in the Gas Assets & Solutions segment. Excluding impairments, the adjusted PBT is comparable to the previous year's adjusted PBT.

MISC's cash flows from operations remained robust at RM4,276.9 million, reinforcing the Group's strong cash-generating ability. The decline from the previous year was mainly due to the absence of one-off FSU prepayments received in FY2023. Adjusting for these non-recurring factors, the FY2024 operational cash flow remained solid, reflecting MISC's financial resilience. This strength, along with the Group's existing funding facilities, positions us well to support committed capital expenditure (CAPEX) and seize new opportunities for growth.

Maintaining our balance sheet strength continued to be a priority, with total assets standing at RM60,435.1 million as of December 2024, a marginal decrease of 7.1% compared to RM65,060.1 million in FY2023. This reduction was primarily due to the higher impairment provisions on vessels and receivables during the year. The Group demonstrated improved financial leverage with net gearing reducing from 0.25 to 0.23, supported by disciplined debt management. Our financial standing was further validated by consistent credit ratings, with S&P maintaining its BBB+ rating and Moody's holding at Baa2.

We also made strides in sustainable financing, with AET's USD100 million sustainability-linked Islamic revolving credit facility earning recognition at the EuroMoney Islamic Finance Awards 2024 as the Islamic Finance Deal of the Year in Singapore. This recognition reflects MISC's commitment to embedding sustainability into our financial strategy while securing cost-effective funding.

A core focus remains delivering sustainable shareholder returns. Supported by our strong cash flow position, the Board of Directors declared a dividend payout of 36 sen per share in FY2024, consistent with the previous year, demonstrating our commitment to balancing financial discipline with shareholder value.

PRIORITIES FOR 2025

As we enter 2025, the global economy is projected to grow at a modest 3.3%, with stronger growth in the US helping to mitigate downward revisions in other major economies. Inflation is anticipated to decline to 4.2% in 2025, bringing it closer to central bank targets and allowing for a gradual easing of monetary policies.

However, several risks persist. The potential for renewed inflationary pressures, stemming from the implementation of tariffs could disrupt the anticipated monetary policy adjustments, impacting fiscal sustainability and financial stability. Geopolitical conflicts, China's economic slowdown and supply chain disruptions pose risks to global growth. In parallel, while some US financial institutions have scaled back their emission reduction targets and transition plans, a broader trend remains where financiers are reducing their exposure to the conventional oil and gas sector in line with their own decarbonisation efforts, posing a funding risk for the industry. Cumulatively, these factors may influence borrowing costs and access to financing, as central banks navigate the balance between supporting growth and controlling inflation.

For MISC, we will continue to strengthen our financial resilience while positioning for future growth. Our MISC 2030 Ambition serves as a guiding framework, ensuring that financial discipline, operational excellence and strategic foresight will continue to shape our decision-making. With a strong foundation in place, we are prepared to capitalise on emerging opportunities and sustain long-term value creation.

AFENDY MOHAMED ALI

Chief Financial Officer

SECTION 4

HIGHLIGHTS

- **30** Key Highlights 2024
- A Look Back at 2024



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Key Highlights 2024

INTEGRATED ANNUAL REPORT 2024

Key Highlights 2024

.

FINANCIAL PERFORMANCE

Revenue

billion

Operating Profit

RM2.6

billion

Total Assets

RM60.4

billion

Cash Flows from Operating **Activities**

RM4.3 billion

Equity Attributable to Equity Holders of the Corporation

RM37.6 billion

Earnings per Share

Dividends per Share

26.7 36.0 sen

OPERATIONAL EXCELLENCE

Vessel Availability

RM13.2



Above 99%

Vessel Utilisation

Above 96%



Floating Asset Uptime

Above **97%**

OPERATING SAFELY &



Major Security Incidents



Fatality

Major Spill Incidents



Reduction in Average GHG Intensity by Our Fleet (Gas and Petroleum) Compared to 2008

32%

PEOPLE DEVELOPMENT



86 Female Seafarers at



sen



85% Male Employees

SUSTAINABLY



0

Incidents

Major Cybersecurity

baseline

ESG EXCELLENCE



Member of the S&P Global Sustainability Yearbook since 2023



FTSE4Good Bursa Malaysia Index for 11 consecutive years

AWARDS AND RECOGNITIONS



National Corporate Governance & Sustainability Awards (NACGSA) 2024

MISC received the Industry Excellence Award under Transportation & Logistics and the Malaysia's Top 25 Overall Excellence Award



The Asset's Triple A Islamic Finance Awards 2024

AET won two awards for Best Sustainability-Linked Financing under the Best in Sustainable Finance Deals and Best Deals by Country (Singapore) categories



42nd Malaysian Society for Occupational Safety and Health (MSOSH) Awards 2024

MISC Group won One Grand Award, One Gold Merit Award, Three Gold Class 1 Awards and Two Gold Class 2 Awards



EuroMoney Islamic Finance Awards 2024

AET won Islamic Finance Deal of the Year – Singapore for its USD100 million sustainability-linked Islamic revolving credit facility with Maybank



MPA Green Ship Programme

Eagle Veracruz and Eagle Ventura were awarded Green Ship status



The Tanker Shipping & Trade 2024 Awards

AET awarded the Tanker Operator of the Year Award as a joint winner



The Edge ESG Awards 2024

MISC won the Silver Award for the third consecutive year in the Transport & Logistics Sector



Chamber of Shipping of America (CSA)

MISC awarded the Jones F. Devlin Safety Award for 47 vessels and the Environmental Achievement Award for 57 vessels



The Star ESG Positive Impact Awards 2023

MISC won the Silver Award under the Large Companies Tier for the Environmental Category: Sustainable Ecosystems

MISC BERHAD

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www.miscgroup.com

A Look Back at 2024

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A Look Back at 2024



23 February









ALAM partnered with Yayasan Sarawak and University of



SECTION 4: HIGHLIGHTS







HOME NEWS GLOBAL MARKETS 5G & AI PROPERTY NET ZERO 2050

Home + Markets + MISC Salls Into Liquified CO2 Shipping

MISC Sails Into Liquified CO2 Shipping







A Look Back at 2024

A Look Back at 2024

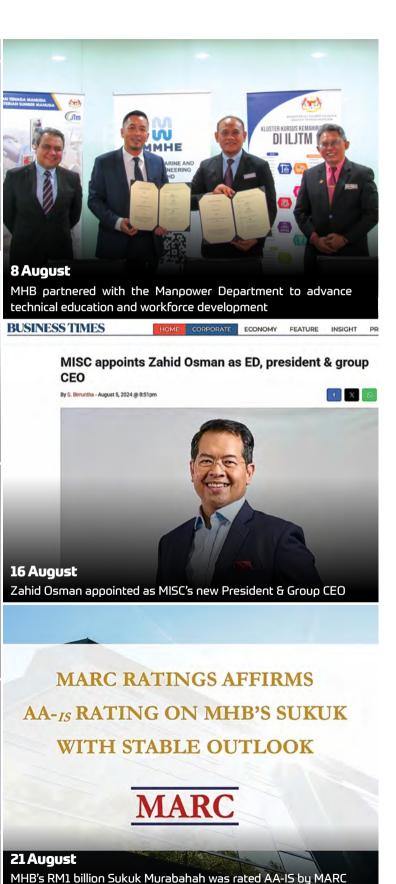
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22 May AET won the EuroMoney's Islamic Finance Deal of the Year award for its USD100 million sustainability-linked











Impact Awards 2023



MISC formalised a strategic partnership with the Royal Malaysian Navy to enhance maritime security



MISC signed an MoU for the ZEUS pilot project with PETRONAS Carigali Sdn. Bhd., Clean Energy Systems Inc and Aker Solutions

■ The Star MMHE signs MoU with South Korea's HD Hyundai

MMHE signs MoU with South Korea's HD Hyundai









14 October

category at The Edge ESG Awards 2024

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SILVER

MISC BHD

A Look Back at 2024

A Look Back at 2024



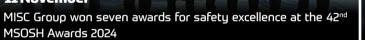


















at CSA 2024







SECTION 5

VALUE WE CREATE

- **40** Our Integrated Approach to Value Creation
- **42** Value Creation Business Model
- 44 Key Capitals
- **46** Engaging with Stakeholders

Our Integrated Approach to Value Creation

We embrace a comprehensive approach to value creation, considering the diverse and interconnected factors that shape our business outcomes. This approach integrates elements such as the operating environment, stakeholder dynamics, risk management, material matters, ESG principles, strategic direction and the allocation of key capitals across the Group. The table below highlights the definitions of these factors and shows how they interconnect within our value creation process.

Evaluating Our Operating Landscape

Our performance is closely tied to the global political and economic landscape, which plays a critical role in shaping the energy and maritime sectors. By continuously analysing macro-environmental factors, we identify emerging trends and opportunities. This insight empowers us to refine our strategies, respond effectively to changes and enhance our capacity

Please refer to Our Operating Environment on page 52.

Strengthening Stakeholder Relationships

We recognise that managing the evolving needs of our stakeholders is essential to driving MISC's sustainable growth. By fostering ongoing dialogue and collaboration with diverse stakeholder groups, we create value while reinforcing our reputation as a trustworthy and reliable partner.

(III) Please refer to Engaging with Stakeholders on page 46.



Shareholders/Investors/Financial Services Providers

Customers

Employees

Business Partners/Suppliers & Vendors

Industru Peers

Academic Organisations

Trade Associations/NGOs

Monitoring

The risks and mitigation strategies associated with our material matters and core businesses are guided by our robust risk management framework and strategic priorities. Through continuous monitoring and proactive mitigation efforts, we safeguard the resilience and sustainability of our

(Please refer to Our Risks and Mitigation Strategies on page 65.

Geopolitical Risk

Health, Safety, Security and Environment Risk

Energy Transition and Decarbonisation Risk

Cybersecurity Risk

Financial Risk

Project Delivery Risk

Compliance and Regulatory Risk

Asset Integrity and Performance Risk

Market Risk

Identifuina and Prioritise **Our Material** Matters

We have identified material matters—both financial and non-financial imperatives, which encompass ESG considerations that impact our internal and external stakeholders. By developing and implementing targeted strategies, we aim to deliver optimal value in a sustainable and responsible way.

Please refer to Our Material Matters on page 60

Health and Safety

Values, Governance and Business Ethics

Climate Change

Energy Management

Financial Performance

(Human Rights

Sustainable Supply Chain

Ocean Health

Security

Talent Development and Retention

(Waste Management

Diversity and Inclusion

(iii) Digitalisation

Cybersecurity

Community Investment

Embeddina Best ESG Practices

Our value creation process is dependent on our ability to align our business with sustainability and our climate-related agenda. We focus on fostering long-term value creation by integrating ESG considerations into all our decisions, prioritising transparency and accountability in our actions.

Please refer to Sustainability Strategy on page 120.

Integrating Our Strategy

Our strategy steers the Group towards achieving short- to medium-term and medium- to long-term targets in alignment with our mission and vision. We aim to strike a strategic balance between sustaining our current business and expanding our new energy portfolio, while pursuing selective, responsible investments to optimise portfolio returns.

(III) Please refer to Delivering Our Strategy and Its Progress on page 70.

Allocating our Key Capitals

Key capitals represent the essential inputs and resources that fuel our business. By investing in these six capitals, we effectively execute our strategy and drive sustainable, long-term growth.

(III) Please refer to Key Capitals on page 44.

Financial Capital Funds acquired through financing or

generated by our business.

Intellectual Capital

Intellectual abilities and intangible assets connected to our business, technical proficiency and accumulated experience.

Social & Relationship Capital Interconnected relationships between our business and our diverse stakeholder base.

Physical Capital

Essential physical resources and infrastructure that ensure the seamless operation of our business.

Human Capital

The combined expertise and knowledge embedded in our workforce to propel our business operations.

Natural Capital

The use of natural resources, such as water, fuel and materials to operate our business.

Risks and Mitigation Strategies

Value Creation Business Model

Value Creation Business Model

OUR KEY CAPITALS ...

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INPUT

Financial Capital

- RM60.4 billion in total assets
- RM37.6 billion in shareholders' equity
- RM6.7 billion in cash and cash equivalents
- RM15.5 billion in debt

Physical Capital

- 27 LNGCs 6 VLECs
- 1 LBV
- 2 FSUs
- 58 Petroleum and product tankers
- 8 LSVs
- 12 Floating assets
- Marine and heavy engineering facilities
- · Maritime training facility

Human Capital

- 9,536 total employees from 46 nationalities
- 23% of employees are women (shore employees only)
- RM47.4 million invested in capacity building for employees
- 544 total new hires (shore employees only)

Social & Relationship Capital

- RM21.0 million invested in ALAM cadet sponsorships
- Maritime education scholarships to promote youth development
- 346 employees have volunteered in the Heart of The Ocean (HOTO) programme since 2021

Intellectual Capital

- 56 years of experience in the maritime industry
- Collaborations on new energy solutions and decarbonisation initiatives

Natural Capital

- 56,084,855 gigajoules (GJ) of energy consumption
- · Reliance on natural resources, such as fuel, water and land

... DRIVEN BY OUR STRATEGIES AND AMBITIONS ...

MISSION VISION MISC 2024 STRATEGY Short Term Business Model Transformation Strategic Partnerships Organisational Culture and and Client Positioning Selective monetisation of assets to unlock value Collaborating with strategic partners to Embedding Generative HSSE Culture across the Fleet rejuvenation for the GAS Business pursue asset growth Embarking on a and venture into new segment and selective energy solutions transformation journey investments in dual-fuel Shifting focus to focusing on enterprise assets for the Petroleum high-value clients culture to future-proof & Products segment Investing in new energy MISC 2030 AMBITION Short to Medium Term **50%**GHG Emissions Reduction in Shipping Operations** from New Energy Solutions Improvements * Compared to 2022 baseline (approximately USD1.2 billion) ** Compared to 2008 baseline MISC ENTERPRISE STRATEGY FY2025 - FY2030 Profitable New Energy Business **Resilient Core** • Portfolio Rejuvenation Focus on Carbon, Energy Efficiency and Growth Offshore Wind and Future Abatement Technology Fuels Value Chains • Maximise Asset Future Fuels Availability and Utilisation Strateoic Partnerships to • Invest in Dual-Fuel Assets Superior Project Execution Monetise New Solutions Responsible Supply Chain Integrated Value Offering Asset Monetisation Programme Cost Optimisation Our Winning Formula Project Delivery Operational Excellence Sustainabilitu Our Foundation Culture #deliveringProgress Medium to Long Term MISC 2050 VISION **Renewable Energy Value Chain** The building block to manage Waste-To-Value Chain Critical in tackling resource climate change challenges with the scarcity and emissions as well as maritime sector playing a key role repurposing maritime assets

(💷) For more information, please refer to Delivering Our Strategy and Its Progress on page 70.

| IMPLEMENTED THROUGH OUR BUSINESSES | TO CREATE VALUE FOR OUR STAKEHOLDERS. | | | |
|--|---|--------------|--|--|
| | OUTPUTS/OUTCOMES | STAKEHOLDERS | SDGs | |
| GAS ASSETS & SOLUTIONS Focus on selective projects, expand gas asset classes and enhance the fleet with energy-efficient LNGCs | Revenue of RM13.2 billion Profit after tax of RM1.2 billion CFO of RM4.3 billion Dividend payout of 36 sen per share Credit rating of BBB+ at S&P Global Ratings, Baa2 at Moody's | | 8 ELECTRONISE AND | |
| PETROLEUM & PRODUCTS Strengthen income streams and explore low-carbon solutions through collaborations/partnerships DFFSHORE Project delivery of FPSO Marechal Duque de Caxias and pursue targeted market opportunities | Transported 5% of global LNG Transported approximately 171 million tonnes of crude and petroleum products globally Above 99% for vessel availability Above 96% for vessel utilisation Above 97% for offshore floaters' uptime | | 9 manufacture | |
| MARINE & HEAVY ENGINEERING Enhance project delivery, diversify portfolios and establish international presence MARINE SERVICES Elevate service excellence, grow market share and diversify revenue streams | A total average of 38 training hours per shore employee LTIF at 0.05 TRCF at 0.23 | | 3 SERVICE STATE OF THE PROPERTY OF THE PROPERT | |
| MARITIME EDUCATION & TRAINING Rebuild and elevate the academy to University College status | Sponsored 732 cadets at ALAM Sponsored 22 students under maritime education scholarships Engaged 10 families within the community in the HOTO programme | | 4 marry 16 marriage 17 mentions | |
| OPERATING ENVIRONMENT Please refer to pages 52 to 59 for more information. MATERIAL MATTERS Please refer to pages 60 to 64 for more information. | 19 accolades received 9 dual-fuel vessels owned 2 ammonia dual-fuel Aframax project awards | | 10 MERCHES MECHANIS | |
| RISKS AND MITIGATION STRATEGIES Please refer to pages 65 to 69 for more information. | Recorded 3.85 million tCO₂e of Scope 1 and 2 GHG emissions Achieved a 32% reduction in our fleet average CO₂e intensity compared to | | 12 HEPOGRAL GROWPHS HEPOGRAL HARMET 13 HAMEL | |
| BUSINESS REVIEW Please refer to pages 78 to 97 for more information. | Recycled, reused or recovered 99.7% of hazardous waste Recorded zero major oil spills | | 14 IFFERION | |

Key Capitals

Key Capitals

F FINANCIAL CAPITAL

INTEGRATED ANNUAL REPORT 2024

- RM60.4 billion in total assets
- RM37.6 billion in shareholders' equitu
- RM6.7 billion in cash and cash equivalents

Revenue

(RM billion) Profit After Tax

(RM billion) Cash Flows from

Operating Activities (RM billion) Dividend Payout

(sen per share) Moody's Ratings

S&P Global Ratings

2024

1.2

4.3

36

Baa2

(stable)

BBB+

(stable)

2023

14.3

2.0

5.7

36

Baa2

(stable)

BBB+

(stable)

RM15.5 billion in debt

• 27 LNGCs • 6 VLECs

- 1 LBV
- 2 FSUs
- 58 Petroleum and product tankers
- 8 LSVs
- 12 Floating assets

Floaters' Uptime

Performance (%)

Marine and heavy engineering facilities

P PHYSICAL CAPITAL

Maritime training facilitu

| | 2024 | 2023 |
|--|------|------|
| LNG Transported Globally (%) | 5 | 6 |
| Estimated Crude and Petroleum Products Transported Globally (MT) | 171 | 134 |
| Vessel Availability (%) | >99 | >99 |
| Vessel Utilisation (%) | >96 | >99 |
| Offshore | >97 | >90 |

| | 2024 | 2023 |
|--|-------|-------|
| Employee Attrition Rate (%)* | 10 | 15 |
| Number of Employees Completed Training* | 5,556 | 6,672 |
| Average Total Hours of Training per Employee (hours/person)* | 38 | 27 |
| Lost Time Injury Frequency (LTIF) | 0.05 | 0.09 |
| Total Recordable Case Frequency (TRCF) | 0.23 | 0.31 |

H HUMAN CAPITAL

23% of employees are women (shore

• 544 total new hires (shore employees

RM47.4 million invested in capacity

• 9,536 total employees from 46

nationalities

employees only)

building for employees

* Shore employees only

Strengthened cash flow stability through lono-term contracts

- Implemented prudent management of financial commitments, disciplined capital allocation and responsible investment
- Strived to adopt the highest standards of governance and transparency, including Task Force on Climate-related Financial Disclosures
- Maintained operational excellence with a highly available and utilised fleet Expanded decarbonisation efforts to
- meet climate goals Continued portfolio diversification to manage market volatility
- Facilitated comprehensive retention including employee programmes, activities, engagement immediate recognition and flexible work arrangements
- Strengthened safety culture through Generative HSSE Culture programmes
- · Promoted continuous learning to build future-ready capabilities and a culture of innovation

A majority of our capital is allocated for operating and maintaining our fleet, ongoing project requirements, new CAPEX investments and purchasing new assets

- While CAPEX allocations reduce our financial capital in the short term, they build our physical capital base for longer-term growth
- Our long-term customer contracts for newbuild and purchased assets ensure secured income streams, thus growing our financial capital into the future
- Investment in innovation initiatives to drive operational and organisational efficiencies has reduced our financial capital in the short term but will enhance our intellectual capital in the long term
- Our capital mainly consists of our vessel fleet, floating assets, yards and infrastructure. We focus on investments in eco-friendly newbuilds with lower emissions to enhance our natural capital
- We are providing customers with an eco-friendly fleet, improved efficiency and safety measures. This enhancement boosts our social and relationship capital
- We reduce obsolete physical capital by disposing older assets through green ship recycling initiatives. This positively impacts our natural capital and aligns with energy transition and climate change imperatives for sustainable long-term growth
- Our human capital, including skills, capabilities and knowledge, drives our intellectual capital. We invest our financial capital in human capital through talent development programmes and strategic human capital management aligned with our business plans
- The short-term reduction of our financial capital to sustain our human capital enables us to strengthen the capabilities of our workforce to respond to client needs and exceed customer expectations, thus building our social and relationship capital in the long run

SOCIAL & **RELATIONSHIP CAPITAL**

- RM21.0 million invested in ALAM cadet soonsorships
- Maritime education scholarships to promote youth development
- 346 employees volunteered in the HOTO programme since 2021

| INTELLECTUAL CAPITAL |
|----------------------|
| INTELLECTIONS CALLIA |

- 56 years of experience in the maritime industru
- Collaborations on new energy solutions and decarbonisation initiatives

N NATURAL CAPITAL

- 56,084,855 GJ of energy consumption
- · Reliance on natural resources, such as fuel, water and land

| | 2024 | 2023 | |
|---|------|------|----------------------------|
| Number of ALAM Cadets Sponsored | 732 | 829 | Number Received |
| Number of Sponsored | 22 | 13 | Dual-fue Owned |
| Students Under Maritime Education Scholarships | | | Ammon Aframax Awards |
| Number of Families Within the Community Engaged in the HOTO Programme | 10 | 13 | |
| | | | |

| | 2024 | 2023 |
|--|------|------|
| Number of Accolades Received | 19 | 13 |
| Dual-fuel Vessels Owned | 9 | 8 |
| Ammonia Dual-fuel Aframax Project Awards | 2 | 0 |

| | 2024 | 2023 |
|--|-------|-------|
| Major Oil Spill | 0 | 0 |
| Scope 1 and 2 GHG Emissions (million tCO₂e) ** | 3.85 | 4.16 |
| Fleet Average Co₂e Intensity Reduction Compared to 2008 (%) | 32% | 24% |
| Hazardous Waste Recycled, Reused or Recovered (%) | 99.7% | 99.9% |
| | | |

** Scope 1 and 2 data for 2023 have been restated following a third-partu GHG verification exercise

- Rejuvenated the ALAM campus to provide students with a conducive learning environment and to foster academic excellence
- Continued to cultivate young talents and develop future leaders by providing scholarships in maritime education
- Actively engaged employees in various volunteering programmes to positively contribute to communities where we operate
- We invest financial capital in stakeholder engagements conducted by our employees, which impact our human capital through the manhours spent. The expenses associated with these engagements reduce our short-term financial capital. However, in the long term, they enable the growth of our social and relationship capital, ensure compliance with legal requirements, pave the way for sustainable future growth and maintain our industry reputation
- We undertake industry collaborations, focusing on lower-carbon emissions vessels and developing new energy solutions
- Our community-based environmental programmes positively impact our natural capital
- The growth of our social and relationship capital ultimately contributes to increasing our financial capital, as we maintain and expand our customer base

- Advanced new energy solutions through our NED division in collaboration with business units across the Group
- Pursued decarbonisation technologies and leveraged collaborations for technical advancements in new energy solutions
- Advanced our decarbonisation efforts in alignment with our MISC 2030 Ambitions, ensuring that our newbuild vessels are equipped with eco-efficient technologies and energy-efficient solutions
- Implemented marine biodiversity conservation initiatives
- Reduced emissions and hazardous waste through continuous improvement
- We invest financial capital to drive our intellectual capital by rejuvenating our fleet with the latest technologies, which improves our natural capital through a lower-carbon emissions fleet and enhances our human capital through new skills, while boosting our social and relationship capital from improved customer satisfaction
- In the short term, our financial capital is reduced with investments in technical solutions for floating assets, new technologies for port management, vessel inspections and yard operations. In the long run, these investments will boost our intellectual capital across our maritime value chain
- Our physical capital's emissions and waste have a negative impact on our natural capital. To improve our natural capital in line with energy transition imperatives, climate change and industry decarbonisation, we have refined our MISC 2030 Ambition and strengthened our commitment to achieving Net-Zero GHG emissions, aligning with the MISC 2050 Vision
- Efforts towards improving our natural capital will reduce our financial capital in the shorter term and impact on our human, intellectual and physical capitals. Improvement of natural capital will heighten our social and relationship capital, as MISC commits to a sustainable future

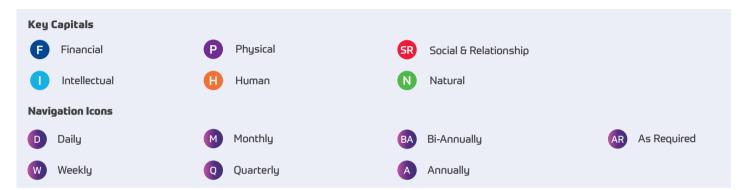
MISC REPHAN

SECTION 5: VALUE WE CREATE

Engaging with Stakeholders

Stakeholder engagement is fundamental to MISC, as it shapes our business landscape and strengthens relationships built on mutual benefit. We prioritise our stakeholders' feedback and expectations, enabling us to serve them more effectively. Guided by our stakeholder engagement strategy and principles, we focus on delivering value through regular engagements, awareness programmes, dialogues and collaborative activities. These efforts foster meaningful relationships and allow us to work alongside our stakeholders towards a sustainable future.

We collaborate closely with the key stakeholders listed below. In addition, we engage with other stakeholders, including communities, trade associations, NGOs, industry peers, academic organisations and media, adopting tailored approaches when necessary to address their specific needs and priorities.



GOVERNMENT / REGULATORS

We actively engage with key government and regulatory agencies to build stronger relationships, stay informed about potential industry regulations and gain valuable insights into emerging regulatory developments.

Strategic partnerships

Key Concerns

- Compliance with laws and regulations
- Introduction of future laws and regulations
- Crisis management and business continuity
- Development of talent and job opportunities
- Corruption and bribery

Value Created for Stakeholders

- Supported the government's goals in promoting innovation and sustainable growth of the maritime industry
- Sustained MISC's license to operate

Response

- Engaging with regulators to ensure compliance with laws and regulations
- Engaging with regulators to provide feedback on proposed laws and regulations
- Collaborating with authorities on emergency response and preparedness
- Collaborating on maritime academy syllabus to nurture and develop seafarers in line with the nation's maritime vision

Key Capitals (SR) N

- Providing job opportunities and the development of local talents
- Involvement in the Maritime Anti-Corruption Network (MACN) to combat corruption in the maritime industry
- · Implementing the Code of Conduct and Business Ethics (CoBE) for employees and third parties

Engagement Platform Frequency Reporting to relevant agencies AR AR Face-to-face meetings A AR Forums and conferences A AR Visits and briefings with ministry/agencies/regulators

AR

Engaging with Stakeholders



SHAREHOLDERS / INVESTORS / FINANCIAL SERVICES PROVIDERS

Key Capitals (F)



Shareholders, investors and financial service providers play a vital role in strengthening our financial performance by ensuring access to capital. Regular engagement with these stakeholders enables us to align with our long-term strategic priorities and stay informed about emerging trends in financial markets.

Key Concerns

- Projects and financial performance
- Values and governance
- Climate change
- Diversity and inclusion
- ESG risks, opportunities and performance

- Ensuring strong governance in project and financial management
- Establishing strong governance policies and procedures
- Business ethics awareness and whistleblowing processes
- Involvement in the Getting to Zero Coalition Collaboration with strategic partners along the value chain to develop commercially viable zero-carbon emission vessels by
- · Fleet renewal to lower-carbon emissions vessels and energy-efficiency-designed
- Implementation of diversity and inclusion strategic priorities
- Establishing strong sustainability practices and regularly disclosing performance
- Participating in third-party ESG performance ratings
- Incorporating ESG risks and opportunities into business decisions

Value Created for Stakeholders

- Provided platforms to better understand MISC's business performance, financial position and sustainability agenda
- Increased shareholders/investors' confidence
- Improved access to debt funding for CAPEX

Engagement Platform Frequency Q AR Investor and analyst meetings A AR Meetings and conferences A Annual Reports and Annual General Meeting Bursa Malaysia announcements Q AR



Company website





A Q AR

Customer engagement is essential to our success. We focus on building trust, loyalty and confidence in our products, services and solutions. By continuously enhancing the customer experience and delivering value, we strengthen our brand, drive growth and advance our sustainability goals.

Key Concerns

- Crisis management and business continuity
- Values and governance
- Business experience
- Supply Chain Management
- Climate change
- Health and Safety
- ESG risks, opportunities and performance

- Engaging closely with customers to brief them on our business continuity plan to ensure minimal interruption to customer operations
- Ensuring strong governance in project management
- Business ethics awareness and whistleblowing processes
- Upskilling and reskilling competencies for our employees to provide niche expertise for maritime services
- Creating awareness and conducting ESG assurance along the supply chain
- Fleet renewal to lower-carbon fuelled and energy-efficiency designed vessels
- Implementing high health and safety standards
- Incorporating ESG risks and opportunities into business decisions

Value Created for Stakeholders

Increased confidence in MISC's capabilities in delivering quality and sustainable products and services

| Engagement Platform | Frequency |
|--|-----------|
| Conferences, exhibitions and forums with customers | A AR |
| Customer appreciation programmes | A AR |
| Workshops/seminars | AR |
| Site visits and meetings | M W AR |
| Satisfaction survey | A |

Engaging with Stakeholders

INTEGRATED ANNUAL REPORT 2024



Our workforce is our most valuable asset in achieving our business goals. We prioritise creating a safe, healthy and inclusive work environment while providing benefits and career development opportunities to foster innovation and strengthen MISC's competitive advantage.

Key Concerns

- Business ethics and compliance
- HSSE management
- Upskilling and reskilling talent
- Diversity and inclusion
- Employee engagement programmes

Response

- Mandatory business ethics e-learning modules
- Implementing business ethics awareness and whistleblowing processes
- Including discussions on ethical business conduct during employee performance reviews
- Implementing high HSSE standards
- Encouraging employees to report Unsafe Conditions and Unsafe Acts (UCUA)
- Supporting and encouraging our employees to improve their skills and enhance their competency using our Talent Management System (TMS)
- Encouraging employees to participate and give feedback to stimulate two-way conversations via ECHO+
- Encouraging and supporting employee diversity and equal opportunities in our career development and volunteering programmes
- Observing festive celebrations
- Providing various platforms for employee conversations
- · Organising various employee engagement programmes, such as family day, townhalls, and religious

Value Created for Stakeholders

- Career development and growth in a sustainable organisation
- Talent attraction and retention

| Engagement Platform | Frequency |
|--------------------------------|-----------|
| Physical and virtual townhall | A |
| Digital communication channels | AR |
| Employee engagement sessions | 0 |
| HSSE programmes | A |
| Organisational surveys | A |

BUSINESS PARTNERS / SUPPLIERS & VENDORS









Our business partners, suppliers and vendors play a crucial role in driving business growth. Collaboratively, we develop products, solutions and offerings that elevate industry standards, enhance operational efficiency and uncover new growth opportunities.

Key Concerns

- Project and financial performance
- Crisis management and business continuity
- Values and governance Health, safety and
- environment Business knowledge
- and expertise

Response

- Ensuring strong governance in both project and financial management
- Engaging closely with business partners/suppliers and vendors to ensure minimal business interruption
- Business ethics awareness and whistleblowing processes
- Third-Party Compliance Due Diligence Guidelines
- Providing CoBE training to third-party service providers to ensure awareness of MISC's CoBE requirements
- · Adopting Competition Law and Compliance Protocols to support the Competition Law Guidelines
- Inculcating strong discipline and mindset around health, safety and environment and recognising suppliers/ vendors with good practices
- · Upskilling and reskilling competencies for our employees to provide niche expertise for maritime services

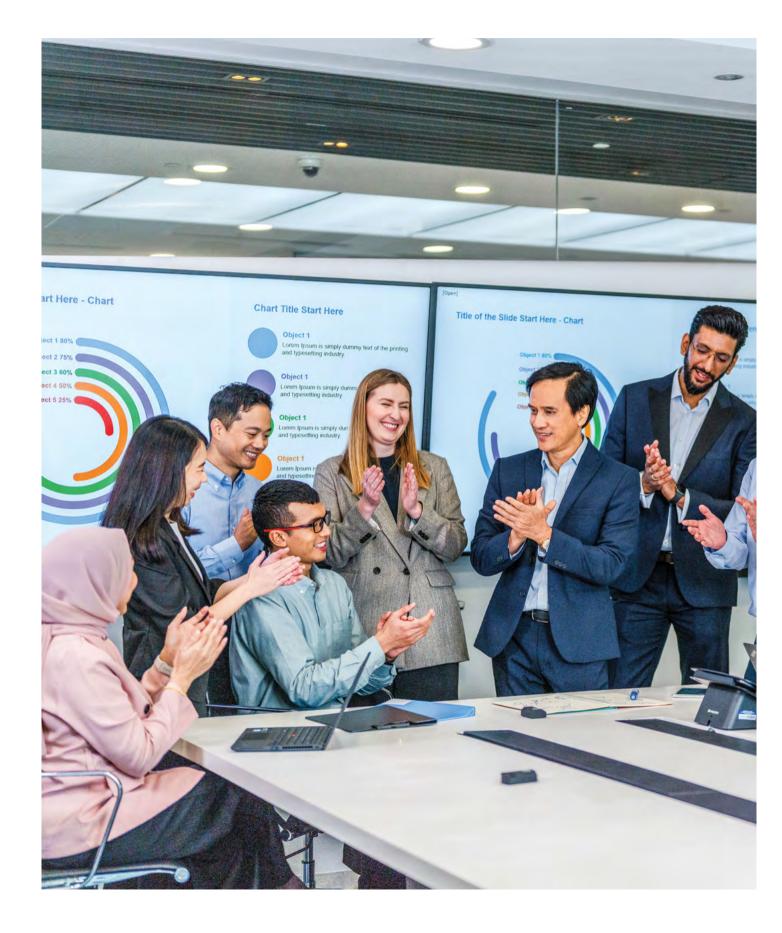
Value Created for Stakeholders

- Leveraged each other's expertise and collaborated on innovative products and services
- Better understanding of MISC's expectations (including sustainability agenda) among suppliers and increased business opportunities

| Engagement Platform | Frequency |
|-------------------------------|-----------|
| Regular and periodic meetings | A M W AR |
| Day-to-day interactions | D |
| Conferences and forums | A |
| Site visits | AR |
| Workshops/strategic dialogues | AR |
| Performance assessments | AR |



Engaging with Stakeholders



SECTION 6

STRATEGIC REVIEW

- **52** Our Operating Environment
- **60** Our Material Matters
- **65** Our Risks and Mitigation Strategies
- **70** Delivering Our Strategy and Its Progress

Our Operating Environment

INTEGRATED ANNUAL REPORT 2024

SHORT TO MEDIUM TERM

MEDIUM TO LONG TERM

GEOPOLITICS

What Happened in 2024

The year 2024 was defined by heightened geopolitical tensions as global crises continued to influence economic and energy security dynamics. The ongoing Russia-Ukraine conflict, along with rising hostilities in the Middle East, had widespread effects on global trade, energy supply chains, and economic stability. As geopolitical risks increased, international alliances became more divided, reshaping the balance of global power.

One of the most significant developments in 2024 was the expansion of BRICS. Originally consisting of Brazil, Russia, India, China, and South Africa, the bloc welcomed four new members namely Iran, the United Arab Emirates, Egypt and Ethiopia. This expansion strengthened its economic influence, bringing BRICS to represent 45% of the world's population and contributing more than 25% of global gross domestic product (GDP). The group is now closing the gap with the G7 nations, which have traditionally dominated the global economy.

The year also saw an unprecedented number of elections, with more than 70 countries representing over 40% of the global population casting their votes. Among these were major economies such as India, Indonesia and the United States (US), collectively home to over two billion people. In the United States, Donald Trump made a political return by winning the presidential election in November, a development with significant geopolitical and economic implications. Other key countries that held elections included the United Kingdom, Russia, South Korea, and South Africa, further shaping the global political landscape.

How We Were Impacted and How We Responded

The ongoing geopolitical conflicts have continued to expose the shipping sector to significant risks related to operational safety and security. The shipping sector adapted by rerouting vessels to safer but longer alternative routes, resulting in high tonne-mile demand throughout the year.

The Group remained focused on delivering our performance through long-term charters. Our secured revenue with strong counterparties have enabled the Group to generate sustainable and recurring income amidst market uncertainties. Additionally, our diversified portfolio of businesses helps to protect us against market volatility. The Group continuously monitored the developments of major geopolitical conflicts and took the necessary mitigating measures to ensure the safety of our seafarers and assets.

What Is the Outlook?

The ongoing conflicts could possibly shift the power balance among countries, while the growing realignment of geopolitical allies is contributing to larger and broader conflicts, indicating a trend towards the emergence of a more polarised world.

The heightened geopolitical risks and ongoing deglobalisation will continue to pose significant challenges to global economic growth. The uncertainties amidst sanctions and trade shifts may potentially reshape the global economy in the short term.

In Europe, political dynamics appear to be shifting rightward in several countries, influenced by public dissatisfaction over rising living costs, the energy crisis and ongoing economic and social challenges following the pandemic. This trend could lead to a stronger presence of nationalist parties, potentially complicating the EU's ability to pass legislation on key issues such as climate change policy and agricultural reforms over the next five years.

Meanwhile, in the United States, President Trump has signed multiple executive orders since his inauguration in January 2025, aimed at revising tariffs and trade policies. This could potentially have significant implications for global economic relations and reshape global economic trade. Furthermore, his executive orders signal a shift in US policy away from climate commitments and energy transition efforts, placing a renewed emphasis on expanding oil and gas oroduction.

With trade flows shifting, economic uncertainty rising and geopolitical risks escalating, the shipping industry must prepare for potential high volatility and market disruptions in 2025.

Key Capitals:





Material Matters:





(🙌) Health and Safety

Security

Sustainable Supply Chain



Risks:

(%) Health, Safety, Security and Environment Risk

(6) Energy Transition and Decarbonisation Risk



Project Delivery Risk

Our Operating Environment

SHORT TO MEDIUM TERM

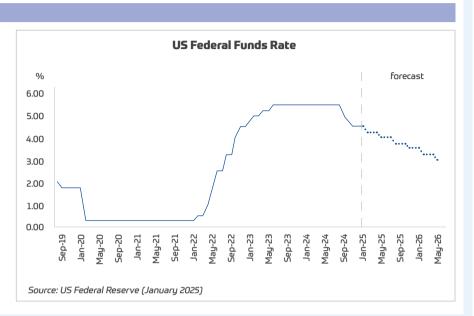
MEDIUM TO LONG TERM

ECONOMY

What Happened in 2024

According to the IMF's World Economic Outlook (Jan 2025), global GDP growth for 2024 is at 3.2%, slightly lower than in 2023 at 3.3%. Global economic recovery remained moderate amidst China's economic slowdown and the high interest rates environment.

In late September, the US Federal Reserve cut interest rates by 50 basis points, marking its first rate reduction since 2020. Towards the end of the year, the Federal Reserve implemented an additional 50 basis points rate cuts, bringing the rate to 4.5%. The decision to reduce interest rates was mainly due to stabilised global inflation and to encourage economic growth. The decision also paved the way for monetary easing across major central banks.



How We Were Impacted and How We Responded

The Group implemented various financial management strategies, including maintaining a high fixed-to-floating rate borrowings ratio, which have been instrumental in navigating market volatility. Furthermore, the Group strategically allocated internal funds to support projects under construction, therefore optimising financing costs while preserving our liquidity.

Throughout the year, the Group prioritised efficient execution of existing projects while being selective in pursuing investment opportunities. This involved a deliberate focus on pursuing long-term contracts with strategic clients.

Fundamentally, the Group's long-term charters and other sources of secured revenue with strong counterparties have enabled us to generate sustainable and recurring income over the years. Additionally, the Group's diversified portfolio of businesses protects us against market volatility.

Although risks remain, the Group is well-positioned for growth based on the visibility of our cash flows from operations. This allows us to plan our growth to meet our strategic goals, even in challenging economic circumstances.

Key Capital:



Material Matter:



(Financial Performance

What Is the Outlook?

Despite the anticipated decline in interest rates, global economic growth is expected to be volatile amidst policy changes. According to the IMF, the global GDP growth is forecasted to be at 3.3% in 2025 and 2026, with potential downside risks due to the ongoing geopolitical

Meanwhile, the United States has returned to America-first policies under President Trump's second administration. The United States has imposed tariffs on China, Canada and Mexico, triggering retaliatory measures from these countries. The ongoing tariff disputes could disrupt global supply chains, impact the shipping sector and charter rates, as well as drive inflation higher. This could slow the easing of monetary policies and hinder economic growth.

Risks:

Financial Risk

Geopolitical Risk

Energy Transition and Decarbonisation Risk

Project Delivery Risk

Our Operating Environment

INTEGRATED ANNUAL REPORT 2024

SHORT TO MEDIUM TERM

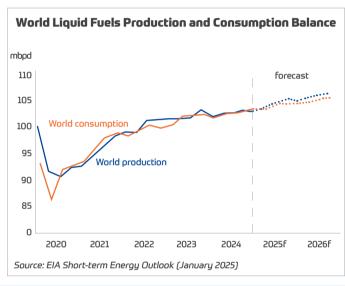
MEDIUM TO LONG TERM

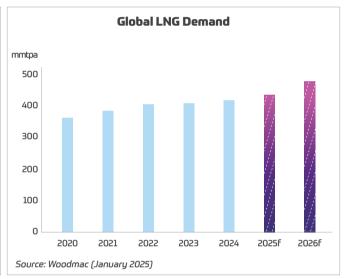
ENERGY SECURITY

What Happened in 2024

In 2024, energy security remained a key concern due to the ongoing Russia-Ukraine war and tensions in the Middle East. Despite ongoing US sanctions, Russian oil continued flowing into Asia throughout the year, primarily to China and India. Meanwhile, OPEC+ has extended its oil production cuts through 2025 in an effort to avoid oversupplying the market which could weigh on oil prices.

Europe's pivot to importing LNG from alternative sources, mainly the United States, continued during the year amid ongoing geopolitical conflicts. However, its LNG imports declined in 2024 due to high storage levels and lower gas consumption. Nevertheless, despite the persistent headwinds in the market, oil and gas prices were stable throughout the year.





How We Were Impacted and How We Responded

Despite the lingering energy crisis and ongoing geopolitical conflicts, our business segments remained steady, underpinned by solid fundamentals and a strong portfolio of long-term contracts. Furthermore, the Group remained focus on project execution and delivery of existing contracts, alongside securing new contracts.

During the year, our GAS Business segment successfully secured long-term charter contracts with QatarEnergy for three newbuild LNGCs. Meanwhile, AET swiftly delivered Eagle Veracruz, the final vessel in a series of three LNG dual-fuel VLCCs, on a long-term contract

For more information, please refer to Gas Assets & Solutions Business Review on page 78 and Petroleum & Products Business Review on page 81.

What Is the Outlook?

As we move towards 2030, the supply and demand for oil and gas are forecasted to increase, driven in part by US policy shifts, prioritising increased domestic production.

However, the ongoing geopolitical conflicts may heighten energy security concerns and potentially lead to increased volatility in energy prices that could disrupt the economics and trade fundamentals of the oil and gas sector.

Key Capitals:

Financial

Natural

Physical

Material Matters:

(<page-header>) Energy Management

Financial Performance

(Climate Change



Risks:

Geopolitical Risk

Energy Transition and Decarbonisation Risk

Project Delivery Risk

Our Operating Environment

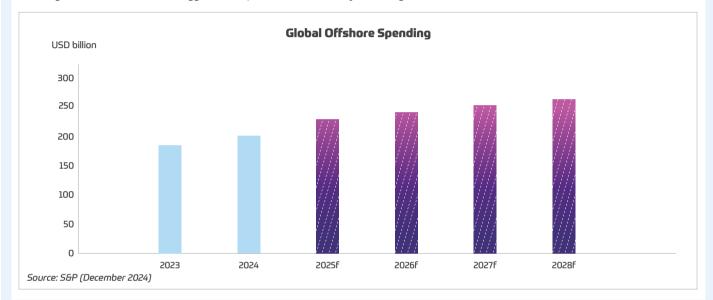
SHORT TO MEDIUM TERM

MEDIUM TO LONG TERM

OFFSHORE SECTOR

What Happened in 2024

While the global upstream spending declined slightly in 2024, the investment in the offshore sector was higher than in 2023, supported by resilient fossil fuel demand and stable oil and gas prices. During the year, six FPSO projects were awarded with total CAPEX of more than USD10 billion. The sector is also expecting a surge in the global FPSO market with a high number of awards in the short to medium term. However, financing difficulties amidst the energy transition, continued to be a major challenge for the sector.



How We Were Impacted and How We Responded

The Offshore segment maintained its focus on the timely completion of the FPSO Marechal Duque de Caxias, which achieved Final Acceptance in November 2024. The successful delivery of FPSO Marechal Dugue de Caxias strengthened the Group's stable cash flows, further enhancing our financial resilience.

Meanwhile, the Marine & Heavy Engineering segment remained focused on project delivery excellence throughout the year. On the Heavy Engineering sub-segment, MHB successfully delivered the Kasawari Gas Development Project on time.

For more information, please refer to Offshore Business Review on page 84 and Marine & Heavy Engineering Business Review on page

What Is the Outlook?

The offshore sector is poised for a high CAPEX cycle in the short to medium term, with significant opportunities in Brazil, APAC and Africa. Over the next five years, FPSO demand is expected to remain strong, with more than 50 FPSO awards anticipated and an estimated total CAPEX exceeding USD80 billion. Driven by deepwater reserves, key regions such as South America and Africa will remain as strategic priorities for major energy players.

Additionally, the change in energy-related policies in the United States is expected to create favourable conditions for the oil and gas industry, providing additional growth momentum in the offshore sector.

Key Capitals:

Physical

Human









Material Matters:

(Waste Management

(Climate Change

(

Energy Management

Risks:

Energy Transition and Decarbonisation Risk







Our Operating Environment

INTEGRATED ANNUAL REPORT 2024

SHORT TO MEDIUM TERM

MEDIUM TO LONG TERM

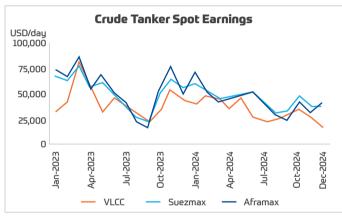
SHIPPING SECTOR

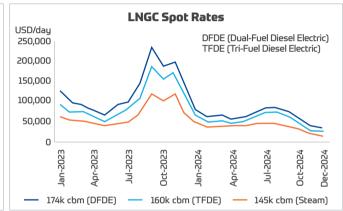
What Happened in 2024

The conflicts in the Middle East continued to threaten key chokepoints in the Middle East, such as the Bab al-Mandeb Strait and Strait of Hormuz. This caused the shipping sector to continue avoiding high risk areas, opting to reroute via the Cape of Good Hope, which kept tonne-mile demand elevated.

Despite geopolitical challenges, crude oil tanker rates in 2024 were less volatile than in the previous year, supported by sustained high tonne-mile demand from the ongoing shifts in global oil trade. The low new tanker deliveries, particularly for VLCC and Suezmax classes, also helped to keep the seasonal rates steady for most of 2024.

Meanwhile, LNGC rates were subdued throughout the year, mainly due to high vessel supply amidst delays in new LNG liquefaction projects. Furthermore, the surge in LNGC newbuild deliveries towards the end of the year added downward pressure to the already weakened rates.





Source: Clarksons (January 2025)

How We Were Impacted and How We Responded

The robust trade fundamentals and high tonne-mile demand kept the oil tanker rates supported and less volatile during the year. However, the LNGC market faced downward pressure on rates due to high vessel availability, driven by increased LNGC newbuild deliveries throughout the year.

Nevertheless, our Petroleum & Products and GAS Business segments remained focused on securing long-term charter contracts while executing progressive fleet rejuvenation initiatives.

In 2024, the Group successfully delivered a newbuild LNG dual-fuel VLCC, *Eagle Veracruz*, on a long-term charter contract with Shell. Additionally, the Group secured long-term time charter contracts for five new LNGCs.

For more information, please refer to Gas Assets & Solutions Business Review on page 78 and Petroleum & Products Business Review on page 81.

What Is the Outlook?

In 2025, the rates for crude oil tankers will remain supported by the high tonne-mile demand derived from the ongoing trade shift. However, the rates are expected to decline in the medium term once new crude oil tankers are delivered within the next five years.

Meanwhile, LNGC rates are expected to remain weak throughout 2025 as more new LNGCs will be delivered amidst high vessel availability and LNG liquefaction project delays. Once the new liquefaction projects are online, the rates for the modern fleet (DFDE and TFDE) are expected to increase, while the rates for steam vessels will remain subdued as charterers prefer newer, more fuel-efficient vessels that offer lower operational costs and reduced emissions.

Nevertheless, demand for oil and gas tankers is expected to remain well supported, mainly due to high tonne-mile demand from continuous vessel rerouting and strong oil and gas demand growth, predominantly in Asia.

Key Capitals:

Financial

1 illidirei



Physical

Material Matters:

(🥦) Energy Management

Climate Change

Security

Financial Performance

Ocean Health

(Health and Safety

Risks:

Geopolitical Risk

Asset Integrity and

Performance Risk



Financial Risk

Our Operating Environment

SHORT TO MEDIUM TERM

MEDIUM TO LONG TERM

DECARBONISATION OF THE MARITIME INDUSTRY

What Happened in 2024

The shipping industry operates within a multi-faceted regulatory environment, driven by the IMO and the EU. The overlap of international and government regulations creates a challenging operating environment for shippowners, particularly those with global operations.

The stricter environmental regulations make it mandatory for shipowners to invest in modern, fuel-efficient and compliant vessels. This regulatory shift led to a surge in newbuild orders as shipowners replaced older vessels and adhered to evolving shipping requirements.

With overall newbuild order volumes reaching their highest level since 2007, alternative fuel has continued to play a prominent role. In 2024, LNG as a marine fuel, accounted for more than 35% of total tonnage ordered across various vessel segments, followed by other alternative fuels such as ammonia, methanol and biofuel. Overall, newbuild orders with dual-fuel capability represented 50% of total tonnage ordered during the year.

How We Were Impacted and How We Responded

MISC 2030 Ambition sets a clear pathway towards achieving our 2050 Vision by pivoting to profitable new energy businesses while simultaneously strengthening and decarbonising our core operations. We remain committed to reducing our GHG emissions from shipping operations by 50% by 2030 and achieving Net-Zero GHG emissions by 2050.

In 2024, the Group achieved a significant milestone in our decarbonisation journey with a 32% reduction of average GHG intensity from our fleet (Gas and Petroleum) compared to our 2008 levels. Additionally, the Group achieved another significant milestone with the signing of long-term TCPs between AET and PTLCL for the world's first two ammonia dual-fuel Aframaxes.

As our sustainability journey progresses, the Group will continue implementing decarbonisation initiatives and seeking strategic collaborations with industry partners to further reduce emissions.

For more information on MISC 2030 Ambition, please refer to page 72. For information on our decarbonisation journey, please refer to our Sustainability Report 2024.

What Is the Outlook?

The shipping industry is set to face significant regulatory changes in 2025 as new environmental measures come into effect. The IMO is expected to introduce stricter regulations aimed at accelerating the reduction of GHG emissions from ships. These measures will focus on promoting alternative fuels, improving energy efficiency and potentially, implementing a global carbon pricing mechanism to drive decarbonisation.

Key Capitals:



P Physical

H Human

N Natural

Material Matters:

Financial Performance

(iii) Sustainable Supply Chain

Talent Development and Retention

Climate Change

Energy Management

Risks:

Energy Transition and Decarbonisation Risk

Compliance and Regulatory Risk

Asset Integrity and Performance Risk

Project Delivery Risk

Our Operating Environment

SHORT TO MEDIUM TERM

MEDIUM TO LONG TERM

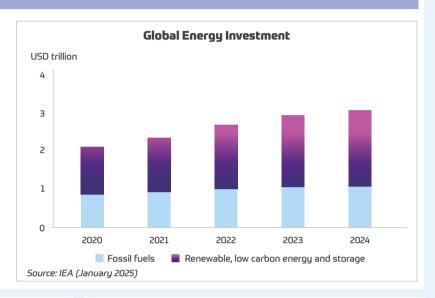
ENERGY TRANSITION

What Happened in 2024

There has been a notable trend of oil majors adjusting their energy transition strategies to adapt to evolving market conditions and financial considerations. This shift appears to be influenced by factors such as rising costs, supply chain challenges and technological limitations in renewable energy projects, which have impacted overall profitabilitu.

Nevertheless, according to the World Energy Investment 2024 Report by the International Energy Agency (IEA), investments in global energy exceeded USD3 trillion for the first time in 2024, with USD2 trillion allocated to renewable, low carbon energy and storage.

Investment in renewable, low carbon energy and storage has accelerated since 2020 and is higher than the total spending on fossil fuels. Most of the spending on renewable, low carbon energy and storage are concentrated in major economies, including China, the United States and most European countries, while emerging and developing economies only account for around 15% of the global spend.



How We Were Impacted and How We Responded

Aligned with the MISC 2030 Ambition, the Group remains committed to the energy transition, actively pursuing opportunities in the renewable energy sector. Leveraging our expertise, we continue to provide sustainable maritime solutions for the evolving energy landscape, ensuring long-term growth and

Additionally, we entered into a Strategic Collaboration Agreement with PETRONAS to explore the development of integrated shipping and floating solutions for ammonia.

Marine & Heavy Engineering segment, MHB, also achieved notable progress in renewable energy initiatives, securing a second offshore wind project to build an OSS HVDC platform.

For more information on MISC 2030 Ambition, please refer to page

What Is the Outlook?

Energy demand is forecasted to rise, driven by economic expansion and an increase in the adoption of energy intensive technologies such as Artificial Intelligence (AI) and data centres. However, the energy transition pathway remains uncertain, surrounded by inconsistencies in the overall developments of the energy transition.

While global investments in renewable, low carbon energy and storage are expected to rise significantly, oil and gas will continue to play a substantial role in the energy mix for the foreseeable future. It is forecasted that oil demand will peak by 2031 before gradually declining towards 2050. Meanwhile, natural gas, as a relatively lower-carbon energy source, is expected to see robust demand, peaking in 2040 and plateauing towards mid-century. This growth in gas demand will also drive an increase in LNG consumption, which is expected to peak later in 2048.

Nevertheless, investment in renewable, low carbon energy and storage is projected to outpace fossil fuel investments, with key focus areas including hydrogen, offshore wind, solar and CCS.

However, policy shifts, particularly in the US under President Trump's second administration, could create further headwinds for the global energy transition efforts by reprioritising fossil fuel expansion, rolling back climate policies and reducing incentives for energy transition.

Key Capitals:

Financial

Human

SR Social & Relationship

Natural

Material Matters: (Climate Change

Financial Performance

Talent Development and Retention

(Energy Management

Risks:

Energy Transition and Decarbonisation Risk



Project Delivery Risk

Talent Risk

Our Operating Environment

SHORT TO MEDIUM TERM

MEDIUM TO LONG TERM

ADVANCEMENTS IN TECHNOLOGY AND DIGITALISATION IN THE MARITIME INDUSTRY

What Happened in 2024

The adoption of technology in the maritime sector continued to accelerate in 2024, driven by evolving commercial demands, regulatory requirements and sustainability commitments. The integration of advanced digital solutions, including AI, predictive analytics and autonomous vessel technologies, is reshaping the industry.

Research and development in alternative fuels and lower-emission propulsion sustems have gained momentum, with significant advancements in ammonia-powered vessels, wind-assisted propulsion, and hybrid energy solutions. Similarly, the energy sector is rapidly embracing digitalisation, with increasing investments in data-driven technologies and automation.

How We Were Impacted and How We Responded

In 2024, we successfully commissioned the first deployment of 'PureMetrics' technology on selected AET vessels. This innovative solution enables us to capture precise emissions data from our LNG dual-fuel vessels, allowing us to assess methane slip levels and other emissions performance metrics. Bu leveraging these insights, we aim to optimise vessel operations and further advance our decarbonisation strategy.

As we continue to pursue our digital transformation initiatives, the Group has completed Wave 1 of our Finance Transformation Programme (FTP) and commenced Wave 2 in 2024. The primary objective of the FTP is to enable strategic data-driven business decisions through data analytics and process automation.

What Is the Outlook?

Investments in digitalisation, automation and new energy technologies are expected to continue growing, shaping the future of the maritime industry. The convergence of Al, advanced analytics and smart shipping solutions will drive greater operational efficiency, safety and resilience.

Cross-sector collaborations will remain crucial, particularly in alternative fuels, energy-efficient propulsion and emissions reduction technologies, as the industry accelerates its transition towards low-carbon and Net-Zero operations.

Digitalisation will play a pivotal role in optimising fleet management, streamlining logistics and improving supply chain connectivity, enabling the sector to meet increasing global trade demands while ensuring sustainability and cost effectiveness.

Key Capitals:

Financial

SR Social & Relationship

Human

Intellectual

Material Matters:

Financial Performance

Sustainable Supply

Climate Change

(Digitalisation

(Energy Management

Talent Development and Retention

Cybersecurity

Cybersecurity Risk

Financial Risk

Project Delivery Risk







Our Material Matters

Our Material Matters

INTEGRATED ANNUAL REPORT 2024

MATERIAL REASSESSMENT **VALIDATION PROCESS**

We identified our materia sustainability matters by considering the internal impact on the business and the external impact on society and the environment, focusing on the following criteria:

We addressed issues that influence our core value drivers, market competitiveness and ability to generate sustainable, long-term value for stakeholders, ensuring resilience and growth.

We evaluated how our operations significantly affect economic development. environmental health and social well-being, considering the wider implications for our stakeholders and the communities where we operate.

By applying these criteria, we ensured that our sustainability efforts addressed critical issues while supporting our strategic goals.

Our material sustainability topics are identified through a structured materiality assessment conducted at least once every three years. In 2022, MISC undertook a comprehensive assessment, engaging key stakeholders to define the most relevant sustainability priorities. This process comprised two key components:

Benchmarking: We conducted in-depth research to analyse current and emerging sustainability trends, alongside peer and industry benchmarking. This allowed us to identify a focused list of sustainability matters relevant to MISC's operations.

Stakeholder Engagement: We carried out a survey to prioritise our material topics by engaging with various internal and external stakeholder groups, including:

Senior Leaders throughout the MISC Group

The Board of Directors

Customers

Financial Institutions

Investors/Analysts

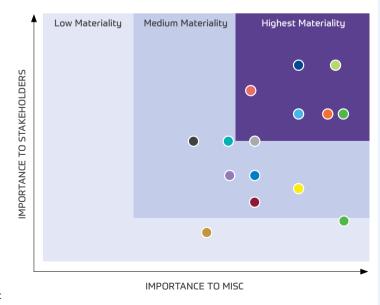
This robust process ensured that our materiality assessment reflects stakeholder insights, aligns with industry best practices and strengthens the foundation for achieving our sustainability objectives.

MATERIALITY MATRIX

In 2023, we conducted an interim review of our previously identified sustainability matters, incorporating feedback from internal stakeholders. The updated materiality matrix was endorsed by the Health, Safety, Security, Environment and Sustainability (HSSES) Council and subsequently presented to the Board Sustainability & Risk Committee (BSRC) and the Board, where it was formally

This review ensured our sustainability priorities remain aligned with internal insights and evolving industry standards, reaffirming our commitment to effective governance and stakeholder engagement.

- Health and Safety
- Values, Governance and Business Ethics
- Human Rights
- Financial Performance
- Climate Change
- Energy Management
- Sustainable Supply
- Ocean Health
- Waste Management
- Talent Development and Retention
- Diversity and Inclusion
- Digitalisation
- Cybersecurity
- Community Investment



The outcomes of our materiality assessment have been seamlessly integrated into our business practices to achieve the following:

| Align sustainability priorities with material matters and relevant SDGs | Our initiatives are designed to address the identified material issues while supporting relevant SDGs, enabling a targeted approach to our strategic goals. |
|---|---|
| Guide the setting of sustainability targets and commitments | Insights from the assessment shape clear and actionable sustainability targets, driving progress and accountability across our operations. |
| Strengthen links between ESG risks, opportunities and corporate purpose | By recognising the connection between ESG factors and our purpose, we effectively navigate risks and leverage opportunities that support long-term business objectives. |
| Inform disclosure topics in annual reporting | The assessment ensures our reporting remains transparent and focused, addressing the key aspects of our sustainability performance and initiatives. |

Through these efforts, MISC continues to embed sustainability at the core of its business, fostering resilience and creating value for all stakeholders.

| Health and Safety through meticule special spe | y and operational excellence h a secure work environment and lous maintenance | policies, fostering a Generative HSSE Culture Emphasise operational discipline and security to ensure safe work conditions for employees, contractors and assets Risks: Asset Integrity and Performance Risk Project Delivery Risk Health, Safety, Security and Environment Risk | Health and Safety Geopolitical Risk |
|--|---|---|--------------------------------------|
| 3 monation √√√ Mainta govern Values, | F H P SR | Asset Integrity and Performance Risk Project Delivery Risk Compliance and Regulatory Risk Health, Safety, Security and Environment Risk | · |
| Mainta govern integrit | | Performance Risk Regulatory Risk Project Delivery Risk Regulatory Risk Health, Safety, Security and Environment Risk | · |
| yovern govern integrit | | and Environment Risk | |
| yovern govern integrit | in high standards of corporate | Strengthen governance through the establishment of | |
| Values, govern integrit | in high standards of corograte | Strengthen anyergance through the establishment of | |
| Governance and Business Ethics | nance, ethical practices and | several frameworks | Governance and |
| SDGs | Key Capitals: | Risks: | |
| 8 DESCRIPTION AND 16 THE APPEAR | F SR | Project Delivery Risk Compliance and Regulatory Risk | |
| | U | Geopolitical Risk Cybersecurity Risk | |

MISC BERHAD

SECTION 6: STRATEGIC REVIEW

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Our Material Matters

INTEGRATED ANNUAL REPORT 2024

| Material Matter | Description | Our Approach Sustainabil Strategic Po | _ |
|---|--|--|----|
| Climate Change | Transition to a low-carbon economy to align with international sustainability goals and regulatory standards | Establish strategic plans for shipping and non-shipping operations to ensure adaptability and effective response to international regulations and policy changes Direct efforts across our operations and value chain to reduce emissions, advance decarbonisation efforts and improve low-carbon solutions | |
| 9 minimum 13 data | Key Capitals: F H 1 P SR N | Risk: Energy Transition and Decarbonisation Risk | |
| Energy Management | Augment energy management for effective climate change mitigation | Continuously enhance energy efficiency in design and operations across our shipping and non-shipping businesses to minimise environmental impact Strengthen governance frameworks to facilitate the adoption of effective energy management practices across the business segments and value chain | |
| SDG 12 HUMBUR 12 HUMBUR 14 HUMBUR 14 HUMBUR 14 HUMBUR 15 HUMBUR 16 | Key Capitals: F 1 P N | Risk: Energy Transition and Decarbonisation Risk | |
| Financial Performance | Maintain a robust balance sheet and capital position to support future growth, enhance stability and ensure sustainable stakeholder returns Explore new energy segments to capitalise on the global energy transition | improve business resilience | ar |
| 8 minuseum | Key Capitals: F P | Risks: Energy Transition and Decarbonisation Risk Market Risk Asset Integrity and Performance Risk Geopolitical Risk Financial Risk | _ |
| Human Rights | | Establish and implement policies and frameworks to strengthen and promote human rights principles and practices across our operations and business Embed human rights due diligence practices in our systems and functions across our value chain | |
| SDG 8 HOME GENTLE HOME FOR THE STATE OF THE | Key Capitals: H SR | Risks: Talent Risk Health, Safety, Security and Environment Risk Project Delivery Risk Compliance and Regulatory Risk | |

Our Material Matters

| Material Matter | Description | Our Approach | Sustainability Strategic Priorities |
|--|---|---|--|
| Sustainable Supply Chain | Integrate ethical and environmentally responsible practices into our value chain to mitigate our impact on the environment and society | to improve resilience | Governance Pillar Sustainable Supply Chain Management |
| SDGs | Key Capitals: | Risks: | |
| 12 SOCKERS OF PRINCIPLES OF PR | F 5R P N | Energy Transition and Decarbonisation Risk Geopolitical Risk Emergy Transition and Regulatory Risk Project Delivery Risk | |
| | | | |
| Ocean Health | Adopt pollution prevention measures to safeguard ocean biodiversity and minimise irreversible damage | Continue to improve our oversight and efforts in conserving ocean biodiversity | Environment Pillar Biodiversity Conservation |
| SDG | Key Capitals: | Risks: | |
| 14 Information | (F) (N) | Energy Transition and Decarbonisation Risk Health, Safety, Security and Environment Risk | |
| | | | |
| Security | Secure people and assets from threats and intrusions | Reinforce security management to strengthen coordination in addressing maritime security issues | Social Pillar Health and Safety |
| SDG | Key Capitals: | Risks: | |
| 3 add milesters —/// | F SR P H | Geopolitical Risk Health, Safety, Security and Environment Risk System Cybersecurity Risk Asset Integrity and Performance Risk | |
| | | | |
| Talent Development and Retention | Build a sustainable talent pipeline with the right skills for maritime industry growth Invest in talent management for future business needs | talents through the establishment of several talent management frameworks to help nurture future-ready | Social Pillar Talent Excellence |
| SDGs | Key Capitals: | Risk: | |
| 8 RESOURCES | F SR 1 H | Talent Risk | |
| | | | |
| Waste Management | Responsibly manage and monitor waste from generation to disposal to minimise environmental impact | Establish and monitor waste reduction and 3R targets to improve our waste management practices and reduce waste generation | Environment Pillar Promoting Circular Economy |
| SDG | Key Capitals: | Risk: | |
| 12 SCHOOLS SCH | F N P | (a) Health, Safety, Security and Environment Risk | |
| | | | |

MISC REPHAN

SECTION 6: STRATEGIC REVIEW

Our Material Matters

| Material Matter | Description | Our Approach | Sustainability Strategic Priorities |
|---|--|---|---|
| Diversity and Inclusion | Grow a diverse workforce that fosters creativity and innovation with fair hiring and promotion policies | Establish strategic priorities to grow our diversity in gender, nationality and multi-generations Build an inclusive culture and work environment and drive leadership accountability | Social Pillar Talent Excellence |
| SDGs | Key Capitals: | Risk: | |
| 5 (100m) 8 (100m) 1 (100m) 1 (100m) | 0 mann. √♣≻ SR | Talent Risk | |
| Digitalisation | Accelerate digitalisation to foster adaptability, data-driven decisions and innovative customer service across business operations | Transform internal processes and systems organisation-wide to enhance productivity and efficiency Continue leveraging cutting-edge, eco-efficient technologies via our newbuilds/new assets to address market competition and maintain a competitive advantage Upskill and reskill our workforce to adapt to new technologies | Financial Pillar |
| SDG | Key Capitals: | Risks: | |
| 9 WENTERSON | 6 9 1 H | Talent Risk Asset Integrity and Performance Risk Cybersecurity Risk Energy Transition and Decarbonisation Risk | |
| | | | |
| Cybersecurity | Safeguard MISC's and stakeholders' critical data for business continuity | Strengthen cybersecurity governance and foster a culture of compliance through training to improve capabilities and awareness, thereby reducing security risks | Governance and |
| SDGs | Key Capitals: | Risk: | |
| 8 SECRET HARM AND 9 NOR SHAME PROPERTY OF THE | G C | Cybersecurity Risk | |
| | | | |
| Community Investment | Contribute financially, non-financially and through employee volunteerism to promote social equity in our communities | Implement multi-stakeholder community initiatives and promote programmes focused on youths to cultivate interest in the maritime industry | Social Pillar Community Investment |
| 4 then in | Key Capitals: F SR | Risk: Talent Risk | |

Our Risks and Mitigation Strategies

In a dynamic environment, risk management is a core element of our business operations and decision making. A comprehensive strategy is embedded across the Group, guiding us in navigating the risk landscape while ensuring a balanced approach between the risks we take and the rewards we gain from our business opportunities and performance.

In MISC, the Enterprise Risk Management Framework enables a consistent and structured approach to identifying, assessing and managing risks effectively, taking into consideration a holistic view of the risk profiles of our respective businesses, MISC 2030 Ambition and the macro environment in which we operate.

(🔘) For further details on the Group's risk management framework, please refer to our Statement on Risk Management and Internal Control on page 192.

GEOPOLITICAL RISK

Escalating tensions beyond regional borders continue posing threats to business operations and growth opportunities

Risk Movement

Geopolitical risk remains on an upward trend, affecting business strategies and opportunities due to regional conflicts, economic and trade sanctions

Impact on Value

- Potential disruptions to supply chain and volatility in the freight and shipping rates
- · Potential closures in key chokepoints, such as the Strait of Hormuz, Suez Canal and potentially, South China Sea
- Global economic threat, oil price volatility and inflation

Mitigation Strategies

• Continuous monitoring and assessments conducted to evaluate readiness for alternatives and to manage dependencies from high risk supply chains

- Restricting vessel entry into high-risk areas
- Performing security risk assessments, following industry transit advise and equipping vessels with armed guards, if required

Key Capitals











(Health and Safety



Values, Governance and

Material Matters



Financial Performance



Transition towards new energy and low-carbon solutions aligned with the Group's strategic direction, as well as growing emphasis on climate change and environment-related regulations

Legislation and stakeholders continue to exert pressure to shift and drive the need to proactively assess opportunities for growth in the new energy space

Impact on Value

- in meeting stakeholders' environmental expectations and
- Asset obsolescence and an increase in capital expenditure
- Fines, penalties and legal actions from non-compliances
- new energy solutions

Mitigation Strategies

 Reduced competitive advantage due to escalating challenges Actively pursuing future low-carbon solutions, while reducing the carbon footprint of our operations through:

- · Selective monetisation of assets and investments into dual-fuel conventional assets and pivot to new energy
- Collaborate with strategic partners to pursue opportunities in new energy
- Inability to meet the cash flows from operations target from Expand new energy assets, with a focus on developing and investing in hydrogen (H2) and CCS value chains
 - Implement decarbonisation strategies across current portfolios

Key Capitals



















MISC REPHAN

SECTION 6: STRATEGIC REVIEW

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Our Risks and Mitigation Strategies

INTEGRATED ANNUAL REPORT 2024

HEALTH, SAFETY, SECURITY AND ENVIRONMENT RISK

Exposure to a wide range of health, safety, security and environmental hazards

Risk Movement A This continues to be high priority with increased effort to raise safety awareness across the Group

Mitigation Strategies

Impact on Value

- Disruptions to businesses and operations
- Financial and commercial losses due to penalties, clean-up costs and potential loss of clients
- Unsafe work environment for personnel/workforce
- · Major reputational damage to the Group

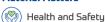
Material Matters

Key Capitals









Ocean Health



(Waste Management





(🖏 Human Rights

PROJECT DELIVERY RISK

Effective management and completion of key projects, including shipbuilding, asset construction and floater conversion on time, within budget and according to specifications, remain a top priority, all while maintaining safety standards



- Delay in project completion
- Cost overruns
- · Quality deficiencies
- Erosion of project returns
- Potential imposition of Liquidated Damages (LD) from clients

Mitigation Strategies

Delivering our key projects effectively and efficiently will remain our prime focus while we navigate the effects of external

- Adhere strictly to project management guidelines
- Assign relevant expertise and resources within the project management team to ensure efficient project execution and close monitoring throughout the project lifecycle

Strengthen HSSE governance with rigorous policy adoption, integration and

• Implement Generative HSSE Culture Awareness programme

Closely monitor and manage all HSSE-related risks

Implement a robust project risk management process covering risk assessments and the implementation of mitigation action plans throughout the project lifecycle, from pre-bid submissions to during and post-project

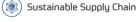
Key Capitals









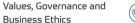


Business Ethics



(Human Rights





factors, such as inflation and supply chain constraints

Health and Safety

MARKET RISK

Exposure to softer spot environment in LNGC due to increased vessel availability from expiring long-term charters and a surge in newbuild deliveries, as well as increased volatility due to geopolitical impacts in the tanker sector



LNGC shipping spot rates affected by oversupply due to increased newbuilds and fewer demolitions, whereas the crude tanker market volatility were caused by disruptions in major trade route and sanctions activity

Impact on Value

- expire, impacting revenue
- Stiff competition with more efficient vessels in the market
- Increased operating cost as a result of underutilised carriers

Mitigation Strategies

- Spot market exposure may increase as long-term contracts
 Continue seeking opportunities to optimise fleet deployment and utilisation to maximise efficiency, including options such as long-term charters and
 - Engage in fleet rationalisation by exploring opportunities for the early disposal or scrapping of older vessels

Key Capitals









Our Risks and Mitigation Strategies

ASSET INTEGRITY AND PERFORMANCE RISK

Effective maintenance and operational excellence are crucial to avoid unplanned disruptions, ensure client acceptance of vessels and production uptime for floating assets are maintained

Risk Movement ___ The implementation of strategic and focused mitigations on identified assets across the Group have shown improvements with declining off-hire incidents, while maintaining production uptime for floating assets

Impact on Value

- Losses from vessel offhire and floating asset downtime
- Inability to meet asset performance targets and requirements may impede vessel tradability and lead to idle assets
- Penalties, fines, detentions and reputational damage

Mitigation Strategies

- Establish and implement effective asset maintenance regime and dry docking specification based on assessment of vessels
- Ensure continuous development of highly skilled and trained personnel to operate assets at optimal levels
- Ensure strict adherence to Health, Safetu, Quality, Environment and Energy (HSQE-En) and Security Policy

Key Capitals









Material Matters

(Digitalisation







CYBERSECURITY RISK

As the Group expands its technology and digital footprint, it may expose the business to increasing cybersecurity risk, as cybersecurity threats continue to trend upwards globally



Though there is a notable increase in the frequency and sophistication of cubersecurity attacks, continuous monitoring and investment in appropriate tools to manage and mitigate the risks are being undertaken to safeguard the Group's digital landscape and parameters

Impact on Value

- Disruptions to businesses and operations
- Loss of critical data and information
- Potential litigation exposure and financial losses
- Major reputational damage and loss of trust among stakeholders

Mitigation Strategies

- Implement industry standards, best practices and updated security controls to ensure good governance and management of cubersecurity risks
- Continuous cybersecurity assessments and monitoring to identify potential vulnerabilities and weaknesses
- · Continuously conduct cybersecurity awareness programmes

Key Capitals







Security

Material Matters





(iii) Digitalisation Cybersecurity

FINANCIAL RISK

Business exposure to high interest rates, group gearing and cash position

Risk Movement =



Strategic actions have been implemented to manage the Group's liquidity position, debt levels and financing costs with continuous monitoring and management of our financial and cash position

Impact on Value

- targets
- Higher cost of financing for new projects
- · Inability to maintain Group's credit rating and investor risk
- Inability to achieve growth targets under MISC 2030 Ambition

Material Matter

Mitigation Strategies

- Inability to achieve optimal gearing to meet financial return
 Implement phased interest rate hedging to mitigate the volatility in the interest rate environment
 - Strengthen and maintain a robust liquidity position by optimising working capital and managing lines of credit in a structured manner
 - Selective capital investment projects
 - Assess opportunities to secure long-term charters for capital intensive

Key Capitals











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Our Risks and Mitigation Strategies



TALENT RISK

Challenges in attracting and retaining a strong human capital team may hinder organisational knowledge development and skill acquisition needed to meet industry demands and support our growth strategy

Risk Movement

Continuous talent development programmes are implemented to build the capability and capacity of our internal talents, supported by performance reviews to manage the risks

Impact on Value

Insufficient pool of readily available successors to assume critical positions

of business targets and growth

Mitigation Strategies

- Undertake detailed succession planning and initiatives to ensure a sustainable pipeline of talent
- High attrition and undeveloped skills impede achievement
 Deploy a structured and holistic development process to continuously build employees' competency and capability levels

Key Capitals















Human Rights







Community Investment





COMPLIANCE AND REGULATORY RISK

Compliance with statutory and regulatory requirements, as well as internationally accepted standards and best practices for business ethics

Continuous and effective monitoring are performed on our compliance with statutory and regulatory requirements in applicable jurisdictions and internationally accepted standards

Impact on Value

- Exposure to litigation risks, financial disputes and business disruptions
- Negatively impact our reputation, leading to loss of stakeholder and client trust

Mitigation Strategies

Measures and initiatives were put in place to promote awareness, provide continuous training and enhance processes and controls including:

- Ensuring performance and adherence to relevant laws and regulations embedded in the overall key performance measurement
- Conducting regular assurance activities and training on the laws surrounding ethics and compliance
- Ensuring critical compliance clauses are incorporated into third-party agreements/contracts

Key Capitals



Material Matters



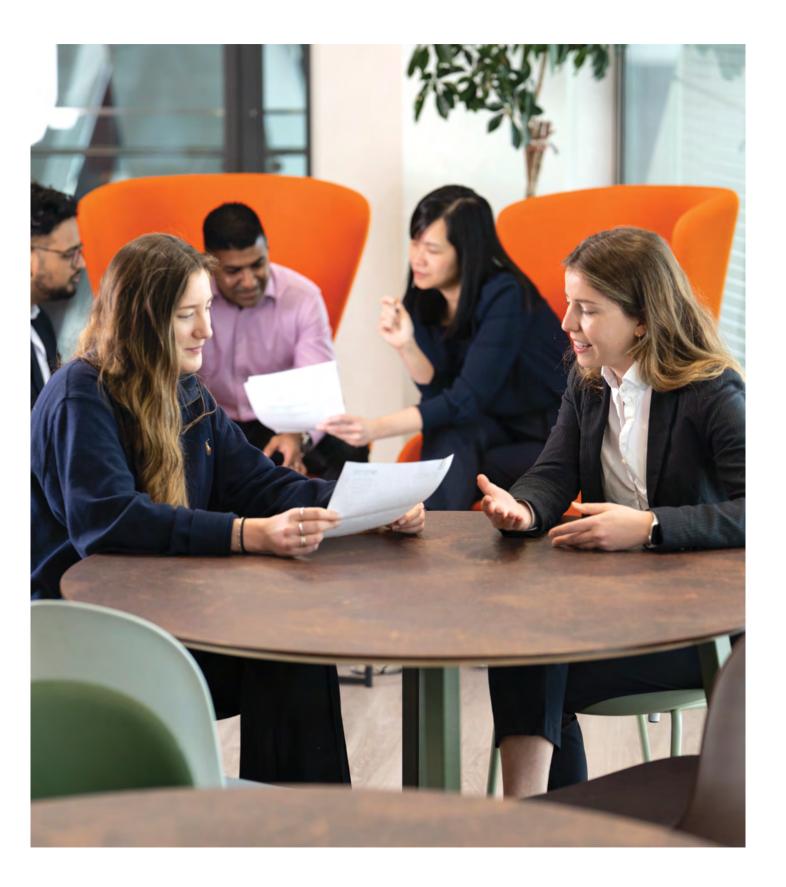


Sustainable Supply Chain



Health and Safety





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Delivering Our Strategy and Its Progress

Delivering Our Strategy and Its Progress

MISC'S 2024 STRATEGIC PLAN AND PILLARS

INTEGRATED ANNUAL REPORT 2024

The MISC 2030 Aspiration is a strategic roadmap designed to drive financial resilience, sustainable prowth and environmental stewardship. It aims to:

- improve cash flows from operations by 50% from a 2022 baseline (approximately USD1.2 billion);
- generate 25% of cash flows from new energy solutions; and
- reduce GHG emissions in shipping by 50% from a 2008 baseline.

The strategic priorities in 2024 were based on three key pillars: Business Model Transformation, Strategic Partnerships and Client Positioning and Organisational Culture and Behaviour. These priorities reflect MISC's commitment to strengthening our core business foundation, driving growth in both conventional and new energy markets and reinforcing the Group's ability to create long-term value for stakeholders in a rapidly changing global landscape.

Business Model Transformation

- Selective monetisation of assets to unlock value
- Fleet rejuvenation for the GAS Business segment and selective investments in dual-fuel assets for the Petroleum & Products
- Investing in new energy solutions

Strategic Partnerships and **Client Positioning**

- Collaborating with strategic partners to pursue asset growth and venture into new energy solutions
- Shifting focus to high-value clients

Organisational Culture and Behaviour

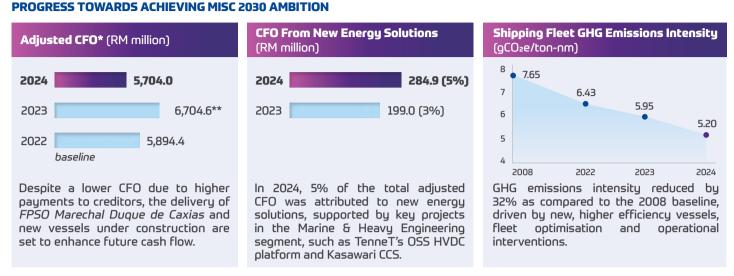
- Embedding Generative HSSE Culture across the Group
- Embarking on a transformation journey focusing on enterprise culture to future-proof MISC

In 2024, the maritime industry faced a complex and challenging market environment, shaped by geopolitical tensions and shifting global energy dynamics. Energy security remained a key concern, with sanctions on Russian oil and gas disrupting trade patterns, while conflicts in the Middle East made the Red Sea a high-risk zone for vessels. These factors supported shipping rates through the rerouting of vessels, which drove higher tonne-mile demand. Throughout these challenges, MISC remained focused and prioritised the safety of our crew and assets.

Based on recent market trends, investments in renewable energy and storage have surged, surpassing fossil fuel spending. This shift reflects a growing commitment to sustainable energy solutions. At the same time, major oil companies are recalibrating their energy transition strategies to align with evolving market conditions and financial priorities. The adjustments were made to navigate the complex landscape of energy transition, balancing the need for innovation with financial stability and regulatory compliance.

(🕮) Please refer to Our Operating Environment on pages 52 to 59 for more information.

Despite these challenges and in response to the evolving industry dynamics, MISC demonstrated strategic resilience by advancing key initiatives aligned with its MISC 2030 Aspiration. To achieve its goal of improving CFO by 50%, MISC successfully delivered the FPSO Marechal Duque de Caxias, securing 22 years of cash flow, and strengthened its LNG fleet with five new LNGC contracts. Progress towards deriving 25% of CFO from new energy solutions was marked by AET's landmark ammonia dual-fuel Aframax tankers, reinforcing MISC's progress in the energy transition. Additionally, the Group remained on track to achieve its 50% GHG intensity reduction target, having reduced our GHG intensity by 32% from our 2008 baseline.



^{*} This refers to the adjusted CFO which excludes payments for cost relating to turnkey activities for the conversion of an FPSO and incorporates dividends received from Joint Ventures, associate & other investments.

In 2024, MISC made significant strides in advancing its strategic priorities, focusing on transforming its business model, strengthening partnerships, and fostering a future-ready organisation.

| Strategic Pillars | Key Focus Areas | Key Achievements in 2024 |
|--|---|--|
| Business Model Transformation | Unlocking value and de-risking for future growth | Formalised NED division to drive decarbonisation, develop sustainable portfolios and commercialise new energy solutions aligned with MISC 2030 Ambition Established Marine Services on 1 April 2024 through the successful integration of Eaglestar and MMS for enhanced maritime services |
| | • Selective monetisation of assets | Successfully sold three LNGCs: Portovenere, Lerici and Puteri Intan |
| | Project delivery excellence | • FPSO Marechal Duque de Caxias achieved first oil and secured final acceptance |
| | Fleet rejuvenation | Secured TCPs for: Three newbuild LNGCs with QatarEnergy Two newbuild LNGCs with PLL Signed long-term in-charters for two newbuild LNG dual-fuel Aframax tankers |
| Strategic Partnerships and Client Positioning | Strategic partnerships and expansion into new energy | Secured TCPs with PTLCL for the world's first two ammonia dual-fuel Aframax tankers Entered into a Strategic Collaboration Agreement with PETRONAS to explore the development of integrated shipping and floating solutions for ammonia MHB secured a second offshore wind project to construct an OSS HVDC platform, as part of TenneT's 2GW Programme Signed an MoU with Aker Solutions, PETRONAS Carigali Sdn. Bhd. and Clean Energy Systems Inc for a pilot project using ZEUS technology which utilises advanced oxy-fuel combustion to convert CO₂ into power while capturing and storing emissions |
| Organisational Culture and Behaviour | Embed Generative HSSE Culture in all business aspects Focus on enterprise culture to future-proof MISC | Completed the Generative Culture Leadership Programme, embedding a strong HSSE culture to reinforce safety practices across all employees Conducted the HSSE Partners Summit 2024 that was attended by 350 participants from across our business partnership network Achieved a milestone in organisational engagement with the Organisational Culture Survey 2024, recording a 97% response rate and an 81% engagement score |

^{**} This amount excludes one-off FSU prepayments.

Delivering Our Strategy and Its Progress

INTEGRATED ANNUAL REPORT 2024

FORGING AHEAD WITH OUR STRATEGY TOWARDS MISC 2030 AMBITION AND 2050 VISION

MISC remains steadfast in achieving its 2030 targets, refining its strategy in 2024 into the MISC 2030 Ambition with clear, actionable pillars. To achieve our MISC 2030 Ambition, we have structured our Enterprise Strategy under three distinct pillars: Resilient Core, Profitable New Energy Business and Decarbonisation. These pillars will guide our efforts to strengthen core operations, expand into new energy and lead sustainable transitions. This strategic direction ensures resilience, profitability and sustainability, aligning the organisation for long-term success.



Looking ahead, the MISC 2050 Vision guides our expansion into Renewable Energy and Waste-to-Value Chains, shaping a sustainable, low-carbon maritime future.

Delivering Our Strategy and Its Progress

MISC 2030 AMBITION

The execution of MISC's Enterprise Strategy is driven by all business units and corporate enablers, ensuring alignment through cascaded key performance indicators. MISC's Enterprise Strategy FY2025 - FY2030 refines our focus on both core and new energy businesses, as well as decarbonisation.

Resilient Core

The **Resilient Core** of MISC's operations continues to serve as the backbone of our business. To maintain and enhance this resilience, we are focused on several key areas:

- Portfolio Rejuvenation and Growth Refreshing our existing assets and expanding into strategic growth markets through strategic investments in conventional carriers as part of our progressive fleet rejuvenation plan
- Maximise Asset Availability and Utilisation Ensuring optimal asset performance through predictive maintenance and strategic contracting to enhance efficiency and maximise revenue potential
- Superior Project Execution Delivering projects on time and within budget, with a focus on quality to foster client trust and support long-term relationships
- Asset Monetisation Unlocking the full value of our assets through strategic and targeted financial initiatives
- Cost Optimisation Continuously improving cost efficiencies without compromising on safety or quality

Profitable New Energy Business

The **Profitable New Energy Business** pillar underscores our commitment to diversifying into new energy sectors, ensuring that MISC remains future-ready and profitable. Our strategy included:

- Focus on Carbon, Offshore Wind and Future Fuels Value Chains Establishing MISC as a key maritime solutions player in CCS. offshore wind services and alternative fuels
- Strategic Partnerships to Monetise New Solutions Building alliances with industry leaders, technology providers and regulatory bodies to bring these solutions to market
- Integrated Value Offering Combining the expertise within the Group to deliver comprehensive solutions

Decarbonisation

Decarbonisation is at the heart of MISC's commitment to meeting our environmental goals and adhere to industry regulations. We developed a multi-faceted strategy which included:

- Energy Efficiency Enhancing operational efficiency by optimising fleet operations and improving fuel efficiency
- Abatement Technology Adopting emission reduction solutions, including energy-saving technologies and onboard carbon capture systems
- Future Fuels Exploring and adopting lower-carbon and zero-emission fuels, including ammonia, to reduce the carbon footprint of our operations
- Invest in Dual-Fuel Assets Investing in dual-fuel assets to enhance fuel flexibility, reduce emissions and improve cost
- Responsible Supply Chain Programme Collaborating with vendors and industry partners to promote sustainable practices across the value chain

Our winning formula advances growth by fostering collaboration, ensuring efficient project delivery, driving operational excellence, and embracing sustainable practices. Underpinning this approach is our foundation of HSSE, Simplification, Talent, and Culture which sets the priorities on a safer, more efficient, and innovative organisation with a skilled workforce and a unified culture that drives long-term success.

Our MISC 2030 Ambition sets a clear pathway towards achieving our MISC 2050 Vision by pivoting to profitable new energy businesses while simultaneously strengthening and decarbonising our core operations. While advancing these long-term objectives, we remain steadfast in reinforcing our core business in conventional shipping and floating solutions. We are confident in our ability to navigate the evolving global landscape, driving sustainable growth and contributing to a future-ready maritime industry.

MISC BERHAD

SECTION 6: STRATEGIC REVIEW

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Delivering Our Strategy and Its Progress

Chain Management

EMBEDDING SUSTAINABILITY IN OUR STRATEGY

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We have embedded sustainability elements across our business strategies. This is aligned with MISC's Sustainability Strategy and focuses on four key pillars—Financial, Environmental, Social, and Governance, underpinned by Stakeholder Engagement. This integrated approach ensures that sustainability is a core consideration in driving long-term value, enhancing resilience, and supporting our commitment to responsible and sustainable growth.

Financial Financial Governance **Gas Assets & Solutions** Marine Services Progressive fleet rejuvenation strategy Drive operational excellence and expand Framework and an expansion into strategic growth the range of maritime services and (FRA/CFP) Secure new energy opportunities through Develoo future-fuel readu maritime • Financial Growth Plans strategic partnerships talents excellence bu Invest in research and development Achieve operational maximising asset availability and utilisation (R&D) to advance new technologies and Enhance operational efficiency and decarbonisation efforts implement abatement technologies to Marine & Heavy EngineeringDrive operational excellence by delivering reduce emissions projects on time and within budget Petroleum & Products Progressive fleet rejuvenation to capitalise Pursue strategic growth by securing on opportunities in the tanker market high-value projects and maintaining a Secure new energy opportunities through balanced portfolio that includes both strategic partnerships conventional and new energy sectors Ontimise asset utilisation while reducion Fortifu services and assets to achieve operational emissions oremium uard status İmolement reduction emission initiatives and responsible supply chain Drive operational excellence by ensuring programmes to lower emissions intensity asset integrity and reliable operations Maritime Education & Training Achieve project execution excellence Transform ALAM to achieve University through delivery of projects safely, on time and within budget College status Build a strong, recognisable brand and Provide a mixed contracting strategy encompassing lease & operate, EPC and improve operational efficiency O&M services Implement and incorporate Develop low-emission floater technology technologies to improve teaching and for sustainable offshore operations learning methodology Environment Stakeholder Short to Medium Term Towards Energy efficiency Engagement Decarbonisation Collaboration on alternative fuel R&D 17 menerali Transition to low-carbon fue · Renewable energy mix Long Term Transition to decarbonised fuel Promotino Circular 4Rs – Refuse, Reduce, Reuse and Recucle Economy · Ship recycling • Greater renewable resource utilisation • Biodiversity Conservation Marine biodiversity conservation Please refer to our Social Sustainabilitu Talent Excellence · Talent development Engaged workforce Report 2024 for more information · Community Investment • Youth entrepreneurship education CSR on education 4 months Health and Safetu Employee safety, health and well-being Contractor safety Process safetu Governance Governance and Robust Culture Assurance Cybersecurity Business Ethics Responsible Supply Assurance Collaboration

Delivering Our Strategy and Its Progress

MISC 2050 VISION

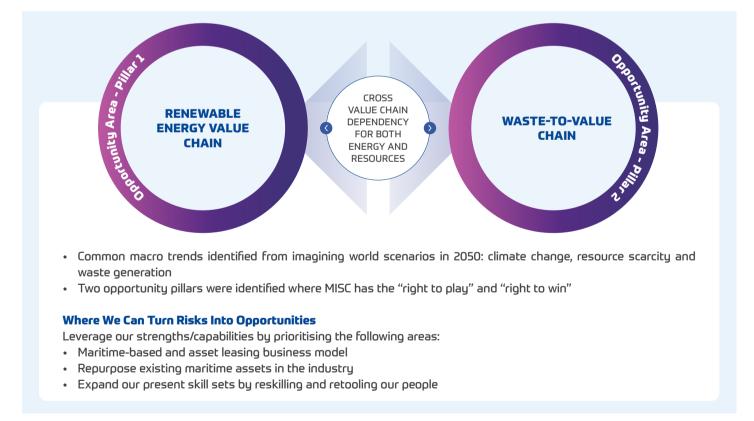
In parallel with our short- to medium-term strategy and Sustainability Strategy, we have developed our longer-range MISC 2050 strategy to future-proof our business. Our long-term strategic plan addresses the threats arising from a fast-changing regulatory landscape that is accelerated by the global decarbonisation agenda. At the same time, we are developing our organisational resilience and adaptability to ensure our future sustainability by identifying how MISC can remain a value-driven organisation in a decarbonised Net-Zero future. While LNG is a lower-emission fuel that is being used in the energy transition and will remain a key component in the short to medium-term, we also foresee the need to develop zero-emissions vessels to ensure a license to operate. Therefore, we are charting our roadmap to capture opportunities arising from the Green Economy.

MISC 2050 is a strategic roadmap that outlines our journey in reimagining MISC's economic, environmental and societal role come 2050. More specifically, its goal is to identify and develop new opportunities that will enable us to build new

businesses and asset portfolios to be added to our present mix by capitalising on the energy transition as the world evolves towards a circular economy. It is our strategic response to the risks and opportunities we have identified various possible future scenarios as we seek to build the Group's resilience in the face of unpredictable external forces leading to 2050. Climate change, resource scarcity and waste generation form the key threats faced by the world. Even with diminishing land, water scarcity and rising sea levels due to climate change, the world is gearing up towards a Green Economy.

The two opportunity pillars we identified are:

- Renewable Energy Value Chain as the building block to manage climate change challenges with the maritime sector playing a key role
- **Waste-to-Value Chain** as critical in tackling resource scarcity and emissions as well as repurposing maritime assets



SECTION 7

BUSINESS REVIEW

- Gas Assets & Solutions
- Petroleum & Products
- Offshore
- Marine & Heavy Engineering
- Marine Services
- Maritime Education & Training



Gas Assets & Solutions

Gas Assets & Solutions

In 2024, Gas Assets & Solutions operated in a dynamic landscape shaped by energy security concerns, financial volatility, environmental pressures and rapid technological advancements. Industry-wise, the influx of newbuild vessels intensified competition within the LNG market, where supply growth remained limited due to delays in new liquefaction projects.

Together, this led to challenges in securing new contracts for our older vessels approaching the end of their long-term charters. As a result, we had to navigate lower spot market rates, reduced earning days and lower vessel utilisation. These factors and higher provision for impairments impacted our financial performance in 2024.

Despite these challenges, we remained resilient and agile, focusing on our ongoing fleet rejuvenation efforts to re-energise our business. This year, we made good progress in the renewal of our fleet by securing five long-term time charters, comprising two with PLL and three with QatarEnergy, for modern and eco-efficient LNGCs. These new vessels, scheduled for deliveries in 2026-2027, are expected to contribute to revenue and cash flow growth. In addition, we also monetised selected LNGC assets to unlock capital and made further progress on the modification of one of our LNGCs into an FSU to ensure continued value creation from our assets.

Throughout the year, we also upheld our core principles of Care and Comply, prioritising the safety and well-being of our employees, contractors and the environment.

Looking ahead, despite challenging market conditions, we remain committed to operational excellence and prudent financial management while strengthening our long-term revenue base to create sustainable value for our stakeholders.



HAZRIN HASAN

Vice President, Gas Assets & Solutions

WHAT WE DO

Gas Assets & Solutions brings decades of expertise in LNG and non-conventional gas asset solutions, and is also known for reliability, operational excellence and on-time deliveries. We provide LNG shipping, ethane transportation and FSUs. Additionally, we are well positioned to offer a broader range of LNG asset-based solutions, including Floating Storage Regasification Units (FSRUs) and Floating Storage Regasification Powerplants (FSRPs), to meet evolving market demands.

To support the global energy transition, we are exploring liquefied carbon dioxide (LCO₂) carriers in collaboration with the NED division. We are committed to efficiency and sustainability, as we uphold the highest HSSE standards while delivering reliable and progressive solutions for the evolving LNG market.



KEY FOCUS AREAS & RESULTS

| Focus Area | What We Did in 2024 | Results |
|---|--|--|
| Fleet Rejuvenation | LNGC Fleet Growth Signed long-term charter contracts for newbuild LNGCs, enhancing the fleet with modern, energy-efficient vessels | Successfully secured: Three new LNGCs with QatarEnergy, featuring the latest technologies for fuel efficiency and reduced carbon emissions for deliveries in 2026-2027 Two new LNGCs with PLL for delivery in 2027 |
| Expansion Into New Energy | Strategic Partnership Explored new energy business opportunities, assessing technology applications and solutions | Supported NED in feasibility studies for LCO₂ carriers, focusing on technical, financial, operational viability, market demand and regulatory compliance |
| Unlock Value From Existing Assets | Optimisation • Enhanced value from existing tonnage | Unlocked capital through the sale of LNGCs: Portovenere, Lerici and Puteri Intan |
| | Asset Class Expansion Advanced the expansion of our current asset portfolio | Converted an existing LNGC, Puteri Delima Satu into an FSU for Pengerang LNG (Two) Sdn. Bhd. (PLNG2SB), and we will deliver in Q2 2025 |

KEY ACHIEVEMENTS

Key Financial Highlights

Revenue (RM million)

2024 2,987.4 2023 3,263.9

1,047.7 2023 1.572.1

Business Highlights

Vessel Utilisation



Milestones

Operational Excellence

Operating Profit (RM million)

• Delivered 19.96 MTPA worth of cargo, approximately 5% of the global LNG transportation volume

Project Delivery Excellence

 Commencement of the construction of the first of two new LNGCs under long-term contracts with SeaRiver Maritime LLC, a wholly-owned subsidiary of ExxonMobil

Gas Assets & Solutions

NAVIGATING THE CHALLENGES IN 2024

INTEGRATED ANNUAL REPORT 2024

| Challenges | Mitigation Action | Results |
|-----------------------------------|--|---|
| Evolving Competitive Landscape | Strengthened Market Position Fostered purposeful strategic alliances and partnerships to solidify market positioning and competitiveness | 3 |
| Long-serving Fleet | Asset Divestment Opportunities Explored opportunities to unlock capital for reinvestment into newer and more efficient vessels | |
| Market Volatility | Focused Execution to Market Spot Vessels Pursued strategic spot market positioning to maximise short-term opportunities | Secured short-term charter contracts to support fleet utilisation |

MOVING FORWARD

Resilient Core

- Progressive fleet rejuvenation and expanding into strategic growth markets
- Expand opportunities in FSU, FSRU, FSRP and VLEC segments
- Maximise asset availability and utilisation

Profitable New Energy Business

 Advance new energy opportunities through strategic partnerships focusing on LCO₂ carriers and carbon value chain

Decarbonisation

- Maximise the value of our assets throughout their useful life, while managing GHG and regulatory compliance
- Enhance operational efficiency to reduce emissions
- Implement abatement technologies



Petroleum & Products

This year, we celebrated a significant milestone—30 years of progress at AET. Starting with just three tankers, we have since evolved into a leading global tanker owner and operator, managing a diverse fleet of over 60 vessels. Our fleet includes some of the most energy-efficient and modern petroleum tankers in the industry.

2024 marked one of our strongest years. We capitalised on a robust tanker market to achieve our best financial performance in more than 15 years. Revenue, cash flow and net profit after tax were exceptionally strong, underscoring our ability to navigate market dynamics effectively.

Health, safety, security and care for the environment remain at the core of our operations. Regular safety education and engagement sessions were conducted across AET's global locations. Senior management reinforced these efforts by visiting our sites and vessels, engaging directly with employees on health and safety matters. These visits emphasised care for one another, adherence to life-saving rules and compliance with HSSE commitments to ensure safer workplaces.

In 2024, we solidified our leadership in emissions reduction within the tanker industry. Building on our pioneering work in LNG dual-fuel tankers, we took a significant step forward by ordering the world's first three ammonia dual-fuel Aframax tankers. Two of these vessels are backed by long-term charters with PTLCL.

Additionally, we expanded our LNG dual-fuel fleet by signing long-term in-charters for two newbuild Aframax tankers. Alongside rejuvenating our fleet with lower-carbon emissions vessels, we focused on reducing emissions from our existing fleet by testing new emissions-reduction technologies, improving operational efficiencies and adopting lower-emission fuels, such as biofuels. These initiatives will support achievement of the Group's MISC 2030 Ambition.

We support communities where we operate. After severe flooding in Brazil, AET donated supplies through the Brazilian Army. In the US Gulf Coast, we contributed to Hurricane Beryl relief by providing essentials to Target Hunger, with 19 volunteers packing 4,000 lbs of produce.

To develop maritime talent, we signed an MoU with the Singapore Maritime Foundation in December, offering four scholarships and two internships annually from 2025 to 2027, reinforcing the AET-MaritimeONE partnership.



ZAHID OSMAN President/CEO AET

WHAT WE DO

AET owns and operates a diverse fleet of oetroleum and oroduct tankers, delivering crude oil and refined products safely and efficiently worldwide. We are a market leader in specialised services, including STS lightering, with over 16,000 transfers, mainly in the US Gulf.

are also a leading owner-operator of DPSTs, crucial for offshore-to-onshore oil transport, and operate the world's only two MCVs, designed for rapid oil well incident response in the US

Committed to maritime decarbonisation, we pioneered LNG dual-fuel tankers, with nine in our fleet, reducing emissions significantly compared conventional vessels.



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SECTION 7: BUSINESS REVIEW

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Petroleum & Products

KEY FOCUS AREAS & RESULTS

| Focus Area | What We Did in 2024 | Results |
|---------------------------------------|--|---|
| Fleet Rejuvenation | VLCC Fleet Rejuvenation Took delivery of new LNG dual-fuel vessel | Delivered Eagle Veracruz, the final vessel in a series of three LNG dual-fuel VLCCs on long-term charters to Shell Tankers (Singapore) Private Limited |
| | Strategic Collaborations Signed long-term in-charters through close collaboration with an industry partner | Rejuvenated our Aframax fleet with eco-efficient vessels in collaboration with shipowner Singfar Group for two newbuild LNG dual-fuel Aframax tankers |
| Progressing Ammonia Value Chain | First Newbuild Ammonia Dual-Fuel Tankers • Signed newbuilding contracts for the world's first ammonia dual-fuel Aframax tankers, backed by long-term charters | Successfully entered into long-term TCPs with PTLCL for two ammonia dual-fuel Aframax tankers, enhancing our secured income stream and advancing our commitment to low-carbon solutions through strategic collaborations |

KEY ACHIEVEMENTS

Key Financial Highlights

Revenue (RM million)



Business Highlights

Vessel Utilisation



2023 **8%** >99%

Awards and Recognitions

Tanker Operator of the Year 2024

• Awarded at The Tanker & Shipping Trade 2024 Awards

MPA's Green Ship Status

• Awarded to LNG dual-fuel VLCCs, *Eagle Veracruz* and *Eagle Ventura*

Islamic Finance Deal of the Year – Singapore

 Awarded in collaboration with Maybank at the EuroMoney Islamic Finance Awards 2024

CSA's Jones F. Devlin Award for Safety

• 41 vessels were honoured for their commitment to safety

Best Sustainability-Linked Financing

 Awarded the Best in Sustainable Finance Deals and Best Deals by Country (Singapore), alongside Maybank at The Asset Triple A Islamic Finance Awards 2024

CSA's Environmental Achievement Award 2024

• 51 AET vessels were recognised for strong environmental performance

Singapore Children's Society's Commendation Service Award 2024

• Received for AET's community contributions

Petroleum & Products

Milestones

Celebrating 30 Years of Excellence

 Three decades of excellence and progress in the global energy transportation sector

Pioneering Ammonia Dual-Fuel Technology

 Signed long-term TCPs with PTLCL for the world's first two ammonia dual-fuel Aframax tankers

Driving Industry Collaboration

 AET joined MPA's Maritime Energy Training Facility Collaboration, reinforcing a commitment to advancing sustainability and operational excellence

NAVIGATING THE CHALLENGES IN 2024

| Challenges | Mitigation Action | Results |
|---|---|--|
| Extended OPEC+ Production Cuts | Enhanced Financial Resilience Maintained optimal portfolio of assets on long-term charters to strengthen secured income strategy | Fleet was less impacted by the volatility as a large proportion of our vessels are on secured long-term charters |
| Heightened Security Risk and Sanctions Compliance from Geopolitical Conflicts | Ensured Safety of Crew Members Avoided conflict zones Collaborated with ship managers and charterers to ensure the safety of the crew and vessels | The safety of the crew and assets were prioritised No AET vessels were attacked or affected |
| | Close Monitoring for Compliance Conducted close monitoring of sanctions compliance | All vessels in the fleet remain in compliance |
| New and Enhanced Maritime Regulations | Fleet Rejuvenation with Lower-Carbon Emissions Vessels Signed newbuilding contracts for the world's first three ammonia dual-fuel Aframax tankers In 2024, AET operated 11 LNG dual-fuel vessels in its fleet | The results have contributed to a reduction in the Group's overall GHG emissions intensity |

MOVING FORWARD

Resilient Core

 Progressively rejuvenate our fleet with efficient tankers to capitalise on opportunities in the tanker market

Profitable New Energy Business

 Advance new energy opportunities through strategic partnerships focusing on offshore wind, ammonia carriers and low-carbon fuel value chains

Decarbonisation

 Enhance operational efficiency to reduce emissions



Offshore

INTEGRATED ANNUAL REPORT 2024

It was a momentous year for the Offshore segment as we delivered on our most complex project to date, the FPSO Marechal Duque de Caxias. The unit successfully achieved first oil on 30 October 2024, followed by Final Acceptance on 2 November 2024. FPSO Marechal Duque de Caxias stands out as one of the most cutting-edge FPSOs in the industry and is the Group's first ultra-deepwater asset.

This milestone reflects our engineering expertise, rigorous project management and ability to deliver large-scale deepwater solutions, despite facing pandemic-induced supply chain challenges. I am proud of the resilience, dedication and collaboration demonstrated by our teams in maintaining the highest standards of safety and operational excellence while executing this project. Most notably, the completion of the project has unlocked steady and long-term cash flow moving forward, effectively re-energising our business and enabling us to contribute to the Group's MISC 2030 Ambition.

As a result of the completion of FPSO Marechal Duque de Caxias this year, we had to contend with close out costs and reduced construction income as the project came to an end. Additionally, increased costs related to projects for asset redeployment and life extension contributed to lower revenue and profits in 2024.

Looking ahead, we are positive that FPSO Marechal Duque de Caxias will contribute to our cash flow growth. We will remain focused on operational efficiency, cost optimisation and exploring opportunities through a mixed contracting strategy to strengthen our position in the offshore market.

While there will be headwinds, we recognise the opportunities present, especially as the FPSO super cycle gains even more momentum. In addition, we are committed to foster a culture of collaboration, to empower our teams to think beyond the present and to seize opportunities.





ALEXANDER JAMES BRIGDEN

Vice President, Offshore

WHAT WE DO

The Offshore segment is a leading player in the FPS sector, offering end-to-end offshore solutions and strategic partnerships. With expertise in EPCIC, repair and life extension (RLE) and decommissioning, we cater to greenfield, brownfield and ultra-deepwater developments.

Operating a fleet of 12 assets across Malaysia, Thailand, Vietnam and Brazil, our global presence strengthens our position among the leading operators in the offshore industry and reinforces our mission to become a 'Best-in-Class FPSO Operator'.

We are committed to the energy transition, with a focus on integrating sustainable practices and advanced technologies to enhance efficiency, reliability and competitiveness.

KEY FOCUS AREAS & RESULTS

| Focus Area | What We Did in 2024 | Results |
|--|---|---|
| Project Delivery Excellence | Consistent Project Delivery Ensured the successful project delivery of FPSO Marechal Duque de Caxias | FPSO Marechal Duque de Caxias achieved first oil and secured final acceptance |
| Operational Excellence | Improve Operational Efficiencies Established an Operations Management Framework (OMF) aligned with industry best practices, EI PSM standards and MISC Group policies | Standardised and strengthened O&M Framework, comprising the required processes and standards |
| | • Demonstrated ongoing excellence in Asset Management | Successfully retained the ISO 55001:2014 Asset Management Systems certification from UKAS |
| HSEQ Excellence | Sustained Certifications Recorded advanced standing in management systems certifications | ISO 9001 and ISO 29001 for Quality Management System ISO 45001 and ISO 14001 for HSE Management System ISO 55001 for Asset Management System |
| | Regulatory Compliance • FPSO Marechal Duque de Caxias achieved advanced standing in meeting regulatory compliance requirements | Obtained approvals from Brazilian National Agency of Petroleum, Natural Gas and Biofuels (ANP) and Operating License from the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA) |
| Towards Decarbonisation | Incorporated Sustainability into Business and Operations • Develop innovative new energy solutions through strategic collaboration initiatives | Signed an MoU with Aker Solutions, PETRONAS Carigali Sdn. Bhd. and Clean Energy Systems Inc for a pilot project using ZEUS technology which utilises advanced oxy-fuel combustion to convert CO₂ into power while capturing and storing emissions |
| Asset Project Management and Execution | Strengthened Asset Life Extension Ongoing upgrades and repairs to extend operational life, while meeting client needs and industry standards | Asset life extension for FSO Orkid and FPSO Ruby II progressed as planned |

KEY ACHIEVEMENTS

Key Financial Highlights Revenue (RM million) 1,636.3 2023 2,548.2 Operating Profit (RM million) 2024 51.5 2023 652.2

Business Highlights

Asset Uptime





2023

Offshore

Awards and Recognitions

INTEGRATED ANNUAL REPORT 2024

British Safety Council

• The FPSO Marechal Duque de Caxias Project received the International Safety Award 2024 – Distinction, recognising its outstanding commitment to health, safety and well-being throughout 2023

Malaysian Society for Occupational Safety and Health (MSOSH)

- FSO Puteri Dulang attained the Gold Merit Award. recognising its Excellent OSH performance
- FSO Orkid attained the Gold Class 1 Award, recognising its Very Good OSH performance
- FPSO Kikeh attained the Gold Class 2 Award, recognising its Very Good OSH performance

Milestones

Project Delivery of FPSO Marechal Duque de Caxias

 Achieved first oil production and flare ignition on 30 October 2024 and secured Final Acceptance on 2 November 2024 after a successful uninterrupted 72-hour performance test

Project Execution Excellence

 Achieved 2 million manhours without LTI for FPSO Bunga Kertas Redeployment Project

NAVIGATING THE CHALLENGES IN 2024

| Challenges | Mitigation Action | Results |
|---|--|---|
| Energy Transition and Decarbonisation | Drive Innovative Solutions Enhanced efforts in the development and deployment of new energy solutions through strategic collaborations | Collaborated with industry stakeholders on a pilot project featuring ZEUS, converting CO₂ into dispatchable power with full emissions capture and storage |
| Limited Capital Availability | Securing New Financing Sources Improved funding opportunities through the formation of strategic partnerships | Established partnerships and alliances within the industry, including the financial community |
| Operational Efficiency and Productivity | Engaged with strategic partners to streamline operations and maximise productivity | Established collaborations with key industry stakeholders to create value and manage risks effectively |

MOVING FORWARD

Resilient Core

- Ensure asset integrity, as well as safe and reliable operations, through operational excellence
- Offer a mixed contracting strategy encompassing lease & operate, EPC and O&M services
- Deliver projects safely, on time and cost-efficiently through project execution excellence
- Leverage FPSO Marechal Duque de Caxias's success to expand deepwater opportunities
- Strengthen capabilities and mitioate risks through strategic partnerships

Profitable New Energy Business

Develop Ammonia FPSO and Mega-Module Engineering and Green Architecture (MMEGA) FPSO solutions through strategic partnerships

Decarbonisation

Develop low emissions floater technology

Marine & Heavy Engineering

Malaysia Marine and Heavy Engineering Holdings Berhad (MHB) has demonstrated resilience and adaptability in navigating a challenging market environment, successfully returning to profitability. This financial recovery underscores the robustness of our business model and our ability to thrive in a rapidlu evolvino market landscape.

Our transformation journey—driven by business portfolio optimisation, organisational restructuring and enhanced operational efficiencies—will continue to strengthen both our operational and financial performance. Coupled with a reinforced commitment to HSSE, these accomplishments align with our strategic priorities, reflecting a focused approach to delivering the strategy centered on operational excellence and maximising returns.

A significant driver of MHB's growth has been our strategic expansion into the new energy sector. By securing key contracts in offshore wind and carbon capture projects, we have diversified our portfolio and strengthened our role in the transition to a low-carbon economy. Notably, the award of a second offshore wind project to construct an OSS HVDC platform for Nederwiek 1, as part of TenneT's 2GW Programme in the Netherlands underscores this commitment.

In the Heavy Engineering sub-segment, we continued to build on our strong foundation in conventional and emerging new energy markets. The successful delivery of major projects, including the Kasawari Gas Development, SK408W Jerun Development and Rosmari-Marjoram Gas Project, showcases our ability to manage and deliver complex projects. Our continued progress in offshore wind further establishes our growing expertise in renewable energy infrastructure.

Meanwhile, in the Marine sub-segment, we have further fortified our position as a preferred yard for LNGC dry docking, repairs and conversions. We achieved significant milestones, including delivering 86 vessels in 2024, with 15 vessels delivered ahead of schedule. The continued improvement in service quality is evident, as reflected in our customer satisfaction surveys, with 18 vessels receiving a perfect score of 10. Furthermore, we have successfully expanded into the Greek market, marking a significant breakthrough into a new region and further enhancing our global presence.

As the energy landscape evolves, MHB remains committed to balancing its presence in both traditional and new markets. To navigate market volatility and strengthen client partnerships, we are enhancing our contracting strategies with risk-sharing models, such as alliance concepts and cost-plus agreements. With a focus on innovation and growth, we are driving sustainable recovery and delivering long-term value.



MOHD NAZIR MOHD NOR Vice President, Marine & Heavy Engineering

WHAT WE DO

With a heritage spanning over 50 years, MHB has earned a global reputation for excellence in energy and marine solutions. Trusted by international energy clients, MHB operates Malaysia's largest fabrication yard—also among the largest in Southeast Asia—and delivers integrated solutions for a wide range of offshore and onshore facilities, as well as vessels.

MHB's specialisation lies in offshore construction, including deepwater facilities, as well as marine repair. conversion and refurbishment services. with a niche focus on LNGCs.

Recognising the importance of sustainability, we continue to expand our services to support the global energy transition, focusing on renewable energy and decarbonisation initiatives. Leveraging our extensive expertise, we construct carbon capture facilities and advanced offshore wind farm substations and provide fabrication services for green hydrogen facilities, supporting our clients' aspirations for more sustainable energy solutions.

MISC BERHAD

SECTION 7: BUSINESS REVIEW

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Marine & Heavy Engineering

INTEGRATED ANNUAL REPORT 2024

KEY FOCUS AREAS & RESULTS

| Focus Area | What We Did in 2024 | Results |
|--------------------------------|--|--|
| Project Delivery Excellence | Consistent Project Delivery Heavy Engineering Delivered projects successfully within scope | Successfully delivered SK408W Jerun Development Project with the sailaway of the central processing platform (CPP) Topside in February 2024 and received the Notice of Provisional Acceptance from SapuraOMV Upstream in August 2024 Successfully achieved first gas for Kasawari Gas Development Project in August 2024 for PETRONAS Carigali Sdn. Bhd. Successful sailaway of wellhead platform (WHP) for Rosmari-Marjoram Gas Project in September 2024 to Sarawak Shell Berhad |
| | Marine Completed projects within or ahead of the planned schedule | Completed 86 vessels, with 15 vessels delivered ahead of schedule |
| Expand Business Portfolio | Heavy Engineering | Strengthened presence in the new energy sector by securing a second offshore wind project to construct the OSS HVDC platform for Nederwiek 1, as part of TenneT's 2GW Programme in the Netherlands |
| | Marine Strengthened expertise in floater conversion projects | Secured contracts to convert: Uzma Engineering Sdn. Bhd. (UESB)'s Mobile Offshore Drilling Unit (MODU) into a Water Injection Facility (WIF) MISC's LNGC, Puteri Delima Satu, into an FSU |
| Operational Excellence | Organisational Improvements Addressed value leakage | Lowered costs through proactive measures in addressing value leakage |
| | Embedded a quality-driven culture | Achieved a Generative Quality Culture Survey rating of 4.23, categorised as "Proactive" Implemented 129 quality initiatives to drive continuous improvement |
| Towards Decarbonisation | Advancing Sustainability Goals • Enhanced efforts in decarbonisation initiatives | Achieved an 8.5% reduction in emissions intensity compared to the 2016 baseline |
| | Strategic Collaborations Pursued partnership to drive decarbonisation efforts | Collaborated with HD Hyundai Marine Solutions to advance maritime decarbonisation solutions |

KEY ACHIEVEMENTS

Key Financial Highlights

Revenue (RM million)



Operating Profit/(Loss) (RM million)

2024 141.0

(467.7) 2023

Business Highlights

Dry Dock Utilisation



2023

Marine & Heavy Engineering

Awards and Recognitions

National Corporate Governance & Sustainability Awards (NACGSA) 2024

- Industry Excellence Award (Energy)
- Malaysia's Top 25 Overall Excellence Award

Malaysian Society for Occupational Safety and Health (MSOSH)

• MHB was recognised with Gold Class 1 Award

FTSE4Good Bursa Malaysia Index

• Remained a constituent of FTSE4Good Bursa Malaysia Index

Malaysian Rating Corporation Berhad (MARC)

• Affirmed positive AA-IS rating to MHB

Milestones

Operational Excellence

- SK408W Jerun Development Project: Delivered with near zero carry-over work, achieving first gas seamlessly
- Kasawari Gas Development Project: Successfully achieved first gas, efficiently meeting all project milestones
- · Rosmari-Marjoram Gas Project: Completed the sailaway, with zero carry-over work, underscoring our commitment to operational excellence

NAVIGATING THE CHALLENGES IN 2024

| Challenges | Mitigation Action | Results |
|--------------------------|--|--|
| Financial Performance | Standardised project execution methodologies tailored to specific archetypes Implemented strategies to optimise cost | Returned to a net profit position Optimised resource allocation |
| Project Delivery | Deployed real-time asset monitoring and control systems for improved reliability Standardised bid pricing strategies to enhance competitiveness Integrated construction-led engineering to align with project delivery goals Optimised procurement processes and engaged reliable subcontractors with strong performance oversight Transitioned from project-centric approaches to an integrated, MHB-centric production framework | Key projects were successfully delivered, demonstrating strong execution capabilities, including: Kasawari Gas Development Project SK408W Jerun Development Project Rosmari-Majoram Gas Project |
| HSSE Excellence | Built quality into processes with a generative quality culture Promoted a collaborative "MHB-first" mindset, to enhance team synergy Strengthened safety fundamentals and fostered a culture of excellence, emphasising proactive risk management | Achieved zero fatalities and zero LTI while maintaining low Total Recordable Cases (TRC), reinforcing operational integrity and workplace safety |

MOVING FORWARD

Resilient Core

- Develop a strong foundation in achieving project delivery excellence
- Build a high-quality order book through securing strategic contracts
- Maintain a balanced portfolio by enhancing core competencies and developing robust capabilities in new energy projects
- Fortify services and assets in preparation towards achieving premium yard status

Profitable New Energy Business

Secure projects in offshore wind, CCS and modular hydrogen production through strategic partnerships, alongside maritime decarbonisation retrofits

Decarbonisation

Lower emissions intensity by implementing emissions reduction initiatives and a responsible supply chain programme

Marine Services

Marine Services

INTEGRATED ANNUAL REPORT 2024

2024 was a milestone year for us as we proudly established MISC Marine Holdings (L) Pte. Ltd. (MISC Marine) — the result of bringing together the strengths of MISC Maritime Services Sdn. Bhd. and Eaglestar Marine Holdings (L) Pte. Ltd. This integration has strengthened our expertise, expanded our resources, and reinforced our commitment to operational and service excellence, making us a trusted provider of comprehensive maritime solutions. With this strong foundation, we are well-positioned to embrace new opportunities and propel our industry forward.

Our role remains crucial in keeping the Group's fleet running smoothly, ensuring vessels are always available and operations are efficient, safe, and reliable. This year, we achieved significant progress by expanding our business, securing new contracts, and providing supervision for our first external shipbuilding project.

Aligned with the Group's sustainability agenda and the industry's growing emphasis on sustainable operations, we actively supported the development of ammonia and LNG dual-fuel vessels. To prepare for these advancements, we have launched targeted training and upskilling programmes, equipping our crew with future-ready competencies. Furthermore, to support the Group's ambition to reduce GHG emissions, we are working towards introducing the first LNG dual-fuel harbour tugboats in Malaysian ports.

With a steadfast focus on safety, efficiency, and sustainability, we remain committed to delivering exceptional service while advancing sustainable solutions across our maritime operations. The journey ahead is filled with opportunities, and we are ready to navigate them with confidence and dedication.





MOHD DENNY MOHD ISA Vice President, Marine Services

WHAT WE DO

Marine Services delivers integrated marine solutions, including ship management, port and terminal operations, port engineering and maintenance and assurance services, tailored to meet client needs.

With over 50 years of ship management experience, we oversee a diverse fleet, including crude tankers, LNGCs, VLECs, DPSTs and dual-fuel vessels. Our expertise covers asset management, dry docking and project management for newbuilds and vessel conversion projects.

In port management, we bring over 30 years of experience operating ports and terminals in Melaka, Sabah, Sarawak and Terengganu, offering pilotage, loading master services, marine control and straits pilotage. We also specialise in jetty and SPM maintenance, refurbishment and dredging.

Beyond operations, our accredited inspectors provide world-class marine consultancy and assurance services, ensuring the highest standards for our clients.

KEY FOCUS AREAS & RESULTS

SECTION 7: BUSINESS REVIEW

| Focus Area | What We Did in 2024 | Results |
|--|---|--|
| Business Sustainability | Strengthening Capabilities • Integration of ship management and maritime services | Combined expertise in maritime solutions Enhanced maritime services and the ability to offer a diverse range of solutions to existing and new strategic clientele |
| Towards Decarbonisation | Implemented skill transformation initiatives to prepare seafarers for operating current and future vessel types | Collaborated with maritime institutes to develop advanced training modules for future-ready seafarers 51 officers completed ammonia capability training Implemented reskilling and upskilling programmes for officers and engineers to operate modern vessels Talent reskilling to operate LNG dual-fuel vessels Talent reskilling of conventional oil vessel crews to operate gas fleet Talent upskilling of steam engineers to operate gas vessels with motor propulsion Enhanced the multi-skilling of marine professionals to align with our business strategy |
| Operational and Service Excellence | Enhanced Operations Ensured compliance with regulations and advanced digitalisation of operations | Completed the Ballast Water Treatment Systems (BWTS) installation for 87 vessels in full compliance with international regulations Implemented the SOL-X system on our vessels to digitalise our permit-to-work (PTW) processes and tracking |



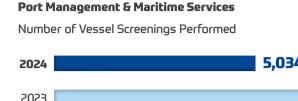
SECTION 7: BUSINESS REVIEW

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Marine Services

Marine Services

KEY ACHIEVEMENTS



INTEGRATED ANNUAL REPORT 2024

Number of Vessel Inspections Performed



Number of Vessels Handled at Ports & Terminals



Ship Management Services

Vessel Availability (GAS and Petroleum Fleet)



Number of Vessels Managed

5,982



Project Management of Newbuilds



Awards and Recognitions

Port Management & Maritime Services

Malaysian Society for Occupational Safety and Health (MSOSH)

 Grand Award for excellent occupational safety and health performance at Sungai Udang Port

Ship Management Services

Chamber of Shipping of America (CSA)

- Jones F. Devlin Award for Eaglestar Shipmanagement (S)
 Pte. Ltd. for 38 vessels operating for a total of 282 years with zero LTI
- Jones F. Devlin Award for Eaglestar Shipmanagement Gas (S) Pte. Ltd. for six vessels operating for a total of 13 years with zero LTI

Milestones

Port Management & Maritime Services

Operational Excellence

- Zero interruption to clients' operations
- Availability of inspectors >99%
- Availability of marine crafts >99%
- Availability of marine facilities: 100%
- Zero Lost Time Injury (LTI) since 1999

Ship Management Services

Operational Excellence

- Lower than industry average LTIF at 0.09
- Lower than industry average TRCF at 0.18
- Achieved zero spill incidents

NAVIGATING THE CHALLENGES IN 2024

| Challenges | Mitigation Action | Results |
|---|--|--|
| Maintaining Good Vessel Availability | Training and Upgrading Initiatives Invested in training, research and new systems to enhance operational efficiency | Successfully maintained vessel availability of over 99% for the LNG and Petroleum fleets |
| Asset Management | Pursue Asset Ownership Increased efforts to own assets to improve assets availability for port and terminal operations | Achieved approval of strategic investment in dual-fuel harbour tugboats at Sungai Udang Port |

MOVING FORWARD

- Drive operational and service excellence
- Develop future-fuel ready maritime talents
- Invest in research and application to support new technologies and decarbonisation efforts
- Expand the range of maritime services and solutions for existing and new clients



Maritime Education & Training

In the year under review, we made significant progress in our journey to rebuild and rejuvenate the academy as we work towards achieving University College status. A key milestone was the completion of ALAM's campus refurbishment, now featuring modern facilities and advanced simulators. These enhancements elevate training standards, equipping our graduates with up-to-date competencies to keep pace with industry advancements.

As a leading maritime training academy in Malaysia, ALAM is proactively addressing maritime talent development challenges through our partnership with the Malaysia Productivity Corporation. This collaboration allows us to align our programmes with evolving industry requirements, reflecting our drive in enhancing training standards and equipping future maritime professionals with the skills necessary for industry excellence.

This dedication to developing maritime professionals was evident at the convocation in 2024, where 375 students graduated, reinforcing our commitment to shaping the next generation of industry leaders. Meanwhile, the enrolment of international students in the year underscores the strong reputation of our cadet programmes, further establishing us as a leading choice for aspiring talent.

Sustainability remains at the core of our operations as we continuously integrate sustainable practices in line with global environmental, social and economic priorities. Our strong safety record, with zero major security incidents, reflects our responsibility to safequarding students' and employees' well-being.

Further reinforcing our dedication to ethical business practices, we achieved ISO 37001:2016 Anti-Bribery Management Systems certification, strengthening stakeholder trust.

These efforts positioned us as a competitive, responsible and adaptable institution, ensuring long-term value creation in a rapidly evolving industry.



EDDIE ADRIANTO BIN AHMAD KHODZALI

Managing Director & Chief Executive Officer, Malaysian Maritime Academy Sdn. Bhd.

WHAT WE DO

Malaysian Maritime Academy Sdn. Bhd. (MMASB), a wholly-owned subsidiary of MISC Berhad, holds the concession for

At ALAM, we bridge academia and industry to drive sustainable growth in maritime education. Through strategic partnerships with leading institutions and industry players, we enhance research, develop future-ready talent, and address critical industry challenges.

Our team of academicians, coupled with our vessel simulator facility and unique campus environment, provides an immersive and interactive learning experience.



| Focus Area | What We Did in 2024 | Results |
|--|--|---|
| Rejuvenate the Academy's Infrastructure | Campus Rejuvenation Upgraded academic infrastructure to create a conducive learning environment, fostering academic excellence Improved campus security to ensure a safe and secure academic setting | Renewed Ship, Engine Room and Liquid Cargo Simulators fitted with new/state-of-the-art technology to enhance the teaching and learning experience Refurbished and upgraded accommodations, teaching facilities and sports and recreational areas Installed centralised Internet Protocol (IP) CCTV cameras and panic buttons in strategic areas across the campus |
| Progressing Towards University College Status | Strategic Partnerships • Forged strategic partnerships with universities and industry partners to elevate academic standards | Expanded strategic partnerships with two local universities and three international universities/academic institutions and signed Letters of Intent (LOIs) with 11 industry partners |
| | through sharing innovative practices | Published six books for the maritime industry Published six articles in international journals Hosted 12 webinars on emerging marine technology |
| | Expand International Outreach Expanded international student recruitment in selected countries | Launched marketing and branding activities at six countries in Asia and three countries in Africa successfully attracting 19 international student enrolments |
| KEY ACHIEVEMENTS | 5 | |
| Number of Courses ((including customise | | Cadetship Enrolment |
| 2024 | 107 | 2024 167 |
| | 113 | 2023 |

Approved by the Malaysian Marine Department (MMD)



Approved by the Ministry of Higher Education (MOHE)



2023 4

ALAM Customised Courses



Maritime Education & Training

INTEGRATED ANNUAL REPORT 2024

Awards and Recognitions

2024 National Education & Learning Summit

• Received the Asian Education Excellence Award by the National Association of Private Educational Institutions (NAPEI)

Malaysian Society for Occupational Safety and Health (MSOSH)

• Received the Gold Class 1 Award under the Educational Sectors

Malaysia Productivity Corporation (MPC)

• Recognised as a Strategic Partner

Milestones

ISO Certification

• Attained ISO 37001:2016 Anti-Bribery Management Systems (ABMS)

NAVIGATING THE CHALLENGES IN 2024

| Challenges | Mitigation Action | Results |
|---|--|--|
| Student Enrolment | International Recruitment Programmes Expanded international marketing and outreach programmes to increase enrolment | Successfully executed engagement programmes, leading to the enrolment of 19 international students |
| Talent Development | Succession Planning Developed and implemented a succession planning mechanism based on industry best practices | Improved ALAM's ability to attract, develop and retain talent |
| | Employee Development Scheme Established a programme to empower employees' development through obtaining higher certification | |
| Rapid Development in Decarbonisation Technologies | Studies and Research Maintained strong industry-academia partnerships to stay updated on industry trends and technology | Developed new programmes and syllabi to equip students with knowledge on the latest developments in decarbonisation technologies |

MOVING FORWARD

- On track to achieve University College status
- Build a strong and recognisable brand, positioning ourselves as a formidable institution in the maritime education sector
- Develop top-tier maritime professionals to meet the future demands of the maritime industry
- Implement and incorporate new technologies to improve the teaching and learning methodology
- Improve operational efficiency to boost financial sustainability



SECTION 8

CORPORATE ENABLERS

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102 Operating Responsibly



People Development

People Development

INTEGRATED ANNUAL REPORT 2024



At MISC, we are committed to managing a workforce of 9,536 emolouees while fostering an enterprise culture that drives innovation through new ways of working, enhanced efficiency and effectiveness as well as continuous process improvements, ensuring alignment with our evolving business objectives. This has enabled HR to adopt dynamic approaches that strengthen employee engagement, enhance workforce capabilities and proactively support business goals.

Diversity and Inclusion (D&I) remains integral to our organisational ethos. The Group actively empowers women, uoung professionals and leaders from diverse backgrounds to thrive, ensuring inclusivity at all levels. Constant engagement throughout the year has resulted in an increase in the overall employee engagement score from 78% in 2023 to 81% in 2024. Other notable efforts include enhancing the onboarding journey for new joiners, promoting conscious inclusion among senior leaders and maintaining direct employee engagement to nurture a supportive and empowering work environment.

We have also made significant strides in capability-building. With an investment of RM47.4 million, we have accelerated our efforts to address skill gaps. strengthen our talent pipeline and prepare for future workforce needs. This includes integration of technical, functional and emerging competencies such as Al-driven and sustainability-focused skills into our employees' development.

The MISC Education Framework plays a pivotal role in building a sustainable talent pipeline. Programmes such as the Graduate Employability Enhancement Scheme (GEES), have created meaningful career opportunities for young graduates, aligning with national priorities. Additionally, our robust succession planning exercises ensure a steady pipeline of skilled leaders, reinforcing organisational resilience and readiness to meet future challenges.

Moving forward, to elevate the employee experience and ensure HR strategies are fully aligned with MISC's objectives, the HR Transformation initiative was launched. This initiative focuses on enhancing HR systems and processes to improve efficiency, enable data-driven decision-making, and ultimately strengthen business outcomes. This is a key step toward reinforcing long-term success and further enhancing organisational excellence.

Read more on pages 152 to 162 in MISC's Sustainability Report 2024

HIGHLIGHTS

A diverse and inclusive workforce of 9,536 employees from 46 nationalities

95% high-performing talent retention

RM47.4 million invested in capacity building for employees

81% employee engagement score

Recorded **Zero non-compliance** with labour standards

Operating Safely & Sustainably

Operating Safely & Sustainably



We are deeply committed to safeguarding the well-being of our people and minimising our environmental impact globally. This commitment shines through in our robust safety measures, including the implementation of the Life-Saving Rules and HSSE Rules & Commitments. We further reinforced this through comprehensive group-wide assessments of our HSSE culture and a holistic culture transformation programme designed to foster a safer and more sustainable workplace.

Subsequently, we made significant progress in reducing our carbon footprint by leveraging advanced technologies and sustainable practices across our operations.

These efforts not only elevated our HSSE & Sustainability standards, but also ensured the well-being of our workforce and integrity of our operations. By collaborating with regulators and external stakeholders, we continue to refine our practices as we progress towards achieving HSSE & Sustainabilitu excellence.

Looking ahead, we remain steadfast in our commitment to strong governance, compliance and ethical business practices amidst the evolving regulatory and technological landscape. Our goal is not just to meet, but exceed industry expectations beyond compliance through disciplined execution, continuous improvement and a relentless focus on innovation. Our Generative HSSE Culture journey will continue as we strive to create a safer and healthier work environment that prioritises doing the right thing right, even when no one is watching.

Above all, we emphasise the importance of vigilance. Care and compliance are not just checkboxes for us, they are the heartbeat of everything we do. By embedding these values in every aspect of our operations, we ensure that safety and sustainability are not just priorities, but our way of life. This pursuit of excellence is how we safeguard our people, protect the environment, and set new standards for the industry. Together, we are building a legacy of care that will endure for generations, achieving virtue that transcends boundaries and propels us toward a brighter, more sustainable future.

Read more on pages 127 to 151 in MISC's Sustainability Report

HIGHLIGHTS

Zero incidents related to major cybersecurity, security and oil spill events

Our annual HSSE Partners Summit 2024 was attended by 350 participants from across our business partnership network. Our HSSE Recognition Day event was attended by **925 employees** from various locations across the Group

Recorded 0.05 LTIF and 0.23 TRCF

100% completion of the Generative Culture Leadership Training programme for all employees of MISC

From an in-depth HSSE Culture Assessment and a Safety Perception **Survey**, we acquired a deeper insight into prescriptive HSSE actions needed groupwide. The HSSE Culture Transformation Project was launched, slated for actions to be carried out in 2025

Achieved 13% reduction in GHG emissions compared to 2023, through our GHG projection and emissions pathways, including operational and technological interventions to reduce emissions

Operating Responsibly

Operating Responsibly

INTEGRATED ANNUAL REPORT 2024



In 2024, we reinforced our commitment to corporate governance and business ethics, core pillars of our identity and long-term success. Integrity drives our operational practices and underpins the professional growth that fosters skills and uphold the values of our teams. Through regular training programs and meaningful engagements, we have built a culture of ethical decision-making and accountability across all levels of the organisation, further strengthening our governance practices.

We advanced our anti-corruption efforts with targeted measures for our crew. These included mandatory anti-bribery e-learning for seafarers, streamlined reporting processes and reinforced governance policies. As a result of these comprehensive measures, our vessels successfully strengthened a zero-tolerance approach to bribery and corruption.

Our achievements in governance were validated by our continuous FTSE4Good Governance full scores, improved MSCI and Sustainalytics ratings and ISO 37001:2016 Anti-Bribery Management System (ABMS) certification. These accomplishments reflect our dedication to upholding the highest standards of integrity.

Beyond strengthening our own practices, MISC is committed to driving positive change on a global scale. As the first Malaysian company to join the Maritime Anti-Corruption Network (MACN), we were recognised as industry leaders and a benchmark for best practices. Through collaboration with MACN, we played an active role in shaping industry standards and supporting policies that foster stronger governance and anti-corruption compliance across the global supply chain.

With a foundation built on integrity, we are poised to overcome challenges, seize opportunities, and deliver exceptional value to our stakeholders.

Read more on pages 183 to 198 in MISC's Sustainability Report 2024.

HIGHLIGHTS

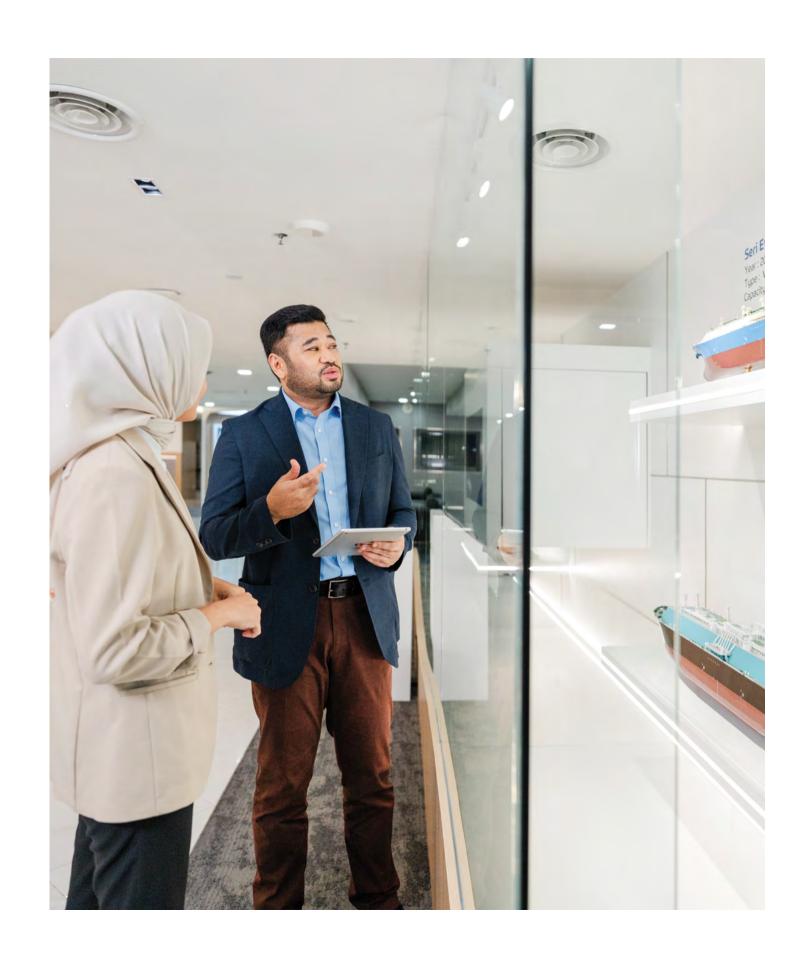
Full score for FTSE4Good Governance for the sixth consecutive year

Comprehensive anti-corruption initiatives for seafarers, leading to **zero incidents** of bribery or corruption at

MISC Berhad and all its main subsidiaries are ISO 37001:2016 Anti-Bribery Management System (ABMS) Certified

Whistleblowing Channel to foster integrity, encouraging a culture of transparency and accountability

First Malaysian company to join the Maritime Anti-Corruption Network (MACN)



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FINANCIAL REVIEW

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MISC REPHAN

SECTION 9: FINANCIAL REVIEW

Group Financial Review

INTEGRATED ANNUAL REPORT 2024

REVENUE

Group revenue for the financial year ended 31 December 2024 (FY2024) of RM13,237.5 million was 7.2% lower than the financial year ended 31 December 2023 (FY2023) revenue of RM14,271.7 million, primarily driven by the lower recognition of revenue from the conversion of an FPSO following lower project progress upon achievement of its first oil in the fourth quarter of the year in the Offshore segment. Gas Asset & Solutions segment's revenue also decreased due to lower earning days from contract expiries and lower charter rates during the year. However, this decrease was offset by higher revenue contributions from the Marine & Heavy Engineering segment, which recorded higher revenue from ongoing projects and higher conversion activities.

OPERATING PROFIT AND PROFIT BEFORE TAXATION

Group operating profit of RM2,593.7 million was 10.0% lower than FY2023 operating profit of RM2,881.4 million due to the lower profit in the Offshore segment following lower project progress as well as higher cost provision of an FPSO. Gas Assets & Solutions segment also recorded lower profit from lower revenue coupled with higher operating costs. The decrease in the operating profit was, however, offset by higher margin in the Petroleum & Products segment as well as higher operating profit in the Marine & Heavy Engineering segment from the recognition of cost recovery claims and better cost discipline.

The Group reported a lower profit before taxation of RM1,283.5 million in FY2024, which was RM810.2 million or 38.7% lower than the RM2,093.7 million recorded in FY2023 mainly due to higher impairment provisions recognised during the year.

EARNINGS PER SHARE (SEN)

Profit attributable to the equity holders of the Corporation amounting to RM1,193.5 million translates to earnings per share of 26.7 sen in FY2024, compared to 47.6 sen in FY2023.

DIVIDENDS

Similarly to FY2023, the Board had approved and declared on quarterly basis a total tax exempt dividend of 36.0 sen per share or RM1.606.9 million in FY2024.

TOTAL ASSETS

Group total assets as at 31 December 2024 of RM60,435.1 million was 7.1% lower than the Group total assets as at 31 December 2023 of RM65,060.1 million. The decrease in the Group's total assets were mainly due to the higher impairment provisions on ships and receivables during the year.

TOTAL LIABILITIES

Group total liabilities as at 31 December 2024 of RM22,121.7 million was 11.8% lower than the Group total liabilities as at 31 December 2023 of RM25,094.3 million, mainly due to repayment of interest-bearing loans and borrowings during the year.

Group Financial Review

EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE CORPORATION

Group equity attributable to equity holders of the Corporation as at 31 December 2024 of RM37,604.0 million was 4.3% lower than the Group equity attributable to equity holders of the Corporation as at 31 December 2023 of RM39,285.8 million, mainly due to unfavourable movement in currency translation following strengthening of Malaysian Ringgit (RM) against the United States Dollar (USD).

CASH FLOWS FROM OPERATING ACTIVITIES

The Group recorded cash flows generated from operating activities of RM4,276.9 million which was lower by 24.9% compared to cash flows generated from operating activities of RM5,696.3 million in the corresponding year. This was contributed by higher payments made to creditors. However, the Group's cash balance remains healthy at RM6,676.6 million.

GEARING RATIO

The Group's gross debt-to-equity ratio as at 31 December 2024 of 0.40 was lower compared to the Group's gross debt-to-equity ratio as at 31 December 2023 of 0.44 following the decrease in total interest-bearing loans and borrowings due to higher repayments made during the year. The Group's net debt-to-equity ratio of 0.23 as at 31 December 2024 was also lower compared to net debt-to-equity ratio of 0.25 as at 31 December 2023.

CAPEX REQUIREMENTS

The Group's approved and contracted committed CAPEX as at the end of FY2024 stood at RM7,836.1 million. Based on our cash position as at the end of FY2024 and existing funding facilities, the Group is well positioned to finance these committed capital expenditure and pursue targeted strategic investments.

SEGMENTAL PERFORMANCE

Gas Assets & Solutions

Gas Assets & Solutions segment's revenue of RM2,987.4 million was RM276.5 million or 8.5% lower than the previous year's revenue of RM3,263.9 million, mainly due to lower earning days from contract expiries and lower charter rates in the current year.

The segment's operating profit of RM1,047.7 million was RM524.4 million or 33.4% lower than the previous year's profit of RM1,572.1 million, mainly from lower revenue coupled with higher operating costs.



Group Financial Review

Petroleum & Products

The Petroleum & Products segment's revenue increased slightly to RM5,044.1 million from the previous uear's revenue of RM5.030.2 million.

The segment's operating profit of RM1,482.7 million was RM126.1 million or 9.3% higher than the previous year's profit of RM1,356.6 million, mainly from higher margin.



Offshore

The Offshore segment's revenue of RM1,636.3 million was RM911.9 million or 35.8% lower than the previous year's revenue of RM2,548.2 million, mainly due to lower recognition of revenue from the conversion of an FPSO following lower project progress upon achievement of its first oil in the fourth quarter during the year.

The segment's operating profit of RM51.5 million was RM600.7 million 92.1% lower than the previous year's profit of RM652.2 million following lower project progress as well as higher cost provisions in current year.



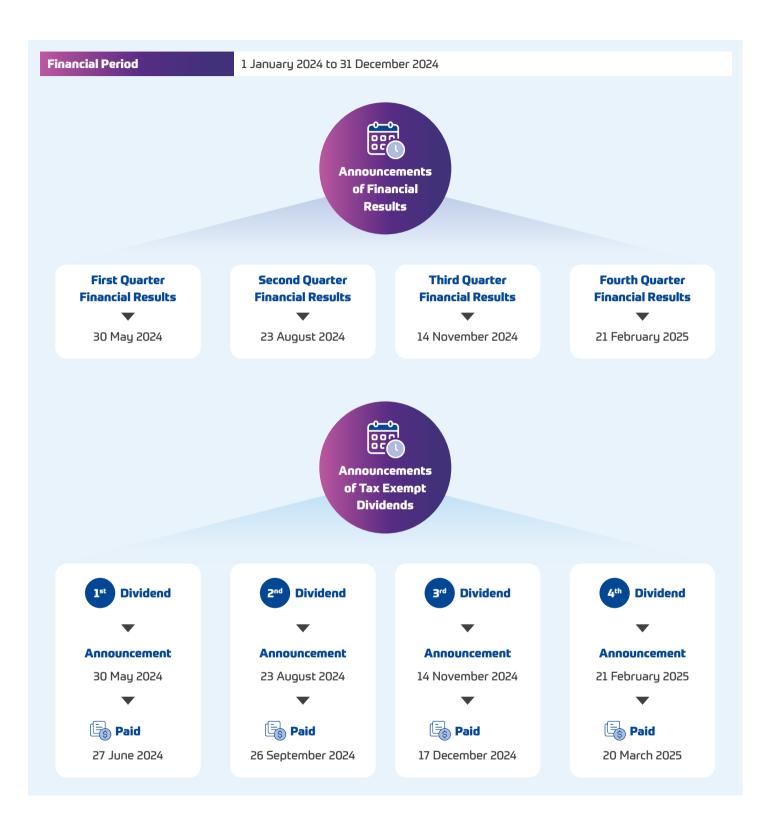
Marine & Heavy Engineering

The Marine & Heavy Engineering segment's revenue of RM3,608.6 million was RM299.4 million or 9.0% higher than the previous year's revenue of RM3,309.2 million, mainly due to higher revenue from ongoing projects in Heavy Engineering sub-segment and higher conversion activities in the Marine sub-segment.

The segment recorded operating profit of RM141.0 million compared to operating loss of RM467.7 million in the previous year mainly due to recognition of cost recovery claims and better cost discipline.



Financial Calendar



INTEGRATED ANNUAL REPORT 2024

Five-Year Group Financial Performance

| | Audited 1.1.2024 to 31.12.2024 RM million | Audited 1.1.2023 to 31.12.2023 RM million | Audited 1.1.2022 to 31.12.2022 RM million | Audited 1.1.2021 to 31.12.2021 RM million | Audited 1.1.2020 to 31.12.2020 RM million |
|--|---|---|---|---|---|
| Revenue | 13,237.5 | 14,271.7 | 13,867.0 | 10,671.7 | 9,401.2 |
| Operating profit | 2,593.7 | 2,881.4 | 3,102.0 | 1,948.3 | 2,017.2 |
| Profit/(loss) before taxation | 1,283.5 | 2,093.7 | 1,874.3 | 1,774.6 | (123.6) |
| Profit/(loss) after taxation | 1,233.2 | 1,958.9 | 1,835.0 | 1,733.5 | (169.8) |
| Profit/(loss) for the year attributable to equity holders of the Corporation | 1,193.5 | 2,123.5 | 1,822.9 | 1,831.3 | (43.1) |
| Dividends paid during the year | 1,606.9 | 1,606.9 | 1,473.0 | 1,473.0 | 1,473.0 |
| Earnings/(loss) per share (sen) (1) | 26.7 | 47.6 | 40.8 | 41.0 | (1.0) |
| Total assets | 60,435.1 | 65,060.1 | 62,664.2 | 57,521.5 | 51,821.0 |
| Total liabilities | 22,121.7 | 25,094.3 | 24,360.2 | 22,596.5 | 18,669.9 |
| Equity attributable to equity holders of the Corporation | 37,604.0 | 39,285.8 | 37,458.7 | 34,162.7 | 32,272.8 |
| Interest-bearing loans and borrowings | 15,494.3 | 17,545.0 | 17,861.5 | 17,029.0 | 13,440.4 |
| Net tangible assets per share (sen) | 837.7 | 874.1 | 835.7 | 758.6 | 724.3 |
| Gross debt/equity ratio (times) | 0.40 | 0.44 | 0.47 | 0.49 | 0.41 |
| Net debt/equity ratio (times) | 0.23 | 0.25 | 0.28 | 0.26 | 0.20 |
| Interest cover ratio (times) (2) | 2.27 | 3.50 | 4.01 | 5.42 | 5.79 |
| Cash flows from operating activities | 4,276.9 | 5,696.3 | 3,042.1 | 2,908.6 | 5,587.9 |

Notes:

Five-Year Group Financial Performance

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⁽¹⁾ Earnings/(loss) per share has been calculated using the weighted average number of ordinary shares in issue during the financial year.

⁽²⁾ Interest cover ratio is computed as Earnings Before Interest and Taxes (EBIT) divided by total interest expense. EBIT for FY2020 excluded provision for litigation claims and loss on re-measurement of finance lease.

INTEGRATED ANNUAL REPORT 2024

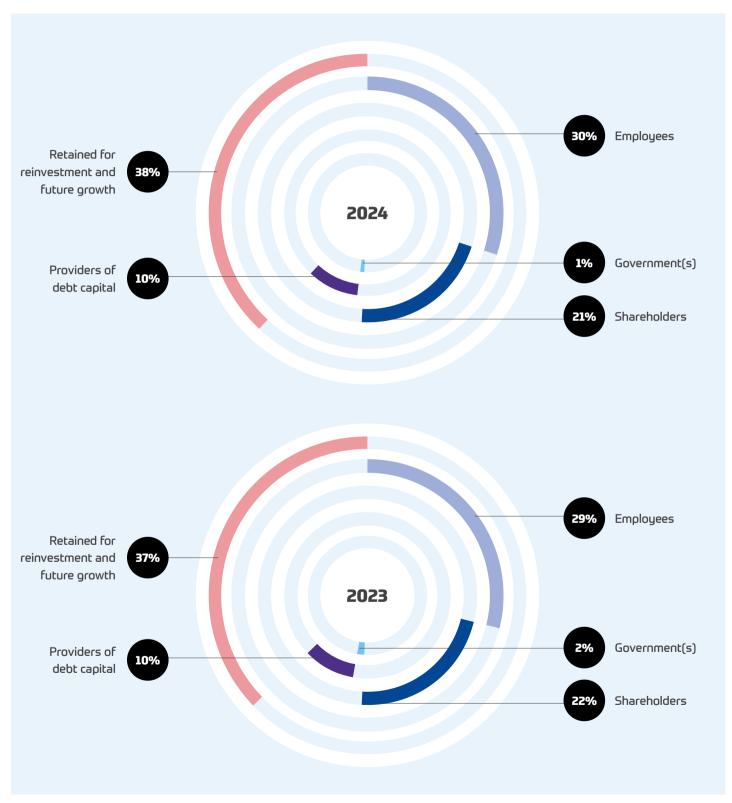
Statement of Value Added & Value Distributed

| | FY2024 RM'000 | FY2023 RM'000 |
|---|------------------|------------------|
| Statement of Value Added | | |
| Revenue | 13,237,477 | 14,271,657 |
| Purchase of goods and services | (6,609,311) | (7,747,230) |
| Value added from operations | 6,628,166 | 6,524,427 |
| Other income | 259,380 | 377,722 |
| Finance income | 411,556 | 362,775 |
| Gain on disposal of ships | 101,038 | 14,322 |
| Share of profit of joint venture | 94,787 | 114,630 |
| Share of profit of associates | 2,315 | 1,041 |
| Total value added | 7,497,242 | 7,394,917 |
| Distribution of Value Added | | |
| Employees: | | |
| Employment costs | 2,256,252 | 2,148,895 |
| Shareholders: | | |
| Dividends paid to shareholders of the Corporation | 1,606,949 | 1,606,948 |
| Dividends paid to non-controlling interests | - | 8,040 |
| Government(s): | | |
| Taxation | 49,810 | 140,045 |
| Providers of debt capital: | | |
| Finance costs | 725,808 | 761,599 |
| Retained for reinvestment and future growth: | | |
| Depreciation, amortisation and impairment | 3,238,673 | 2,421,831 |
| Deferred tax | 460 | (5,271) |
| Retained (loss)/profit | (380,710) | 312,830 |
| Total value distributed | 7,497,242 | 7,394,917 |

Statement of Value Added & Value Distributed

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DISTRIBUTION OF VALUE ADDED





ANCHORING SUSTAINABILITY

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Sustainability Strategy and Its Key Progress in 2024

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MISC BERHAD

Anchoring Sustainability

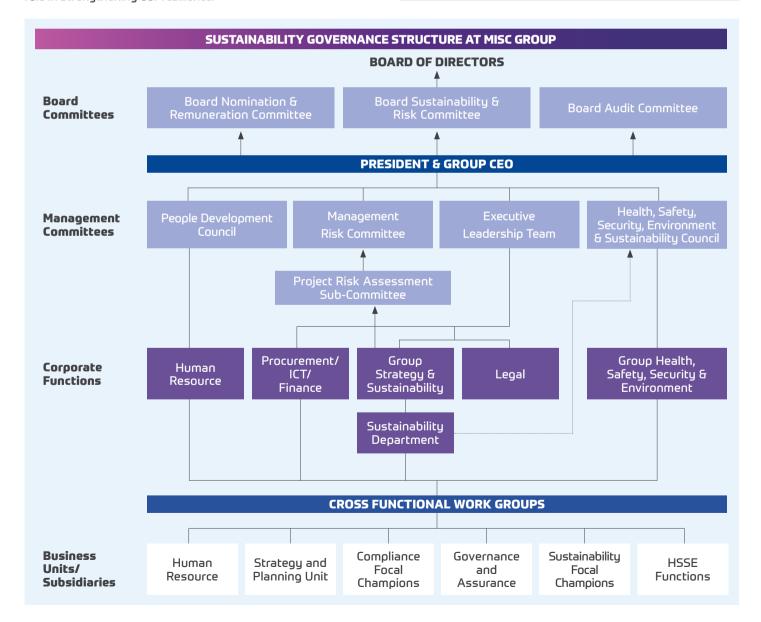
At MISC, sustainability reflects our commitment to environmental stewardship and our responsibility to society. Anchored by MISC's Sustainability Strategy and a rolling business plan aligned with 11 relevant SDGs, we continuously refine our approach to meet evolving customer needs, regulatory requirements and stakeholder expectations, driving progress toward our MISC 2050 Vision.

Over the year, we reinforced sustainability integration by embedding relevant KPIs across our businesses, rigorously tracking performance and fostering a sustainability-driven culture. Our adaptability remains key to long-term value creation and is critical in achieving our Net-Zero target by 2050. With deep expertise in the maritime industry, we continue to drive both business and sustainability priorities, recognising their essential role in strengthening our resilience.

SUSTAINABILITY GOVERNANCE

At MISC, we regard strong governance as a cornerstone of our corporate commitment and a key driver of sustainable business practices. Recognising that today's decisions shape the future, we are dedicated to embedding robust governance principles that support long-term sustainability.

Our governance framework is founded on transparency, accountability and ethical conduct across all operations. By integrating financial and ESG considerations into our decision-making processes, we aim to foster responsible business practices and create enduring value for our stakeholders.



Anchoring Sustainability

Board of Directors

- Guides the Group's strategic vision and integrates sustainability into the business strategy
- Oversees sustainability reporting, ESG risk management and compliance with regulations
- Advocates responsible practices and innovation, embedding sustainability into governance processes
- Aligns sustainability goals with long-term value creation and the Group's mission

Board Sustainability & Risk Committee (BSRC)

- Oversees the implementation of the sustainability strategy and addresses ESG issues, including climate change, cybersecurity and human rights
- Assesses sustainability initiatives quarterly, reviewing progress, risks and alignment with business objectives
- Evaluates performance metrics and ensures compliance with regulations, fostering continuous improvement
- Allocates resources for sustainability, approving budgets and investments to achieve strategic goals
- Examines key strategic and operational risks identified during quarterly Management Risk Committee (MRC) meetings, including enterprise-level risk appetite and mitigation plans

Board Audit Committee (BAC)

- Oversees the internal control framework and conducts quarterly reviews of ESG matters, including Health, Safety, Security and Environment (HSSE), business ethics and whistleblowing/ grievance cases
- Reviews updates on whistleblowing and grievance reports, along with compliance and ethics matters
- Assesses the Group Health, Safety, Security and Environment (GHSSE) Audit and Assurance Bi-Annual Reports, focusing on maintaining the efficiency and effectiveness of vessels and floating assets

Board Nomination & Remuneration Committee (BNRC)

- Reviews ESG performance as part of the Group scorecard and links it to remuneration policies
- Conducts performance appraisals for the Group and the President & Group CEO (PGCEO),
 covering financial performance, strategic initiatives, operations, HSSE and people development
- Makes recommendations to the Board for approval based on performance results against the balanced scorecard

SECTION 10: ANCHORING SUSTAINABILITY

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Anchoring Sustainability

Anchoring Sustainability

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Health, Safety, Security, Environment & Sustainability Council (HSSES Council)

- Guides the Group's strategic vision and integrates sustainability into the business strategy
- Oversees sustainability reporting. ESG risk management and compliance with regulations
- Advocates responsible practices and innovation, embedding sustainability into governance
- Alians sustainability goals with long-term value creation and the Group's mission

People Development Council (PDC)

- Composed of MISC's Executive Leadership Team (ELT)
- Deliberates on talent performance, career development programmes, succession planning, competency assessments and other people development-related issues

Management Risk Committee (MRC)

- Implements the risk management framework across the Group
- · Meets quarterly to evaluate significant risks and ensure effective risk management plans
- Assesses the adequacy and effectiveness of controls and mitigation strategies
- Reports risk-related matters quarterly to the BSRC, which then presents them to the Board
- · Includes the Project Risk Assessment Sub-Committee (PRASC) to address risks related to capital intensive and/or revenue projects

Group Strategy & Sustainability

- Oversees the Group's sustainability efforts and strategic priorities
- Drives, coordinates and monitors progress on MISC's sustainability strategic priorities with support from cross-functional working groups at business unit and subsidiary levels
- Manages external sustainability disclosures, reporting and group-wide sustainability materiality
- Oversees sustainability-related stakeholder engagements
- Provides support and guidance to business units and subsidiaries on implementing sustainability strategies, monitoring performance and ensuring appropriate disclosures

Sustainability Custodians/ Focal Champions

- Supported by cross-functional work groups at business unit and subsidiary levels and composed of individuals from Corporate Functions and Business Units/Subsidiaries
- Ensures the implementation of identified sustainability initiatives
- Leverages leadership abilities, expertise and industry knowledge to promote a culture of sustainability across the organisation



ESG RISK MANAGEMENT

ENHANCING SUSTAINABILITY RISK MANAGEMENT



MISC continues to progress in our sustainability risk management to strengthen our commitment to responsible and sustainable business practices. Our risk management process is designed to effectively assess and identify potential risks, including ESG risks, that could impact the organisation. By integrating sustainability considerations into our Enterprise Risk Management (ERM) Framework and Project Risk Assessment Framework, we ensure that both ongoing business operations and new capital-intensive projects are aligned with our sustainability goals.

This systematic approach enables businesses within MISC to incorporate sustainability risks into their risk registers, ensuring these risks are assessed, monitored and mitigated with actionable plans. Furthermore, our risk assessment process is fully embedded into strategic planning to identify and manage risks associated with short-, medium- and long-term business strategies.

INTEGRATING ESG RISKS INTO BUSINESS PROCESSES

MISC has further strengthened its ESG risk management by embedding sustainability risks across all levels of the organisation. Business units, service units and subsidiaries conduct annual reviews of their risk registers, with a particular focus on identifying and addressing risks linked to the Group's business objectives. These identified risks are recorded in each unit's risk profiles and are assessed, treated, monitored and reviewed quarterly to ensure consistent and effective management.

At the Group level, a comprehensive risk register is maintained, capturing Primary Risks that are critical to the organisation. This includes ESG-related risks, which are continuously reviewed and updated. Material updates, along with relevant risk indicators, are reported in a timely manner to Management and the Board, ensuring proactive decision-making and oversight.

(For further details, refer to Our Risks and Mitigation Strategies on page 65.

FINANCIAL RISKS ASSESSMENT WITHIN ESG RISK MANAGEMENT

Financial risks remain a critical focus area within MISC's risk management framework. Business units, service units and subsidiaries consistently identify and manage ESG risks with financial exposure, including those related to gearing, cash flow requirements, net profit after tax and access to funding. These risks have been recognised for their potential impact on cash flow and profitability and their significance has been elevated to the Group's top risks.

(CD) For a detailed analysis of financial risks, refer to Our Risks and Mitigation Strategies on page 65.

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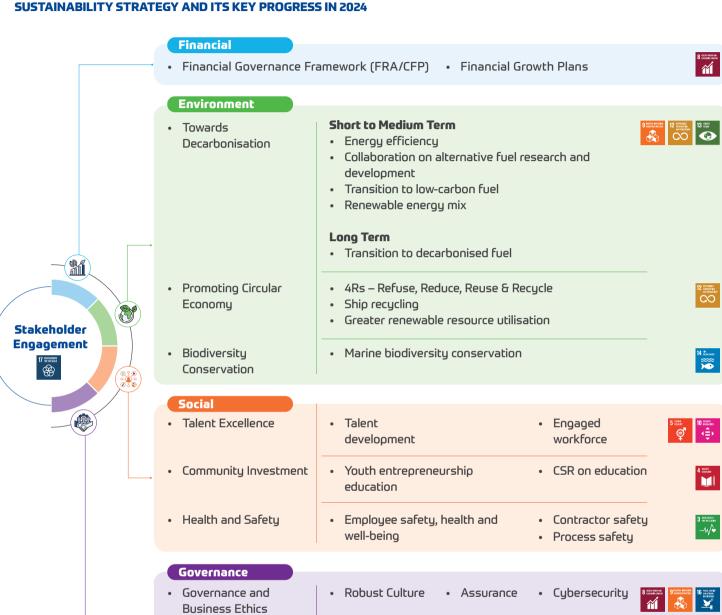
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Anchoring Sustainability

• Sustainable Supply

Chain Management



Assurance

Collaboration

KEY PROGRESS IN 2024

SECTION 10: ANCHORING SUSTAINABILITY

| Sustainability Pillar | Achievements | |
|-----------------------|--|--|
| FINANCIAL | | |
| | 2 November 2024 MISC signed an MoU with Aker Solutions, PETRI for a pilot project ZEUS, an innovative energy so immediate CO₂ capture and storage MISC signed long-term TCPs with QatarEnergy for MISC signed long-term TCPs with PLL for 15 years MISC entered into an agreement for the sale and remaining 49% shares of the JV companies of F | ost oil on 30 October 2024 and Final Acceptance or ONAS Carigali Sdn. Bhd. and Clean Energy Systems Incolution that utilises advanced oxyfuel combustion with for three newbuild LNGCs ars from 2027 for two newbuild LNGCs ad purchase of shares with SBM Offshore to acquire the FPSO Kikeh wind project to build an OSS HVDC platform under |
| MATERIAL MATTER | Financial Performance | SDG 8 HER FASH AND THE STATE OF |
| ENVIRONMENT | | |
| Decarbonisation | of MPA's Green Ship Programme at the Singapor | Eagle Ventura, were awarded Green Ship status as part |
| MATERIAL MATTERS | Climate Change Energy Management | SDGs 9 MARTH MARTHUM 12 CHISPAGH 13 CHIMA 13 CHIMA 13 CHIMA 13 CHIMA 15 CHIMA 15 CHIMA 15 CHIMA 16 CHIMA 17 CHIMA 18 CH |
| Economy | Conducted two Ship Recycling Yard audits Recorded 3R rate of 99.7% of hazardous waste of 10% reduction in plastic waste generated on very 49% reduction in plastic waste generated by Off 20% reduction in paper consumption on vessels Recorded 3R rate of 9% of non-hazardous waste | ssels fshore |
| MATERIAL MATTER | Waste Management | SDG 12 CHARM CHARMEN |
| Conversation . | for the HOTO programme 36 coral reef sites surveyed in 2024 3 coral sites rehabilitated since 2020 63% turtle nest hatching success rate 11,400 kg of trash collected (beach and underwa | rd at the ESG Positive Impact Awards 2023 by The Star ater clean-up) since 2020 significantly reduce the physical impact on the reef due |
| MATERIAL MATTER | Ocean Health | SDG 14 till war |
| | | |

SECTION 10: ANCHORING SUSTAINABILITY

Anchoring Sustainability

INTEGRATED ANNUAL REPORT 2024

| Sustainability Pillar | Achievements |
|--|---|
| SOCIAL | Achievements |
| Health & Safety | 100% of employees attended the Generative Culture Leadership Programme 80,771 UCUA cases were raised Received seven awards at the 42nd MSOSH Awards 2024 for Grand, Gold Merit and Gold Glass categories Offshore segment's FPSO Marechal Duque de Caxias Project received the British Safety Award 2024 Received the CSA Jones F. Devlin Safety Award for 47 vessels The Seri Daya and Seri Emperor crews rescued distressed individuals at sea in two separate events |
| MATERIAL MATTE | Health and Safety Security SDG |
| Talent Excellence | Achieved an 81% engagement score in the Organisational Cultural Survey 44% Board members are female 95% retention rate for high-performing talent Maintained overall successor ratio for Enterprise Critical Positions (ECP) at 2:1 Invested in RM47.4 million in employee training and development programmes Invested RM29.1 million in training and development programmes for seafarers Facilitated the transition from sea-based to shore-based careers for 42 employees |
| MATERIAL MATTE | Talent Development and Retention Diversity and Inclusion SDGs |
| Community Investment | Supported 732 students at ALAM through cadet sponsorships of RM21.0 million Awarded 22 new educational scholarships in collaboration with Texas A&M Foundation, Singapore Maritime Foundation, and Dream, Learn, Work 346 employees have volunteered in the HOTO programme since 2021 2,842 local stakeholders and communities in Mersing participated in various awareness and capacity-building programmes since 2020 |
| MATERIAL MATTE | Community Investment SDG |
| GOVERNANCE | |
| Governance & Business Ethics | Roll-out of the MISC Human Rights Policy 100% of our operations were assessed for corruption-related risks Recorded zero major cybersecurity incidents and data breaches |
| MATERIAL MATTE | Values, Governance and Business Ethics Ocybersecurity SDGs |
| Sustainable Supply Chain Management | Rolled out the Sustainable Procurement Statement Continued the Supplier ESG Self-Assurance programme for 100 critical suppliers |
| MATERIAL MATTE | Sustainable Supply Chain SDGs 12 10 10 10 10 10 10 10 10 10 10 10 10 10 |

For more information, please refer to Our Sustainability Voyages on pages 28 to 32 in MISC Sustainability Report 2024.

Anchoring Sustainability

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CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

MISC's prioritised SDGs were determined from the identified material sustainability matters in the materiality assessment exercise conducted in 2022. The selected SDGs were mapped to the Sustainability Strategy pillars and initiatives, as well as the material sustainability matters presented in the Sustainability Report 2024.

| Prioritised SDGs | Achievements and Contributions |
|---|--|
| SDG 3: Good Health and Well-Being | MISC Group won seven awards at the 42nd Malaysian Society for Occupational Safety and Health (MSOSH) Awards 2024 MISC was awarded the CSA Jones F. Devlin Safety Award for 47 of its vessels, where 38 vessels in AET fleet operated a total of 282 years with no lost-time injuries, 6 vessels in our GAS fleet operated a total of 13 years with no lost-time injuries and 3 of our lightering support vessels operated a total of 30 years with no lost-time injuries Offshore segment's FPSO Marechal Duque de Caxias Project was honoured at the prestigious International Safety Awards by the British Safety Council, recognising the distinctive health, safety and well-being practices put in place during the development of the FPSO unit |
| SDG 4: Quality Education | Invested RM21.0 million in ALAM cadet sponsorship programme Invested RM29.1 million in the seafarers' development programme Invested RM47.4 million in employees training programmes |
| SDG 5: Gender Equality | 44% female representation on the Board of Directors 24% female representation at the Management level Employed 86 females across our fleet |
| SDG 8: Decent Work and Economic Growth | Provided job opportunities to more than 9,000 individuals from over 40 nationalities Recorded revenue of RM13.2 billion |
| SDG 10: Reduced inequalities | Employee remuneration structures comply with applicable laws such as working hours, minimum wage, minimum living wages, overtime hours and legally mandated benefits, according to local jurisdictions where we operate |
| SDG 12: Responsible Consumption and Production | Recorded 3R rate of 99.7% for hazardous waste and 9% for non-hazardous waste generated from shore operations Installed SOL-X system on 78% of vessels to reduce paper consumption and enhance the effectiveness of our permit-to-work tracking and disclosure |
| SDG 13: Climate Action 13 :=== | Achieved 32% reduction in GHG intensity compared to 2008 baseline 549 LED lights were replaced by conventional lights in the MMHE's yard area |
| SDG 14: Life Below Water 14 Howen | Surveyed 36 coral reef sites in 2024 Established three coral rehabilitation sites since 2020 346 employees participated in four separate Employee Participation Programmes (EPP) under the HOTO programme 2,842 local stakeholders and communities in Mersing participated in various awareness and capacity-building programmes since 2020 |
| SDG 16: Peace, Justice and Strong Institutions | Identified 256 potential bribery and corruption risks: Developed 16 bribery and corruption risk clusters Established 104 mitigation measures 100% of MISC Berhad's employees completed the Annual Conflict of Interest disclosure |
| SDG 17: Partnerships for the Goals 17 MINIONE | Rolled out the Supplier ESG Self-Assurance programme for 100 critical suppliers Held two sustainability-sharing sessions with institutional shareholders and analysts Held a Sustainability Familiarisation Programme with ALAM cadets to introduce cadets to |

sustainability practices in the maritime industry



For more information, please refer to MISC Sustainability Report 2024.

Anchoring Sustainability

MEMBERSHIPS AND ASSOCIATIONS

As a leading provider of international energy-related maritime solutions and services, MISC Group is driving the future of the industry. We actively engage in key industry discussions, leveraging our expertise to contribute innovative solutions alongside global leaders. Our commitment to sustainability is reflected in our efforts to promote understanding and adoption of sustainable practices through collaboration with a broad range of stakeholders.

As members of prominent industry associations, we take a proactive role in forums, conferences, events and partnerships, fostering meaningful contributions to the advancement of the maritime sector.

Climate-related Trade Associations and Principle/Charter

Getting to Zero Coalition

A partnership between the Global Maritime Forum (GMF), Friends of Ocean Action and the World Economic Forum. The coalition is a powerful global alliance of more than 70 public and private organisations committed to developing zero-emission vessels by 2030 and furthering international shipping's decarbonisation in line with the IMO's aspirations.

Our Position

We collaborate with critical maritime strategic partners on a joint development project for an ammonia-fuelled tanker that supports the shipping industry's drive for a decarbonised future. The joint development enables industry players with similar mindsets to pursue decarbonisation and reduce the effects of climate change.

Call to Action

A multi-stakeholder task force convened by the Getting to Zero Coalition with members from the entire maritime ecosystem including shipping, chartering, finance, ports and fuel production. The Call to Action was delivered to world governments in November 2021 before COP26.

Our Position

We are a signatory to the Call to Action for Shipping Decarbonisation.

Carbon Disclosure Project (CDP)

A not-for-profit organisation that administers the global disclosure system used by investors, businesses, cities, states and regions to manage their environmental impacts.

Our Position

We disclose our carbon management strategies, policies and procedures to CDP annually.

Other Trade Associations and Memberships

Maritime Anti-Corruption Network (MACN)

A global business network that envisages a corruption-free maritime industry that provides fair trade for the benefit of society.

Our Position

Align our contributions to MACN with the SDGs, particularly Goal 16 (Peace, Justice and Strong Institutions) and Goal 17 (Partnership for the Goals).

(🔲) For more information, please refer to the List of Associations and Principles on page 61 in MISC Sustainability Report 2024.

Anchoring Sustainability

CLIMATE-RELATED FINANCIAL DISCLOSURES

| | MISC CLIMATE FRAMEWORK |
|---------------------|---|
| Framework | 2024 Highlights |
| Governance | Established and enhanced Board and Management-level governance for the oversight, evaluation and management of climate-related matters Appointed the Chief Strategy & Sustainability Officer (CSSO) on 1 January 2025 |
| Strategy | Reviewed and updated short-, medium- and long-term time horizons Prioritised nine material climate-related physical and transition risks and opportunities Categorised climate-related risks and opportunities systematically, emphasising those with high importance based on their impact, significance and stakeholder interest Disclosed strategic plans to manage climate-related risks and opportunities |
| Risk Management | Embedded climate risk evaluation into our strategic planning and business process through the MISC Resiliency Model Leveraged risk-based tools to integrate climate risk and opportunity considerations into projects and investment opportunities |
| Metrics and Targets | Identified performance indicators and benchmarks to manage climate-related risks and opportunities Medium-term target: 50% reduction in GHG intensity (for shipping operations) by 2030 compared to 2008 levels Long-term target: Net-Zero GHG emissions by 2050 |

For more information, please refer to the MISC's 2024 Climate-related Financial Disclosures Report and Climate-related Financial Disclosures section on pages 80 to 87 in MISC Sustainability Report 2024.



Internal assurance

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Bursa Malaysia Common Sustainability Matters and Indicators

| Indicator | Measurement Unit | 2022 | 2023 | 2024 |
|---|------------------|------------------|---------------|---------------|
| Bursa (Anti-corruption) | | | | |
| Bursa C1(a) Percentage of employees who have received training on anti- corruption by employee category | | | | |
| Management | Percentage | 100.00 | 100.00 | 100.00 |
| Executive | Percentage | 100.00 | 100.00 | 100.00 |
| Non-executive | Percentage | 100.00 | 100.00 | 100.00 |
| Bursa C1(b) Percentage of operations assessed for corruption-related risks | Percentage | | 100.00 * | 100.00 |
| Bursa C1(c) Confirmed incidents of corruption and action taken | Number | - | 0 | 0 |
| Bursa (Community/Society) | | | | |
| Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer | MYR | - | 29,600,000.00 | 20,970,000.00 |
| Bursa C2(b) Total number of beneficiaries of the investment in communities | Number | - | 829 | 732 |
| Bursa (Diversity) | | | | |
| Bursa C3(a) Percentage of employees by gender and age group, for each employee category | | | | |
| Age Group by Employee Category | | | | |
| Management 30 and below | Percentage | No Data Provided | 0.28 | 0.09 |
| Management Between 31-50 | Percentage | No Data Provided | 74.26 | 74.35 |
| Management Above 50 | Percentage | No Data Provided | 25.46 | 25.56 |
| Executive 30 and below | Percentage | No Data Provided | 25.71 | 24.35 |
| Executive Between 31-50 | Percentage | No Data Provided | 66.70 | 66.70 |
| Executive Above 50 | Percentage | No Data Provided | 7.59 | 8.95 |
| Non-executive 30 and | Percentage | No Data Provided | 38.19 | 31.21 |
| below | - | | | |
| Non-executive Between 31-50 | Percentage | No Data Provided | 50.48 | 55.78 |
| Non-executive Above 50 | Percentage | No Data Provided | 11.32 | 13.01 |
| Gender Group by Employee Category | | | | |
| Management Male | Percentage | 76.00 | 75.28 | 75.88 |
| Management Female | Percentage | 24.00 | 24.72 | 24.12 |

External assurance No assurance

(*)Restated

Bursa Malaysia Common Sustainability Matters and Indicators

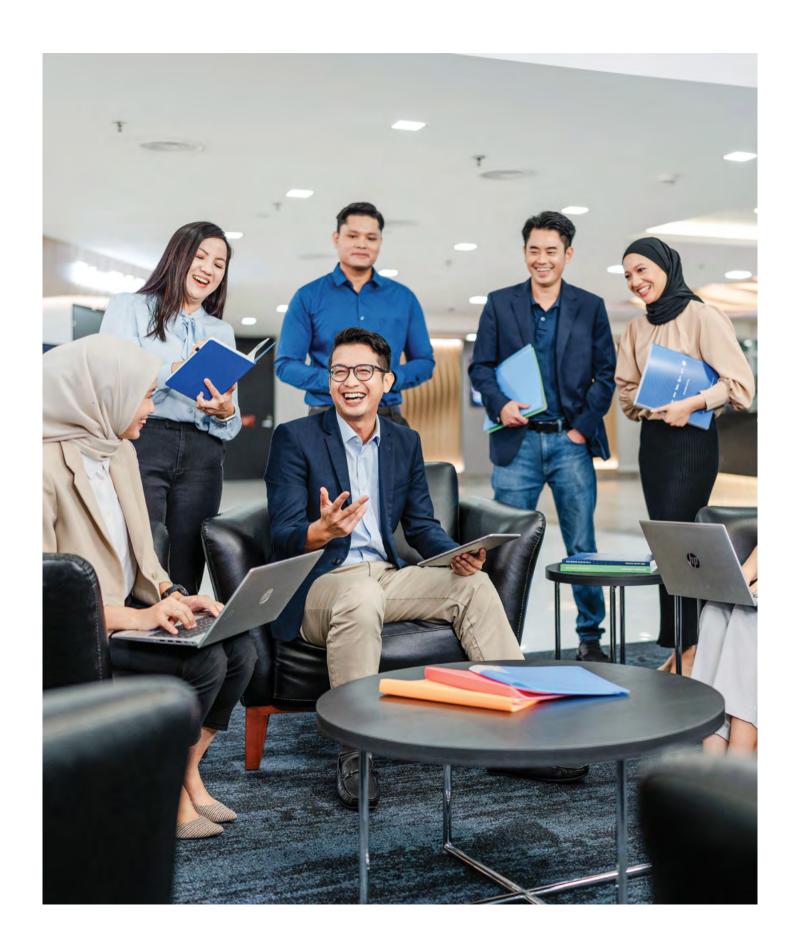
| Indicator | Measurement Unit | 2022 | 2023 | 2024 |
|--|------------------|-----------------|-----------------|---------------|
| Bursa (Diversity) | | | | |
| Executive Male | Percentage | 84.50 | 82.19 | 81.41 |
| Executive Female | Percentage | 15.50 | 17.81 | 18.59 |
| Non-executive Male | Percentage | 90.20 | 89.27 | 90.16 |
| Non-executive Female | Percentage | 9.80 | 10.73 | 9.84 |
| Bursa C3(b) Percentage of directors by gender and age group | | | | |
| Male | Percentage | - | 60.00 | 55.56 |
| Female | Percentage | | 40.00 | 44.44 |
| 30 and below | Percentage | - | 0.00 | 0.00 |
| Between 31-50 | Percentage | - | 0.00 | 0.00 |
| Above 50 | Percentage | - | 100.00 | 100.00 |
| Bursa (Energy management) | | | | |
| Bursa C4(a) Total energy consumption | Megawatt | 17,130,924.00 * | 16,666,104.00 * | 15,579,251.00 |
| Bursa (Health and safety) | | | | |
| Bursa C5(a) Number of work-related fatalities | Number | 0 | 3 | 1 |
| Bursa C5(b) Lost time incident rate ("LTIR") | Rate | 0.08 | 0.09 | 0.05 |
| Bursa C5(c) Number of employees trained on health and safety standards | Number | - | 6,361 | 3,884 |
| Bursa (Labour practices and | standards) | | | |
| Bursa C6(a) Total hours of training by employee category | | | | |
| Management | Hours | - | 88,505 * | 44,818 |
| Executive | Hours | - | 135,636 * | 98,785 |
| Non-executive | Hours | | 67,498 * | 81,658 |
| Bursa C6(b) Percentage of employees that are contractors or temporary staff | Percentage | 70.90 | 73.59 | 70.31 |
| Bursa C6(c) Total number of employee turnover by employee category | | | | |
| Management | Number | - | 153 | 125 |
| Executive | Number | | 284 | 442 |
| Non-executive | Number | | 461 | 833 |
| Bursa C6(d) Number of substantiated complaints concerning human rights violations | Number | 0 | 11* | 9 |

Internal assurance (*)Restated

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Bursa Malaysia Common Sustainability Matters and Indicators

| Indicator | Measurement Unit | 2022 | 2023 | 2024 |
|--|------------------|----------------|----------------|--------------|
| Bursa (Supply chain manage | ement) | | | |
| Bursa C7(a) Proportion of spending on local suppliers | Percentage | - | 60.00 | 45.00 |
| Bursa (Data privacy and sec | urity) | | | |
| Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data | Number | 0 | 0 | C |
| Bursa (Water) | | | | |
| Bursa C9(a) Total volume of water used | Megalitres | 313.390000 | 308.930000 | 294.460000 |
| Bursa (Waste management) | | | | |
| Bursa C10(a) Total waste generated | Metric tonnes | 21,756.00 * | 25,124.00 * | 19,369.00 |
| Bursa C10(a)(i) Total waste diverted from disposal | Metric tonnes | 21,078.00 * | 19,238.00 * | 16,448.00 |
| Bursa C10(a)(ii) Total waste directed to disposal | Metric tonnes | 5,353.00 * | 5,086.00 * | 2,422.00 |
| Bursa (Emissions managem | ent) | | | |
| Bursa C11(a) Scope 1 emissions in tonnes of CO2e | Metric tonnes | 4,200,139.00 * | 4,120,702.00 * | 3,800,082.00 |
| Bursa C11(b) Scope 2 emissions in tonnes of CO2e | Metric tonnes | 40,581.00 * | 39,875.00 * | 45,024.00 |
| Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting) | Metric tonnes | 2,447,044.00 * | 2,345,620.00 * | 2,198,289.00 |



Internal assurance External assurance No assurance (*)Restated

SECTION 11

LEADERSHIP

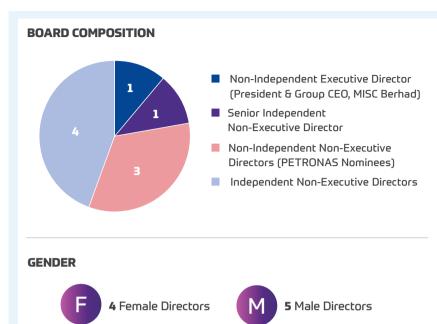
- 132 Our Board at a Glance
- **132** Our Board of Directors
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- **140** Our Executive Leadership Team
- **142** Profiles of the Executive Leadership Team



MISC BERHAD

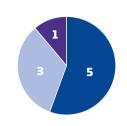
Our Board at a Glance

Our Board at a Glance



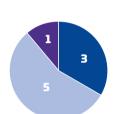
AGE

- 50 59 years ■ 60 – 69 years
 - ≥70 years



TENURE

- Up to 3 years
- Above 3 years and up to 7 years
- Above 7 years and up to 9 years



BOARD SKILLS MATRIX

| SM1 | Finance & Audit | 6 |
|------|--------------------------|---|
| SM2 | Economics | 3 |
| SM3 | Risk Management | 9 |
| SM4 | Corporate Planning | 9 |
| SM5 | Marketing | 5 |
| SM6 | Operations | 6 |
| SM7 | Corporate Governance | 9 |
| SM8 | Human Resource | 4 |
| SM9 | Information Technology | 2 |
| SM10 | Legal & Regulatory | 1 |
| SM11 | ESG | 4 |
| SM12 | Strategic Communications | 1 |

INDUSTRY EXPERIENCE MATRIX

| EM1 | Oil & Gas | 5 |
|------|--------------------------------|---|
| EM2 | Finance & Audit | 3 |
| ЕМЗ | Banking/Investment Banking | 2 |
| EM4 | Shipping | 2 |
| EM5 | Consulting/Strategy Consulting | 2 |
| EM6 | Telecommunication | 1 |
| EM7 | Postal | 1 |
| EM8 | FMCG | 1 |
| EM9 | Social Security | 1 |
| EM10 | IT Services | 1 |

Our Board of Directors



DATUK ABU HURAIRA ABU YAZID

Chairman, Independent Non-Executive Director



ZAHID OSMAN

President & Group CEO, MISC Berhad Non-Independent Executive Director



CHEW LIONG KIM

Senior Independent Non-Executive Director

DATIN NORAZAH MOHAMED RAZALI

Independent Non-Executive Director



DATO' TENGKU MARINA TUNKU ANNUAR Independent

Non-Executive Director



MOHAMMAD SUHAIMI MOHD YASIN

Independent Non-Executive Director



LIZA **MUSTAPHA**

Non-Executive Director



WAN **SHAMILAH WAN MUHAMMAD SAIDI**

Non-Independent Non-Executive Director



DATUK ADIF ZULKIFLI

Non-Independent Non-Executive Director

Profiles of the Board of Directors

INTEGRATED ANNUAL REPORT 2024



DATE OF APPOINTMENT

- 9 October 2020 as Independent Non-Executive Director
- 1 January 2021 redesignated as Chairman, Independent Non-Executive Director

LENGTH OF SERVICE (AS AT 5 MARCH 2025)

4 years 4 months

ACADEMIC/PROFESSIONAL QUALIFICATIONS

• Bachelor of Economics (Business Administration), University of Malaya

PRESENT DIRECTORSHIPS

Listed issuer:

MISC Berhad

Other public companu:

• Pembangunan Sumber Manusia Berhad

PRESENT APPOINTMENTS

- Chairman, MISC Berhad
- · Chairman, AET Pte. Ltd.
- · Chairman, Malaysian Maritime Academy Sdn. Bhd.
- Chairman, Pembangunan Sumber Manusia Berhad

PAST EXPERIENCE

- · Chairman, Pusat Rehab PERKESO Sdn. Bhd.
- Independent Non-Executive Director, United Overseas Bank (M) Bhd. (UOB Bank)
- Chairman, Board Risk Management Committee, UOB Bank
- Chairman, Board Remuneration Committee, UOB Bank
- · Member, Board Audit Committee, UOB Bank
- Member, Board Nomination Committee, UOB Bank • Chairman, Social Security Organisation (SOCSO)
- Chairman, Investment Panel, SOCSO
- Chairman, Board Committees, SOCSO
- · Executive Director, Pos Malaysia Berhad
- CEO, National Savings Bank
- · General Manager, Public Bank Berhad
- · Vice-President, Citibank Berhad
- Vice-President, Chase Manhattan (now known as JP Morgan Chase)
- Head of Maybank card business, Maybank

ZAHID OSMAN President & Group CEO, MISC Berhad Non-Independent Executive Director Number of Board Meetings Attended in 2024: **Board Skills & Industry Experience:** SM1 SM2 SM3 SM4 SM5 SM6 SM7 SM8 SM11 EM1 EM2 EM4

DATE OF APPOINTMENT

16 August 2024

LENGTH OF SERVICE (AS AT 5 MARCH 2025)

6 months

ACADEMIC/PROFESSIONAL OUALIFICATIONS

- Master of Business Administration, University of Chicago Booth School of Business, USA
- Bachelor of Science (Industrial Economics), University of Nottingham, UK
- Management Program on Strategy Creation, Columbia Business School

PRESENT DIRECTORSHIPS

Listed issuer:

- MISC Berhad
- · Malaysia Marine and Heavy Engineering Holdings Berhad

Other public company:

NIL

PRESENT APPOINTMENTS

- President & Group CEO, MISC Berhad
- President & CEO, AET/Vice President, Petroleum & Products, MISC Berhad
- Vice President, Maritime, Gas & Maritime Business, PETRONAS
- Board Member, various subsidiaries within the MISC Group
- Chairman of Advisory Panel, Malaysia Women in Energy (MyWiE)
- Trustee, General Committee, Malaysian Petroleum Club
- Advisory Council Member, Global Maritime Forum

PAST EXPERIENCE

- · Chief Operating Officer, MISC Berhad
- Committee Member, The London P&I Club
- Council Member and Chairman, Government & Regulatory Affairs Working Committee, Malaysian Gas Association (MGA)
- Vice President, Corporate Planning, MISC Berhad
- Vice President, LNG Business (now known as Gas Assets & Solutions), MISC Berhad
- · Vice President of Venture Development, Shell Integrated Gas & New
- Management positions in finance, LNG marketing and trading, business development, commercial, Upstream production sharing contract, stakeholder management, joint venture governance, gas advocacy and project management in Upstream, Downstream, Integrated Gas and Trading businesses, Shell Group of Companies

CHEW LIONG KIM Senior Independent Non-Executive Director Number of Board Meetings Attended in 2024: 11/11 **Board Skills & Industry Experience:** SM1 SM3 SM4 SM6 SM7 SM9 EM2 EM3 EM5 EM6 EM10

DATE OF APPOINTMENT

- 1 September 2021 as Independent Non-Executive Director
- 15 January 2024 redesignated as Senior Independent Non-Executive Director

LENGTH OF SERVICE (AS AT 5 MARCH 2025)

3 years 6 months

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Member, Malausian Institute of Accountants (MIA)
- Fellow Chartered Accountant (FCA), Chartered Accountants Australia and
- Member, Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)
- Bachelor of Commerce (Accountancy), University of Auckland, New Zealand

PRESENT DIRECTORSHIPS

Listed issuer:

MISC Berhad

Other public company:

Amanat Lebuhraya Rakyat Berhad

PRESENT APPOINTMENTS

- Chairman, Board Audit Committee, MISC Berhad
- Member, Board Sustainability & Risk Committee, MISC Berhad
- Chairman, Board Audit & Risk Committee, Amanat Lebuhraya Rakyat Berhad
- Member, Board Investment Committee, Amanat Lebuhraya Rakyat Berhad
- Chairman, Shakeup Online Sdn. Bhd.
- · Executive Chairman, CLK Advisors, Malaysia
- Senior Advisor, Roland Berger Strategy Consultants, South-East Asia

PAST EXPERIENCE

- · Chairman, Asean Advisory Pte. Ltd.
- Non-Independent Non-Executive Director, ZICO Holdings Inc., Catalist Market, Singapore Exchange
- Commission Member, Malaysian Communications and Multimedia Commission (MCMC)
- · Chairman, Audit and Risk Committee, MCMC
- Chairman, Whistleblowing Committee, MCMC
- Member, Remuneration Committee, MCMC
- Managing Director, Maybank Investment Bank Bhd's strategic advisory division
- · Managing Director, Bina Fikir Sdn. Bhd.
- Executive Director/CEO, Dataprep Holdings Berhad
- Co-founder/Executive Chairman, HRM Business Consulting Sdn. Bhd.
- Worldwide Partner, Arthur Andersen
- Area Managing Partner Business Consulting, Asia Pacific, Arthur Andersen
- Country Managing Partner Business Consulting, Malaysia, Arthur Andersen
- Principal, Hanafiah Raslan Mohamad

DATIN NORAZAH MOHAMED RAZALI Independent Non-Executive Director Number of Board Meetings Attended in 2024: **Board Skills & Industry Experience:** SM1 SM3 SM4 SM7 SM8 SM11 EM5

Profiles of the Board of Directors

DATE OF APPOINTMENT

9 October 2020

LENGTH OF SERVICE (AS AT 5 MARCH 2025)

4 uears 4 months

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Master of Business Administration, Imperial College Business School, University of London, UK
- Diploma in Management, Imperial College, University of London, UK
- Bachelor of Laws (Honours) (Syariah and Common Law), International Islamic University Malaysia

PRESENT DIRECTORSHIPS

Listed issuer:

- MISC Berhad
- Sime Darby Property Berhad

Other public company:

Permodalan Nasional Berhad

PRESENT APPOINTMENTS

- Chairperson, Board Sustainability & Risk Committee, MISC Berhad
- Member, Board Nomination & Remuneration Committee, MISC Berhad
- Independent Non-Executive Director, Sime Darbu Property Berhad
- Chairperson, Board Nomination and Remuneration Committee. Sime Darby Property Berhad
- Member, Audit Committee, Sime Darby Property Berhad
- Member, Board Sustainability Committee, Sime Darby Property Berhad
- Independent Non-Executive Director, Permodalan Nasional Berhad
- Chairperson, Board Technology Committee, Permodalan Nasional Berhad
- Member, Board Nomination and Remuneration Committee, Permodalan Nasional Berhad
- Member, Board Risk Committee, Permodalan Nasional Berhad
- Member, Board Audit Committee, Permodalan Nasional Berhad
- Member, Board Investment Committee, Permodalan Nasional Berhad
- Independent Non-Executive Director, Cradle Fund Sdn. Bhd. Chairperson, Nomination and Remuneration Committee, Cradle Fund
- Member, Board Grant and Investment Committee, Cradle Fund Sdn. Bhd.

PAST EXPERIENCE

Member, Investment Panel, Peniana Kapital Sdn. Bhd.

- Senior Advisor (Public Sector Practice), The Boston Consulting Group
- Partner and Managing Director, Member of BCG SE Asia Executive Leadership, BCG
- Head of BCG Malaysia, BCG
- Principal, BCG
- Project Manager & Consultant, BCG
- Consultant, Booz, Allen & Hamilton, Singapore
- Solicitor, M/s Sidek, Teoh, Wong & Dennis, Advocates & Solicitors, Malaysia

INTEGRATED ANNUAL REPORT 2024

Profiles of the Board of Directors

DATO' TENGKU MARINA TUNKU ANNUAR Independent Non-Executive Director Nationality: Gender: F Age: 62 Number of Board Meetings Attended in 2024: **Board Skills & Industry Experience:** SM3 SM4 SM5 SM6 SM7 SM8 SM10 SM11 SM12 EM8

DATE OF APPOINTMENT

1 January 2022

LENGTH OF SERVICE (AS AT 5 MARCH 2025)

3 years 2 months

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- · Global Health Diplomacy Executive Course, The Graduate Institute, Geneva
- · Executive Certificate, Advocacy in International Affairs, The Graduate Institute, Geneva
- Nestle Leadership Programme, London Business School, United Kingdom
- Rewiring Leadership for High Impact, University of Cambridge Institute of Sustainability Leadership
- · Sustainability Leadership Lab, University of Cambridge Institute of Sustainability Leadership
- Business Sustainability Management Course, University of Cambridge Institute of Sustainability Leadership
- Bachelor of Arts in International Relations, London University, United Kinadom

PRESENT DIRECTORSHIPS

Listed issuer:

- MISC Berhad
- S P Setia Berhad
- · Westports Holdings Berhad

Other public company:

NII

PRESENT APPOINTMENTS

- Chairperson, Board Nomination & Remuneration Committee, MISC Berhad
- Member, Board Sustainability & Risk Committee, MISC Berhad
- · Chairperson, S P Setia Foundation
- Chairperson, Sustainability Committee, S P Setia Berhad
- Member, Nomination and Remuneration Committee, S P Setia Berhad
- Member, Sustainability Committee, Westports Holdings Berhad
- Member, Nomination and Remuneration Committee, Westports Holdings
- Council Member, Climate Governance Malaysia
- Founding Member, Circular Economy Club, Kuala Lumpur

- Asia-Pacific Region Head, Corporate Regulatory & Scientific Affairs, Nestle
- Global Public Affairs Lead, Nestle S.A.
- · Group Director, Corporate Affairs, Communications and Wellness, Nestle (Malaysia) Berhad
- Corporate Communications Manager, Nestle (Malaysia) Berhad
- Public Relations & Communications Manager in Hospitality Industry
- Public Relations Officer in Malaysia Airlines, United Kingdom Office

MOHAMMAD SUHAIMI MOHD YASIN Independent Non-Executive Director Nationality: Gender: M Age: 64 Number of Board Meetings Attended in 2024: **Board Skills & Industry Experience:** SM1 SM3 SM4 SM5 SM7 EM1

DATE OF APPOINTMENT

9 October 2020

LENGTH OF SERVICE (AS AT 5 MARCH 2025)

4 years 4 months

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- · Master of Business Administration, Saint Louis University, USA Bachelor of Science (Accounting), Indiana State University, USA
- · Diploma in Accountancy, Mara Institute of Technology, Malaysia
- PRESENT DIRECTORSHIPS

Listed issuer:

- · Malaysia Marine and Heavy Engineering Holdings Berhad

Other public company:

NIL

PRESENT APPOINTMENTS

- Member, Board Sustainability & Risk Committee, MISC Berhad
- · Member, Board Audit Committee, MISC Berhad
- · Chairman, Independent Non-Executive Director, Malaysia Marine and Heavy Engineering Holdings Berhad
- Advisor, SC Tubular Solutions Malaysia Sdn. Bhd.

- Independent Non-Executive Director, Alam Maritim Resources Berhad
- Chairman, Risk Management Committee, Alam Maritim Resources Berhad
- · Member, Audit Committee, Alam Maritim Resources Berhad
- Member, Nomination and Remuneration Committee, Alam Maritim Resources Berhad
- · Senior General Manager, Project Procurement Management Department, Technology & Engineering Division, PETRONAS
- Senior General Manager, Corporate Services, PETRONAS Carigali Sdn.
- Senior General Manager, Group Supply Chain Management Department, **PETRONAS**
- Senior General Manager, Group Tenders & Contracts Division, PETRONAS
- General Manager, Commercial Division, Malaysia LNG Sdn. Bhd.
- Managing Director/CEO, MITCO Japan Sdn. Bhd. & PETRONAS Country Manager, Yokohama, Japan
- Executive Assistant to President, PETRONAS
- Deputy General Manager, Commercial, Malaysia LNG Tiga Sdn. Bhd.
- Manager, Finance & Services, Malaysia LNG Dua Sdn. Bhd.
- Section Head, Gas Accounting Section, Gas Processing Plant, PETRONAS Gas Sdn. Bhd.



DATE OF APPOINTMENT

1 July 2017

LENGTH OF SERVICE (AS AT 5 MARCH 2025)

7 years 8 months

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Advance Management Programme, The Harvard Business School, USA
- Member of the Malausian Institute of Accountants (MIA)
- Fellow of the Association of Chartered Certified Accountants
- Bachelor of Science Degree in Economics, majoring in Accounting and Finance, The London School of Economics and Political Science, University of London, UK

PRESENT DIRECTORSHIPS

Listed issuer:

- MISC Berhad
- KLCC Property Holdings Berhad
- KLCC Real Estate Investment Trust

Other public company: PETRONAS

PRESENT APPOINTMENTS

- Executive Vice President & Group Chief Financial Officer, PETRONAS
- Board Member of PETRONAS and various companies in PETRONAS
- Treasurer of Malaysian Petroleum Club

PAST EXPERIENCE

- Vice President, Group Procurement, PETRONAS
- Group Financial Controller, PETRONAS
- Chief Financial Officer, PETRONAS' Upstream Business
- Senior General Manager, PETRONAS Group Treasury
- · Chief Financial Officer, PETRONAS Gas Berhad
- Member, Board Audit Committee, MISC Berhad · Chairman, ENERGAS Insurance (L) Ltd.

WAN SHAMILAH WAN MUHAMMAD SAIDI Non-Independent Non-Executive Director Nationalitu: Gender: F Age: 54 Number of Board Meetings Attended in 2024: **Board Skills & Industry Experience:** SM1 SM3 SM4 SM5 SM6 SM7 SM9

Profiles of the Board of Directors

DATE OF APPOINTMENT

1 June 2022

LENGTH OF SERVICE (AS AT 5 MARCH 2025)

2 years 9 months

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Fellow of the Institute of Chartered Accountants in England & Wales
- Member of Malaysian Institute of Accountants (MIA)
- Bachelor of Science in Economics and Accounting, University of Bristol,
- Advance Management Program, Harvard Business School, USA
- Sustainable Finance, Cambridge Institute for Sustainability Leadership

PRESENT DIRECTORSHIPS

Listed issuer:

MISC Berhad

Other public company:

• Several subsidiaries within PETRONAS Group

PRESENT APPOINTMENTS

- Member, Board Nomination & Remuneration Committee, MISC Berhad
- · Member, Board Audit Committee, MISC Berhad
- Senior General Manager, Group Corporate Finance, PETRONAS

PAST EXPERIENCE

- Chief Digital Officer, Group Digital, PETRONAS
- Senior General Manager, Corporate Strategic Planning, PETRONAS
- Chief Financial Officer, PETRONAS Chemicals Group Berhad
- Senior General Manager, Crude Oil Group, PETRONAS
- General Manager Finance, Malaysia LNG Sdn. Bhd.
- General Manager Finance, PETRONAS Gas Berhad • Manager, Mergers & Acquisitions, Corporate Planning & Development
- Division, PETRONAS Senior Executive, Corporate Finance, PETRONAS
- Audit Supervisor, Morison Stoneham Chartered Accountants

Profiles of the Board of Directors



DATE OF APPOINTMENT

1 September 2024

LENGTH OF SERVICE (AS AT 5 MARCH 2025)

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Master of Business Administration, Kellogg School of Management, Northwestern University, Illnois, USA
- Bachelor of Science in Petroleum Engineering, Colorado School of Mines, USA

PRESENT DIRECTORSHIPS

Listed issuer:

- MISC Berhad
- · PETRONAS Gas Berhad

Other public company:

NIL

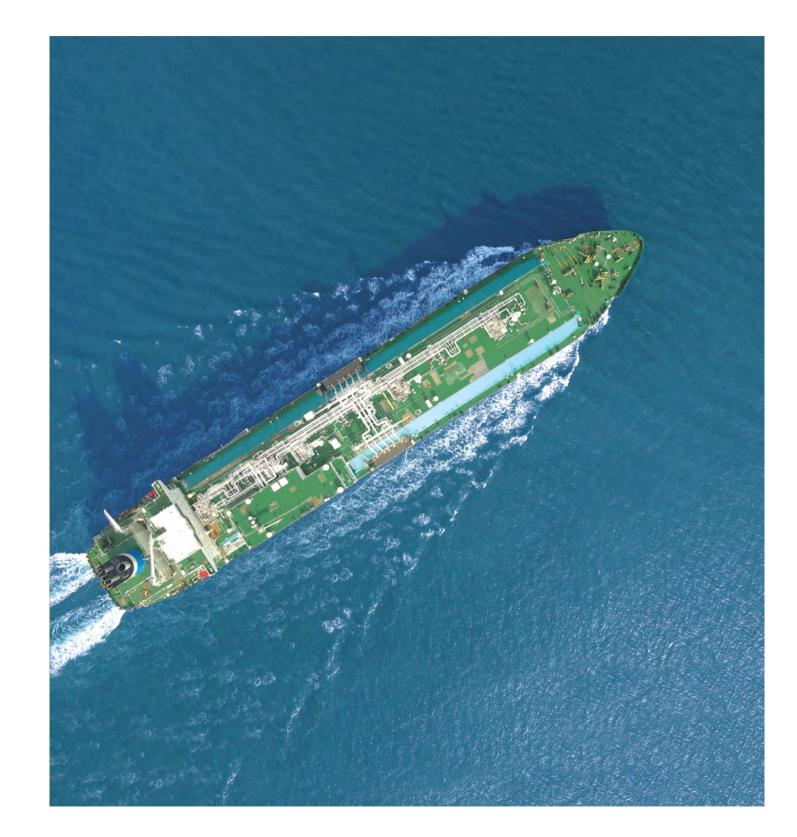
PRESENT APPOINTMENTS

- · Chairman, Non-Independent Non-Executive Director, PETRONAS Gas
- Executive Vice President & CEO of Gas & Maritime Business, PETRONAS
- Chairman and Board Member of various companies in PETRONAS

- Executive Vice President & CEO of Upstream Business, PETRONAS
- Executive Vice President & CEO of Gas and New Energy Business, PETRONAS
- Senior Vice President of Development and Production Upstream Business, PETRONAS
- Senior Vice President of Corporate Strategy, PETRONAS
- · Chairman of the Society of Petroleum Engineers (SPE) Asia Pacific Regional Advisory Council
- Member of the International Advisory Committee for Offshore Technology Conference Asia (OTCA)
- · Vice Chair of the E&P Working Committee for the International Gas Union

DECLARATION BY ALL DIRECTORS:

- · No family relationship with any Director and/or Major Shareholder
- No conviction for any offences within the past five (5) years, other than traffic offences, if any
- No penalty or public sanction by the relevant regulatory bodies during the financial year 2024
- Save as disclosed below, no conflict of interest or potential conflict of interest, including any interest in any competing business with MISC Berhad or its subsidiaries:
- Due to the nature of business of MISC Berhad Group, there are potential business transactions with other entities within the PETRONAS Group and Malaysia Marine and Heavy Engineering Holdings Berhad (MHB) Group, of which situations of conflict of interest could arise for the following Directors in their various capacities:
- i) Zahid Osman is the Vice President, Maritime, Gas & Maritime Business, PETRONAS and Non-Independent Non-Executive Director, MHB
- ii) Datuk Adif Zulkifli is the Executive Vice President & CEO of Gas & Maritime Business, PETRONAS. He is also Chairman and/or Board Member of various companies in PETRONAS, including PETRONAS Gas Berhad
- iii) Liza Mustapha is the Executive Director and Executive Vice President & Group Chief Financial Officer, PETRONAS. She is also a Board Member of various companies in PETRONAS
- iv) Wan Shamilah Wan Muhammad Saidi is the Senior General Manager, Group Corporate Finance, PETRONAS, She is also a Board Member of various companies in PETRONAS
- v) Mohammad Suhaimi Mohd Yasin is the Chairman, Independent Non-Executive Director, MHB



MISC BERHAD

Our Executive Leadership Team

Our Executive Leadership Team

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NORIDAH KHAMIS | ALEXANDER

General Counsel, MISC Berhad

JAMES BRIGDEN

Vice President, Offshore, MISC Group

HAZRIN HASAN

Vice President, Gas Assets & Solutions, Marine Services, MISC Group

Vice President, MISC Group

MOHD DENNY

MOHD ISA

ZAHID OSMAN

- President & Group CEO, MISC Berhad
- Vice President, Petroleum & Products, MISC Group/President & CEO, AET

MOHD NAZIR MOHD NOR

Vice President, Marine & Heavy Engineering, MISC Group/Managing Director & CEO, Malaysia Marine and Heavy Engineering Holdings Berhad

AFENDY MOHAMED ALI

Chief Financial Officer, MISC Berhad

RAJA AZLAN SHAH RAJA AZWA

Chief Strategy & Sustainability Officer, MISC Berhad

RUZILA IDIN

Chief Human Resource Officer, MISC Berhad

Profiles of the Executive Leadership Team

ZAHID OSMAN

President & Group CEO, MISC Berhad

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Vice President, Petroleum & Products, MISC Group/President & CEO, AET

Nationalitu: Gender: M Age: 52







DATE OF APPOINTMENT

- 16 August 2024 as President & Group CEO, MISC Berhad
- 1 June 2024 as Chief Operating Officer, MISC Berhad
- 1 June 2023 as President & CEO, AET/Vice President, Petroleum & Products, MISC Berhad
- 1 January 2022 as Vice President, Corporate Planning
- 1 August 2017 as Vice President, LNG Business (now known as Gas Assets & Solutions)

RESPONSIBILITIES

President & Group CEO, MISC Berhad

- Implementation of policies, strategies and decisions as formulated by the Board and overseeing the day-to-day management and operations of the MISC Group
- Ensuring that a sound management structure is in place

Vice President, Petroleum & Products, MISC Group/President & CEO, AET

- Overall management and operations of the petroleum and product shipping
- · Development of the sustainability and profitability of AET through efficient and strategic business development and stakeholder management

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Master of Business Administration, University of Chicago Booth School of Business, USA
- Bachelor of Science (Industrial Economics), University of Nottingham, UK
- Management Program on Strategy Creation, Columbia Business School

PRESENT APPOINTMENTS

- · Board Member, MISC Berhad
- Board Member, Malaysia Marine and Heavy Engineering Holdings Berhad
- Vice President, Maritime, Gas & Maritime Business, PETRONAS
- Board Member, various subsidiaries within the MISC Group
- Chairman of Advisory Panel, Malaysia Women in Energy (MyWiE)
- Trustee, General Committee, Malaysian Petroleum Club
- · Advisory Council Member, Global Maritime Forum

PAST EXPERIENCE

- Chief Operating Officer, MISC Berhad
- Committee Member, The London P&I Club
- Council Member and Chairman, Government & Regulatory Affairs Working Committee, Malaysian Gas Association (MGA)
- Vice President, Corporate Planning, MISC Berhad
- Vice President, LNG Business (now known as Gas Assets & Solutions), MISC Berhad
- Vice President of Venture Development, Shell Integrated Gas & New Energies
- Management positions in finance, LNG marketing and trading, business development, commercial, Upstream production sharing contract, stakeholder management, joint venture governance, gas advocacy and project management in Upstream, Downstream, Integrated Gas and Trading businesses, Shell Group of Companies

Profiles of the Executive Leadership Team

HAZRIN HASAN

Vice President, Gas Assets & Solutions, MISC Group







DATE OF APPOINTMENT

- 1 January 2022 as Vice President, Gas Assets & Solutions
- 1 April 2018 as Managing Director & CEO, MISC Maritime Services Sdn. Bhd.

RESPONSIBILITIES

- Overall management and operations of the conventional LNG shipping and non-conventional gas asset solutions
- Development of the sustainability and profitability of LNG shipping and non-conventional gas asset solutions through efficient and strategic business development and stakeholder management

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Certified Chief Engineer, Maritime and Coastguard Agency
- Marine Engineering, South Tyneside College, UK
- Senior Management Development Program, INSEAD

PRESENT APPOINTMENTS

- Chairman and Board Member, various subsidiaries and joint venture companies within the MISC Group
- Board Member, Society of International Gas Tanker and Terminal Operators (SIGTTO)
- Council Member, Malaysian Gas Association (MGA)

PAST EXPERIENCE

- Managing Director & CEO, MISC Maritime Services Sdn. Bhd.
- Head, Ship Operations and Contract Management, LNG Business, MISC Berhad
- · General Manager, Project Management Ship, Group Technical Services, MISC Berhad
- Managerial roles in Fleet Management Services (FMS) and the Human Resource function in FMS, MISC Berhad
- Joined MISC as an Engine Cadet and had sailed on MISC LNG vessels, finishing his sea career as Chief Engineer

ALEXANDER JAMES BRIGDEN

Vice President, Offshore, MISC Group

Nationality: Gender: M Age: 53







DATE OF APPOINTMENT

11 January 2023 as Vice President, Offshore*

RESPONSIBILITIES

- Overall management and operations of the Offshore business
- Development of the sustainability and profitability of Offshore business through efficient and strategic business development and stakeholder management

ACADEMIC/PROFESSIONAL OUALIFICATIONS

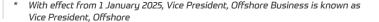
- Master of Business Administration, National University of Singapore
- Member of the Royal Institution of Naval Architects
- Member, Institute of Marine Engineers
- Chartered Engineer, UK Engineering Council
- Post Graduate Certificate Marine Technologu
- Bachelor of Engineering, University of Newcastle Upon Tyne,

PRESENT APPOINTMENTS

 Chairman and Board Member, various subsidiaries and joint venture companies within the MISC Group

PAST EXPERIENCE

- Global Director, Project Delivery & Technology, Offshore Business, MISC Berhad
- · Director, Project Delivery & Technology, MISC Berhad



Profiles of the Executive Leadership Team

INTEGRATED ANNUAL REPORT 2024

Profiles of the Executive Leadership Team

MOHD NAZIR MOHD NOR

Vice President, Marine & Heavy Engineering, MISC Group/ Managing Director & CEO, Malaysia Marine and Heavy Engineering Holdings Berhad (MHB)









DATE OF APPOINTMENT

• 1 January 2025 as Vice President, Marine & Heavy Engineering

RESPONSIBILITIES

- Overall leadership, operations and management of MHB
- Development of sustainability and profitability of MHB through efficient and strategic business development and stakeholder management

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Bachelor of Civil Engineering, Universiti Teknologi MARA
- Management Program, Duke Corporate Education

PRESENT APPOINTMENTS

- Board Member, MHB
- Managing Director & CEO, MHB
- Board Member, PETRONAS Energy and Gas Trading Sdn. Bhd.
- Board Member, Trans Thai-Malaysia (Thailand) Limited & Trans Thai-Malaysia (Malaysia) Sdn. Bhd.
- Board member of several private companies within the MHB Group

PAST EXPERIENCE

- Head, Gas Processing & Utilities, PETRONAS Gas Berhad
- Country Head & CEO. PETRONAS E&P Argentina, PETRONAS
- Director, Gas Infrastructure & Monetisation, PETRONAS Canada Energy Ltd., Upstream
- Director, Infrastructure & Integration, PETRONAS (Pacific North-West LNG Canada)
- Project Director, PRGT Pipeline Project, Progress Energy Canada Ltd., PETRONAS (Pacific North-West LNG Canada)
- Head, Transformation, Project Management Office, PETRONAS Gas Berhad
- Head, Transmission East Malaysia Operation, PETRONAS Gas Berhad
- Operations Advisor and Engineering Manager, PETRONAS (PAPL Gladstone LNG Australia)

MOHD DENNY MOHD ISA

Vice President, Marine Services, MISC Group







DATE OF APPOINTMENT

- 1 November 2024 as Vice President. Marine Services*
- 1 January 2022 as Managing Director & CEO, MISC Maritime Services Sdn. Bhd.

RESPONSIBILITIES

- Overall management and operations of integrated ship management, ports & terminal services and marine assurance & consultancy
- Development of the sustainability and profitability of Marine Services through efficient and strategic business development and stakeholder management

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Master of Business Administration, University of Technology
- Graduate Certificate of International Management, University of Melbourne
- Marine Engineer, First Class Certificate of Competency (Steam), Ministry of Transport, Malaysia
- Professional Maritime Training at Akademi Laut Malaysia

PRESENT APPOINTMENTS

- Chairman and Board Member, various subsidiaries within the
- Chairman, Asia Regional Panel at the International Association of Independent Tanker Owners (INTERTANKO)

PAST EXPERIENCE

- Managing Director & CEO, MISC Maritime Services Sdn. Bhd.
- Chief Operating Officer, Eaglestar Marine Holdings (L) Pte. Ltd. (now known as MISC Marine Holdings (L) Pte. Ltd.)
- General Manager, President & Group CEO's Office, MISC Berhad • General Manager, Human Resource Management (Sea), MISC
- Berhad Head of Fleet Operations, Fleet Management Services (LNG), MISC Berhad
- Engineer Superintendent, Fleet Management Services (LNG), MISC Berhad
- Marine Engineer, MISC Berhad

With effect from 1 January 2025, Vice President, MISC Marine is known as Vice President, Marine Services

RAJA AZLAN SHAH RAJA AZWA

Chief Strateou & Sustainabilitu Officer, MISC Berhad

Nationalitu:

DATE OF APPOINTMENT

strategies and plans

RESPONSIBILITIES

of Sheffield, UK

PAST EXPERIENCE

Holdings Sdn. Bhd.

Darbu Berhad

Gurney Resources Berhad

Chief of Staff, Sime Darbu Berhad

· Auditor, Arthur Andersen and Co.

Berhad

Certified Public Accountants

PRESENT APPOINTMENTS

Holdings Berhad (MHB)



• 8 April 2019 as Vice President, Group Finance

ACADEMIC/PROFESSIONAL QUALIFICATIONS

1 March 2024 as Chief Strategu & Sustainability Officer*



Overall management and implementation of MISC corporate

• Manage and monitor risk management and internal controls

Responsible for the management of sustainability matters of

Degree in Accounting and Financial Management, University

Certified Public Accountant (CPA), Malaysian Institute of

Board Member, various subsidiaries within the MISC Group

• Member, Nomination and Remuneration Committee. MHB

• Chairman, Audit Committee, Labuan Reinsurance (L) Ltd.

• Independent Non-Executive Director, IJN Holdings Sdn. Bhd.

Chairman, Audit and Risk Management Committee, IJN

Independent Non-Executive Director, D.B.E. Gurneu Resources

• Group Head, Corporate Finance and Corporate Planning, Sime

Senior Manager, Corporate Finance, CIMB Investment Bank

Member, Board Sustainability & Risk Committee, MHB

• Board Member, Labuan Reinsurance (L) Ltd.

Vice President, Group Finance, MISC Berhad

Group CEO, Percon Corporation Sdn. Bhd.

Group Head, Strategy, Sime Darby Berhad

• Executive Director, River of Life Hospital Sdn. Bhd.

Head, Strategy and Innovation, Sime Darby Property

Group CEO, Ramsay Sime Darby Health Care Group

Group Head, Corporate Finance, Sime Darby Berhad

Managing Director, Sime Darbu Healthcare Group

• Board Member, Malaysia Marine and Heavy Engineering



DATE OF APPOINTMENT

1 March 2024 as Chief Financial Officer*

AFENDY MOHAMED ALI

Chief Financial Officer, MISC Berhad

RESPONSIBILITIES

- Overall management and coordination of financial reporting, financial planning, debt financing, treasury and budget management functions of MISC
- Ensuring that the accounting procedures and reporting of MISC complies with the relevant accounting principles. standards and regulations
- Ensuring procurement activities of MISC complies with the procurement policies, procedures and governance requirements
- Provides tax advisoru for the Group and tax planning for new
- Ensuring ICT services and infrastructure systems support the business needs and demands through secured platforms

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Degree in Accounting & Finance (Hons), Lancaster University,
- Institute of Chartered Accountants in England & Wales (ICAEW)

PRESENT APPOINTMENTS

· Chairman and Board Member, various subsidiaries within the MISC Group

PAST EXPERIENCE

- Senior General Manager, Finance & Risk, PETRONAS Gas
- Senior General Manager, EDP Finance, PETRONAS Upstream Business • Chairman, Audit and Risk Management Committee, D.B.E.
 - Chief Financial Officer, Pacific Northwest LNG
 - General Manager, Finance & Accounts, PETRONAS Carigali Iraq (Holdina) BV
 - General Manager, Accounting & Financial Services, PETRONAS Upstream Business
 - Senior Manager, Group Budget, Accounting & Tax, International, PETRONAS Carigali Sdn. Bhd.
 - Senior Finance Manager, PETRONAS Egypt
 - Auditor, DSG Chartered Accountants, UK
- With effect from 1 January 2025, Vice President, Corporate Planning is known as Chief Strategy & Sustainability Officer



Profiles of the Executive Leadership Team

Profiles of the Executive Leadership Team

NORIDAH KHAMIS

General Counsel, MISC Berhad









DATE OF APPOINTMENT

• 1 September 2024 as General Counsel*

RESPONSIBILITIES

• Responsible for the management of all legal affairs, company secretarial services, compliance and insurance matters

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Bachelor of Laws, University of Newcastle Upon Tyne, England
- Barrister-at-Law, Inner Temple Inn
- Licensed Company Secretary

PRESENT APPOINTMENTS

- Company Secretary of MISC Berhad and several subsidiaries
- Board Member, various subsidiaries within the MISC Group
- Executive Committee Member, Malaysia Shipowners' Association (MASA)

PAST EXPERIENCE

- General Counsel & Chief Integritu Officer, AET
- Director Legal, Offshore Business Unit, MISC Berhad
- General Manager Legal, Offshore Business Unit, MISC Berhad
- Senior Manager Legal, MISC Berhad
- Manager Legal, MISC Berhad
- Senior Attorneu, ExxonMobil
- Legal Executive, Wawasan Shipping Sdn. Bhd.

RUZILA IDIN

Chief Human Resource Officer, MISC Berhad







DATE OF APPOINTMENT

• 1 June 2024 as Chief Human Resource Officer*

RESPONSIBILITIES

- Shape and drive the overall strategic direction and provide business leadership for the formulation and implementation of MISC Human Resource (HR) strategies and initiatives. ensuring integration and alignment with MISC business agenda to support growth, competitiveness and sustainability
- Drive and formulate people strategies and HR agenda of MISC to identify and develop capable leaders through succession planning, competency profiling and learning & development
- Ensure the availability and constant supply of competent and able resources to support the Group's goals and aspirations for the present and future
- Foster a diverse, inclusive and high-performing workplace by shaping policies and a culture that promote equity, belonging and continuous capability building

ACADEMIC/PROFESSIONAL OUALIFICATIONS

- Bachelor of Business Administration, Universiti Kebangsaan
- Professional Certificate in Management. The University of Melbourne
- · Certified Solution Focused Coach, The Canadian Council of Professional Certification
- · Newfield Ontology Coach, Newfield Certification Programme

PRESENT APPOINTMENTS

NIL

PAST EXPERIENCE

- Senior General Manager (Global HR Business Partners), Downstream Business, PETRONAS
- General Manager HRM, Group Digital, PD&T Division, PETRONAS
- General Manager HRM, PETRONAS ICT Sdn. Bhd.
- General Manager HRM, LNG Assets, Upstream Business, PETRONAS
- General Manager HRM, Malaysia LNG Sdn. Bhd., Upstream Business, PETRONAS
- Senior Manager (HR Business Partner), Petronas Dagangan Berhad, Downstream Business, PETRONAS
- Manager (HRM & Admin), PETRONAS Australia Pty Limited, Gas Business, PETRONAS
- HR Planner, Gas Business Unit, Gas Business, PETRONAS
- HR Planner, Finance Division, PETRONAS
- HR Executive, Oil Business Unit, Oil Business, PETRONAS
- HR Executive, HRM Division, PETRONAS



DECLARATION BY ALL EXECUTIVE LEADERSHIP TEAM

- No family relationship with any Director and/or Major Shareholder of MISC Berhad
- · No conviction for any offences within the past five (5) years, other than traffic offences, if any
- No penalty or public sanction by the relevant regulatory bodies during the financial year 2024
- Save as disclosed below, no conflict of interest or potential conflict of interest, including any interest in any competing business with MISC Berhad or its subsidiaries:
 - Due to the nature of business of MISC Berhad Group, there are potential business transactions with other entities within the PETRONAS Group and Malaysia Marine and Heavy Engineering Holdings Berhad (MHB) Group, of which situations of conflict of interest could arise for the following ELT Members in their various capacities:
 - i) Zahid Osman is the Vice President, Maritime, Gas & Maritime Business, PETRONAS and Non-Independent Non-Executive Director, MHB
 - ii) Raja Azlan Shah Raja Azwa is the Non-Independent Non-Executive Director, MHB
 - iii) Mohd Nazir Mohd Nor is the Managing Director & CEO, MHB

With effect from 1 January 2025, Vice President, Human Resource is known as Chief Human Resource Officer

SECTION 12

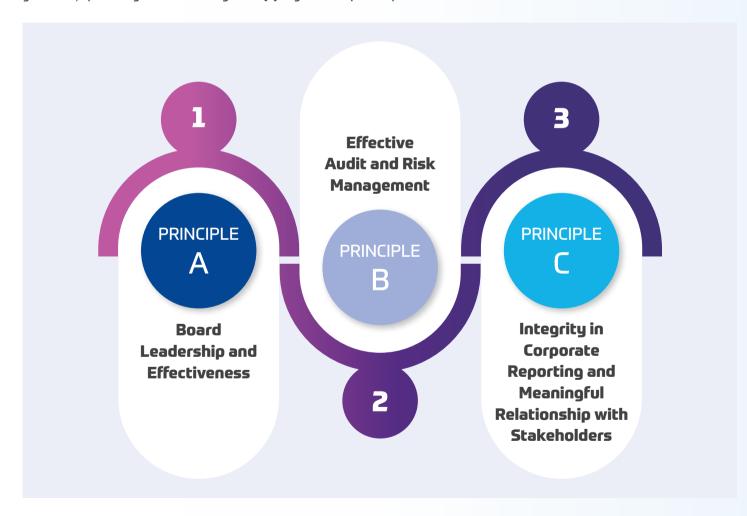
GOVERNANCE

- **L50** Corporate Governance Overview Statement
- 173 Board Nomination & Remuneration Committee Report
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Corporate Governance Overview Statement

As governance forms one of the pillars that uphold MISC's Sustainability Strategy, the Board advocates the alignment of MISC's Corporate Governance (CG) practices with the Companies Act 2016, the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities) and the best practice recommendations of the Malaysian Code on Corporate Governance (MCCG). This CG Overview Statement should be read together with the Company's CG Report 2024, olease refer to the MISC corporate website at www.miscgroup.com.

This CG Overview Statement seeks to provide investors and stakeholders with insights on the CG practices of MISC for the financial year 2024, specifically on the following three (3) key CG Principles as prescribed in the MCCG:

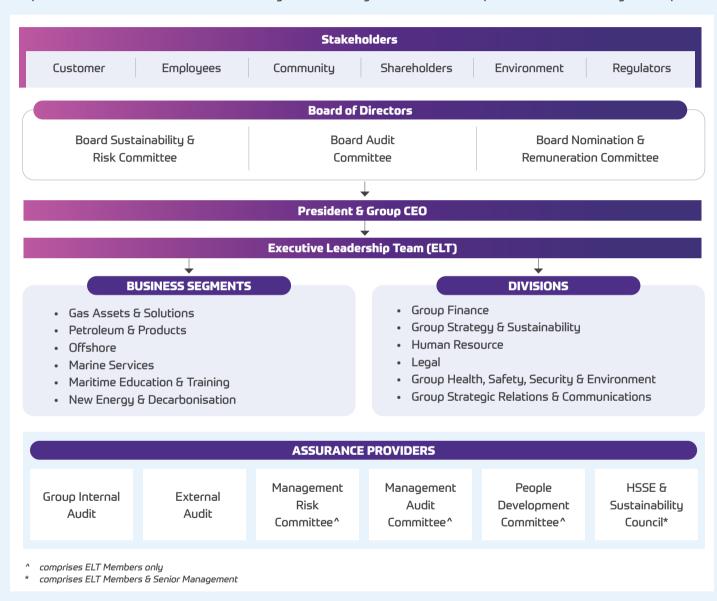


MISC has subscribed to all Intended Outcomes with three (3) deviations from the MCCG Practices, namely Practice 8.2 and Step-Up Practices 8.3 and 9.4.

Corporate Governance Overview Statement

OUR CORPORATE GOVERNANCE FRAMEWORK

The CG framework of MISC, as depicted below, is reflective of the way strategic and operational activities are managed. The compositions of the Board Committees and Management are designed based on the respective areas of knowledge and expertise.



Designed with the objective of emphasising an enterprise mindset, the Board resolved to establish the 'Executive Leadership Team' (ELT) to replace the 'Management Committee' effective 1 January 2025, which is strategically aligned to help MISC execute our goals with greater focus and precision towards the MISC 2030 Ambition. By aligning our management structure with the Group's strategic vision, MISC can better navigate complexities, sharpen its competitive edge, and strengthen its delivery capacity as a Group.

The CG framework is supplemented by the Board Charter, Terms of Reference of the respective Board Committees and the MISC Limits of Authority (LOA). MISC's Marine & Heavy Engineering business resides in a separate listed entity within the Group with its own CG framework which is modelled based on MISC's CG framework.

MISC REPHAN

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Corporate Governance Overview Statement

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PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

BOARD PURPOSE

The Board has the overall responsibility for providing oversight and stewardship to MISC in executing the Company's objectives. The Board is quided by the principles and best practices as stated in the MCCG and understands its responsibility to exercise good CG.

BOARD CHARTER

In discharging the Board's duties and responsibilities effectively, the Board is guided by the MISC Board Charter which provides the framework for the performance of the Board's function and duties vis-à-vis Management and the Company, consistent with the practices set out in the MCCG. The MISC Board Charter outlines amongst others, the Board's as well as the individual Directors' roles and responsibilities, processes, functions and professional development, with an aim to attain efficiency in Board performance.



For more information on the MISC's Board Charter, please refer to the MISC corporate website at <u>www.miscgroup.com</u>.

BOARD ROLES AND RESPONSIBILITIES

In discharging its fiduciary duties and leadership functions, the main roles and responsibilities of the Board are as follows:

- Establishing a strategic plan and setting of targets for the Company in line with the Company's vision, mission and business objectives which supports long-term value creation and includes a sustainability agenda;
- · Overseeing the conduct and performance of the Company and of the President & Group CEO against set goals and objectives;
- Upholding, together with Senior Management, good CG culture and business conduct within the Company and its employees, which reinforces ethical, prudent and orofessional behaviour:
- Identifying and understanding the principal risks of the Company and setting the Company's risk appetite and ensuring the implementation of appropriate systems to evaluate, monitor and manage these risks;

- Establishing an effective risk management and internal control framework, including regular review of the adequacy and the effectiveness of the framework;
- Reviewing the Company's strategic, capital or funding transactions and monitoring execution of these transactions:
- Ensuring the integrity and adequacy of the Company's financial and non-financial reporting and disclosure;
- Ensuring sound succession planning and continuous development of human capital, in particular of the Senior Management, and there are measures in place for the orderly succession of the Board and Senior Management;
- Developing and implementing an investor relations programme and putting in place procedures to enable effective communications with the stakeholders of the Company.

Matters reserved for the Board are clearly defined in the MISC LOA, which provides a clear demarcation between the responsibilities of the Board and Management. Board-reserved matters are generally divided into three (3) categories:

Statutory decisions for MISC based on regulatory and statutory requirements

Strategic decisions for MISC Group

Operational decisions for MISC Group that are of high importance and value

Corporate Governance Overview Statement

BOARD COMMITTEES

To facilitate the effective and efficient discharge of the Board's duties and responsibilities, the Board is complemented by three (3) **Board Committees:**

| Board Audit Committee (BAC) | The BAC provides oversight on the financial reporting process and internal control framework and policies as well as MISC's Whistleblowing Policy, whistleblowing management process and actions thereon. |
|--|---|
| Board Nomination & Remuneration Committee (BNRC) | The BNRC provides oversight on Board performance and effectiveness, Board composition and diversity, Directors' skills and experience, Directors' induction and continuous professional development, remuneration of Directors, Senior Management and employees, and succession planning for the Board and Senior Management. |
| Board Sustainability & Risk Committee (BSRC) | The BSRC provides oversight on the risk management framework, policies and processes as well as the sustainability strategy, whilst also monitoring governance practices and ensuring effectiveness of the compliance and ethics strategy. |

All Board Committees operate under their respective Terms of Reference. Nevertheless, the Board is ultimately accountable and collectively responsible for the affairs and business of MISC.

For more information on the Board Committees, please refer to their respective reports on pages 173 to 179 (for the BNRC), pages 180 to 186 (for the BAC) and pages 187 to 191 (for the BSRC) of this Integrated Annual Report

BOARD COMPOSITION AND DIVERSITY

In line with the MMLR and the MCCG, the MISC Board comorises a majority of Independent Directors. The composition of the Board promotes diversity and enables various perspectives to be considered, which facilitates the making of informed decisions and the stewardship of MISC. The Board recognises the need to strategically evolve as a dynamic Board in accordance with the strategic direction of the Company. Hence, the Board actively reviews its composition to ensure it has the right balance of independence and diversity to effectively discharge its collective responsibilities and to implement the necessary succession plans.

The Board strongly believes that diversity in the Board composition is essential for good governance and productive functioning of the Board. The Board is of the view that each Director should be evaluated and/or appointed based on his or her merits with due consideration given to diversity, as stated in the MISC Board Diversity Policy, which forms part of the MISC Board Charter.

Pursuant to the MISC Board Diversity Policy, the Board is committed to ensuring the requisite diversity, encompassing a number of different aspects, including age, ethnicity and gender, and leveraging on differences in thought, perspective, knowledge, skill, regional and industry experience and background. Consistent with the aforementioned policy, the Company has fulfilled its commitment to adhere to the MCCG recommendation for the Board to comprise at least 30% women directors and has sustained a representation of at least 30% women directors in its composition since 1 January 2022. As of the latest practicable date of this Integrated Annual Report, the gender diversity ratio of women directors of the Company stood at 44.44%.



For more information on MISC's Board Diversity Policy, please refer to the MISC corporate website at www.miscgroup.com.

Corporate Governance Overview Statement

The Board composition is as follows:

| Name of Director | Age | Gender | Nationality/ Ethnicity | Date of Appointment | Tenure* (Years, "Y") (Months, "M") |
|---|------------|-------------|---------------------------|------------------------|--|
| Independent Non-Executive Directors (I | NED) (rep | resenting m | inority shareholders) | | |
| Datuk Abu Huraira Abu Yazid (Chairman) | 71 | Male | Malaysian/Malay | 9 October 2020 | 4Y 4M |
| Chew Liong Kim | 69 | Male | Malaysian/Chinese | 1 September 2021 | 3Y 6M |
| Datin Norazah Mohamed Razali | 54 | Female | Malaysian/Malay | 9 October 2020 | 4Y 4M |
| Dato' Tengku Marina Tunku Annuar | 62 | Female | Malaysian/Malay | 1 January 2022 | 3Y 2M |
| Mohammad Suhaimi Mohd Yasin | 64 | Male | Malaysian/Malay | 9 October 2020 | 4Y 4M |
| Non-Independent Non-Executive Direct | ors (repre | senting the | major shareholder) | | |
| Liza Mustapha | 54 | Female | Malaysian/Malay | 1 July 2017 | 7Y 8M |
| Wan Shamilah Wan Muhammad Saidi | 54 | Female | Malaysian/Malay | 1 June 2022 | 2Y 9M |
| Datuk Adif Zulkifli | 54 | Male | Malaysian/Malay | 1 September 2024 | 6M |
| Executive Director (representing Manag | ement) | | | | |
| Zahid Osman (President & Group CEO) | 52 | Male | Malaysian/Malay | 16 August 2024 | 6M |

^{*} Updated to 5 March 2025, being the latest practicable date of this IAR

Key Facts:

- Majority of the Board members are INEDs (55.56%).
- Gender diversity ratio of 44.44% women on the Board.
- Separate positions of Chairman and President & Group CEO.
- INEDs do not exceed the cumulative tenure of nine (9) years.
- The re-election of Board members is done annually on a rotation basis in accordance with the Companies Act 2016, MMLR and the Company's Constitution.

In carrying out their duties and responsibilities, each Director is expected to devote sufficient time and attention to the Company. The Chairman will be notified before the Directors accept any new directorship outside the Group. The notification would include an indication of the time commitment required for the new appointment. In accordance with the MMLR, none of the Board members hold more than five (5) directorships in public listed companies.

In addition to the above, an independence assessment has been conducted during the year under review to ensure all INEDs have fulfilled the criteria of an independent director set out in Paragraph 1.01 of the MMLR.

Corporate Governance Overview Statement

| | | | | | Board Skills I | Matrix | | | | |
|------|----------------------------|---|----------------------|---------------------------------------|--|-----------------------------------|------------------|---|---------------------------|----------------|
| | | Datuk Abu Huraira Abu Yazid | Chew Liong Kim | Datin Norazah Mohamed Razali | Dato' Tengku Marina Tunku Annuar | Mohammad Suhaimi Mohd Yasin | Liza Mustapha | Wan Shamilah Wan Muhammad Saidi | Datuk Adif Zulkifli | Zahid Osman |
| SM1 | Finance & Audit | | • | • | | • | • | • | | • |
| SM2 | Economics | • | | | | | | | • | • |
| SM3 | Risk Management | • | • | • | • | • | • | • | • | • |
| SM4 | Corporate Planning | • | • | • | • | • | • | • | • | • |
| SM5 | Marketing | | | | • | • | | • | • | • |
| SM6 | Operations | | • | | • | | • | • | • | • |
| SM7 | Corporate Governance | • | • | • | • | • | • | • | • | • |
| SM8 | Human Resource | | | • | • | | | | • | • |
| SM9 | Information Technology | | • | | | | | • | | |
| SM10 | Legal & Regulatory | | | | • | | | | | |
| SM11 | ESG | | | • | • | | | | • | • |
| SM12 | Strategic Communication | | | | • | | | | | |

| | Industry Experience Matrix | | | | | | | | | |
|------|------------------------------------|---|----------------------|---------------------------------------|--|-----------------------------------|------------------|---|---------------------------|----------------|
| | | Datuk Abu Huraira Abu Yazid | Chew Liong Kim | Datin Norazah Mohamed Razali | Dato' Tengku Marina Tunku Annuar | Mohammad Suhaimi Mohd Yasin | Liza Mustapha | Wan Shamilah Wan Muhammad Saidi | Datuk Adif Zulkifli | Zahid Osman |
| EM1 | Oil & Gas | | | | | • | • | • | • | • |
| EM2 | Finance & Audit | | • | | | | • | | | • |
| ЕМЗ | Banking/ Investment Banking | • | • | | | | | | | |
| EM4 | Shipping | | | | | | | | • | • |
| EM5 | Consulting/ Strategy Consulting | | • | • | | | | | | |
| EM6 | Telecommunication | | • | | | | | | | |
| EM7 | Postal | • | | | | | | | | |
| EM8 | FMCG | | | | • | | | | | |
| EM9 | Social Security | • | | | | | | | | |
| EM10 | IT Services | | • | | | | | | | |

⁽CD) For more information on the Board members, please refer to their respective profiles on pages 134 to 139 of this Integrated Annual Report.

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Corporate Governance Overview Statement

DEMARCATION OF RESPONSIBILITIES AT THE BOARD LEVEL

Corporate Governance Overview Statement

CHAIRMAN

- Leads the Board and ensures the Board fulfils its obligations to the Company effectively.
- Sets the agenda, style and tone of Board discussions to promote constructive debate and effective decision-making.
- Instils and monitors good CG practices and chairs all Board and shareholders' meetings.
- Has the discretion to determine whether additional Board Committees are required to support the Board's roles and responsibilities.
- The MISC Board Charter provides that the Chairman of the Board shall not be a member of any MISC Board Committees.

PRESIDENT & GROUP CEO

- Leads the overall operations of the business and organisational effectiveness, with the support of the Executive Leadership Team.
- Coordinates the development and implementation of policies and business strategies, as guided and approved by the Board.
- Develops and translates policies and business strategies into a set of manageable goals and priorities based on effective risk management controls for business operations, investments and other activities.
- Ensures that financial management practices are performed with the highest level of integrity and transparency in the interest of the Company's stakeholders.
- Ensures that the business and affairs of the Company are carried out in an ethical manner and in compliance with the relevant laws and regulations.

SENIOR INDEPENDENT DIRECTOR

- Sounding board for the Chairman of the Board.
- Intermediary for other Directors and/or Chairman when necessary.
- Point of contact for shareholders and other stakeholders on areas that cannot be resolved through normal channels of contact with the Chairman or President & Group CEO.
- Executes such other roles as designated by the Board from time to time.

Any issues relating to the Group that requires the attention of the Senior Independent Director can be directed to his email address at chew.liongkim@miscbhd.com or the following address:

Mr. Chew Liong Kim

Senior Independent Director MISC Berhad Level 25, Menara Dayabumi Jalan Sultan Hishamuddin 50050 Kuala Lumpur Malaysia

INDEPENDENT NON-EXECUTIVE DIRECTORS

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- Provides independent views and advice so that the strategies and initiatives proposed by Management are open to
 constructive challenges to uphold the long-term interest of the Group, taking into consideration the interest of stakeholders,
 including the minority shareholders.
- Based on the criteria on INEDs pursuant to the MMLR, all INEDs, including the Chairman, are independent of Management
 and free from any business or other relationships that could materially interfere with the exercise of their independent
 iudoement.
- Pursuant to the MISC Board Charter, the INEDs are subject to a 9-year cumulative limit on their tenure in MISC without further extension. To-date, none of MISC's INEDs have exceeded the 9-year limit on their tenure.

NON-INDEPENDENT NON-EXECUTIVE DIRECTORS

• Provides input from the major shareholder's perspective so that the strategies and initiatives proposed by Management are aligned with the major shareholder's positioning for the Group whilst balancing the interests of other stakeholders.

BOARD MEETINGS AND ACCESS TO MANAGEMENT, COMPANY SECRETARIES, INFORMATION AND EXTERNAL EXPERTS

The Board of Directors' meetings together with tentative agendas are scheduled in advance of any new financial year to enable Directors to plan and fit the year's meetings into their schedules. The Board meets on a quarterly basis and additional meetings are held as and when required. The tentative agendas include matters reserved for the Board such as the annual budget and business plan, financial performance review, major investments and financial decisions and other strategic matters including changes or implementation of key policies and procedures and delegation of authority limits.

MISC Board's Focus Areas in 2024

Project Execution and Delivery

- Extensively deliberated and approved several projects during the year under review.
- Monitored the progress of projects currently under construction and focused on delivering them into
 operations and converting them into cash-generating assets. This involves ensuring that all projects
 adhere to the established timelines, budgets, and quality standards. The Board emphasised the
 importance of risk management and mitigation strategies to address potential challenges during the
 execution phase.
- Oversaw the integration of sustainability practices into project execution, aligning with MISC's
 commitment to environmental stewardship and corporate responsibility. By maintaining a strong focus
 on project execution and delivery, the Board aims to enhance operational efficiency, drive value creation,
 and support the long-term growth objectives of MISC.

Strategic Direction

- Reviewed the medium to long-term business strategies, identify opportunities arising from the energy transition, and adopt a business plan and budget which facilitates Management's pursuit of MISC's targets.
- Discussed the MISC 2030 Ambition, which aims to unlock value through strategic monetisation of
 assets and explore growth opportunities in the new energy sector. An initiative supporting this goal is
 the integration of the PETRONAS Gas & Maritime businesses to create synergy, enhance operational
 efficiency, and unlock greater value across the entire energy and maritime sector. By fostering strategic
 partnerships and client positioning, MISC seeks to secure long-term recurring revenue and mitigate
 investment risks.

Corporate Governance Overview Statement

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| | MISC Board's Focus Areas in 2024 |
|-----------------------------|--|
| Sustainability | Monitored the progress of initiatives under the MISC Group Sustainability Strategy, including commitment towards decarbonisation, promoting the circular economy, health and safety, diversity and inclusion, and values and business ethics. This involved ensuring that all sustainability initiatives were aligned with relevant local and international sustainability standards and frameworks, such as the IFRS Sustainability Reporting Standards, the Global Reporting Initiative (GRI) Standards, and the United Nations Global Compact Guiding Principles. Approved the MISC Human Rights Policy which details the Group's commitment towards upholding international standards of human rights across all its operations. |
| Internal Transformations | Monitored the Group's various internal transformations to strengthen processes in finance, procurement and document management, which will underpin the digitalisation of processes. By streamlining operations and leveraging digital tools, MISC aims to improve overall productivity, reduce cost, and enhance the quality of services provided to stakeholders. Endorsed a refreshed management structure for 2025 by introducing the Executive Leadership Team, which was designed with an enterprise mindset to strategically align with the Group's vision and place greater focus and execution precision towards the MISC 2030 Ambition. |
| Risk Management | Approved and monitored the MISC Group Risk Appetite for FY2024, delineating key boundaries to ensure that risks undertaken in pursuit of business objectives align with the Board's acceptable level of risk. These boundaries reflect the extent of risk MISC is willing to assume within its risk capacity while pursuing strategic and business objectives including tenders and transactions. Reviewed and monitored the impact of the geopolitical conflict, energy transition and decarbonisation risk and project delivery risk to the MISC Group along with the relevant mitigation plans. Emphasis was also given to the improvement of the existing vessels' performance. Conducted thorough reviews of risk assessment for strategic decision areas and various project opportunities. |
| Succession Planning | Oversaw the changes of INEDs and NINED. Oversaw the change of the Executive Director and President & Group CEO to ensure smooth and seamless transition. Oversaw changes to the Management Committee members and the subsequent transition to the Executive Leadership Team to ensure leadership transitions are smooth, strategic and aligned with the Company's overall vision. Conducted a focused and thorough review of each Board Committee and the discharge of their functions to ensure the right composition taking into consideration the appropriate knowledge, competence, independence and expertise to complement the existing skills of the respective Board Committees. Reviewed the Board composition and assessed the need to expand the collective Board skills and experience. Reviewed the MISC Group's Annual Succession Planning. |
| Corporate Governance | Ensured the integrity of MISC's financial and non-financial reporting, internal controls and whistleblowing systems. Reviewed MISC's policies and procedures pursuant to changes to applicable laws and regulations. Incorporated the enhanced provisions of the MMLR in relation to Conflict of Interest in the Terms of Reference of the BAC. Reviewed the Company's status of adoption of the best practices of the MCCG. |

Corporate Governance Overview Statement

To avoid any conflict of interest, all Board members declare their interests where applicable at all Board and Board Committee meetings. In line with the enhancement to the MMLR, the Board has also adopted a Director's Conflict of Interest Review Procedures for the MISC Group (COI Procedures) during the year under review. The COI Procedures set out the disclosure obligations of each Director with respect to actual, potential and perceived conflicts of interest, and provide guidance in governing conflict of interest situations as they arise or may potentially arise to ensure timely and systematic identification, disclosure and management of conflicts of interest.

All Board Members complied with the minimum attendance requirements of at least 50% of the Board meetings held during the financial year pursuant to Paragraph 15.05(3)(c) of the MMLR. The following is a summary of the AGM, Board and Board Committees' meeting attendance in 2024:

| Name of Director | | Meet | ing Attendance i | n 2024 | |
|---|-----|-------|-------------------|--------|------|
| | AGM | Board | BAC | BNRC | BSRC |
| Datuk Abu Huraira Abu Yazid Chairman | 1/1 | 11/11 | - | - | - |
| Chew Liong Kim ⁽¹⁾ BAC Chairman | 1/1 | 11/11 | 5/5 | - | 8/8 |
| Datin Norazah Mohamed Razali BSRC Chairperson | 1/1 | 11/11 | - | 10/10 | 8/8 |
| Dato' Tengku Marina Tunku Annuar BNRC Chairperson | 1/1 | 11/11 | - | 10/10 | 8/8 |
| Mohammad Suhaimi Mohd Yasin | 1/1 | 11/11 | 5/5 | - | 8/8 |
| Liza Mustapha | 1/1 | 9/11 | - | - | - |
| Wan Shamilah Wan Muhammad Saidi (2) | 1/1 | 9/11 | 4/5 | 9/10 | - |
| Datuk Adif Zulkifli (3) | - | 4/4 | - | - | - |
| Dato' Ab. Halim Mohyiddin (4) | - | - | - | - | - |
| Dato' K Sekhar S Krishnan (5) | - | - | - | - | - |
| Captain Rajalingam Subramaniam (6) Former President & Group CEO | 1/1 | 6/6 | Permanent Invitee | | |
| Zahid Osman ⁽⁷⁾ President & Group CEO | - | 5/5 | Permanent Invitee | | |

⁽¹⁾ Chew Liong Kim was re-designated as Senior INED and appointed as Chairman of BAC and member of BSRC on 15 January 2024.

Wan Shamilah Wan Muhammad Saidi was appointed as a member of BAC on 15 January 2024.

⁽³⁾ Datuk Adif Zulkifli was appointed as NINED on 1 September 2024.

⁽⁴⁾ Dato' Ab. Halim Mohyiddin retired as INED, and member of BAC and BSRC on 15 January 2024.

⁽⁵⁾ Dato' K Sekhar S Krishnan retired as Senior INED, Chairman of BAC and member of BSRC on 15 January 2024.

⁽⁶⁾ Captain Rajalingam Subramaniam resigned as Executive Director and President & Group CEO on 15 August 2024.

Zahid Osman was appointed as Executive Director and President & Group CEO on 16 August 2024.

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Corporate Governance Overview Statement

In the discharge of their duties and responsibilities, the Directors have direct access to Management and unrestricted access to any information relating to the Company and the Group. Where necessary, Management presentations and briefings are held before or during Board meetings to provide clarity to the Board members before they deliberate on matters tabled for approval. Distribution of Board papers and other relevant information is done electronically as it enhances efficiency and enables the Directors to access the information at their convenience. This also reaffirms the Board's and Company's commitment to sustainable practices.

The Board is also supported by qualified and competent Company Secretaries who provide sound advice on governance, ensure adherence to rules and procedures, and advocate the adoption of CG best practices. Noridah Khamis, General Counsel, is the Company Secretary of MISC Berhad. Ausmal Kardin retired as the Company Secretary on 31 August 2024. Lee Ming Leong, Head of Group Secretarial Services, was appointed as the Joint Company Secretary of MISC Berhad on 1 September 2024.

The deliberations at all meetings of the Board and Board Committees are properly recorded and communicated to Management for necessary action. Minutes of Board and Board Committee meetings, which include records of decisions made thereat, are properly maintained by the Company Secretaries.

DIRECTORS' TRAINING AND DEVELOPMENT

All Board members of the Company are encouraged to attend continuous education programmes to ensure they keep abreast with new developments in the business and economic environment, to enhance their skills, as well as ensuring that they possess the necessary knowledge to enable them to discharge their duties and responsibilities more effectively.

MISC has been organising annual MISC Group Directors' Training Programme since 2010 on various topics customised to suit the training requirements of the Board, based on feedback and latest industry trends and developments. During the financial year, the areas which were covered in the MISC Group Directors' Training Sessions 1 and 2 were as follows:

MISC Group Directors' Training FY2024 (Session 1)

- Tackling Emerging Risks
- Clean Energy Outlook and Trends
- · Navigating Maritime Cybersecurity in the Digital Era
- · Overview of the Shipping Industry

MISC Group Directors' Training FY2024 (Session 2)

- Understanding the Duties and Liabilities of Directors and Officers and How to Risk Manage Liability Exposures
- Pathways Towards Decarbonisation: Strategies and Sustainable Practices for the Energy Industries
- · Overview of the International Sustainability Standards Board (ISSB) IFRS S1 & S2 (International Sustainability Disclosure Standards)
- Navigating Ammonia as the Low Carbon Solution

The Board also conducts site visits to MISC's operating locations as part of their experiential learning and development initiatives. These visits provide valuable opportunities for the Board to engage with management across the Group's diverse operational footprint and gain deeper insights into the Group's operations. In 2024, the Board's site visits were as follows:

Offshore business site visit at Yantai CIMC Raffles Shipyard, China on 22 January 2024

AET business site visit at Houston and Galveston. United States of America on 17-19 September 2024

Corporate Governance Overview Statement

Forming part of the directors' development, customised onboarding is provided to new Non-Executive Directors (NED) to help them familiarise themselves with the Group's businesses, strategy and challenges, as well as performance. In 2024, Management conducted an onboarding session for the newly appointed director, Datuk Adif Zulkifli on 29 November 2024.

All Board members of the Company, save for the two (2) Directors who were appointed in the second half of 2024, have attended the Mandatory Accreditation Programme (MAP) as required by the MMLR. These Directors will complete the MAP II within the prescribed timeframe.

In compliance with the MMLR, the training programmes attended by the Board members in 2024 are as follows:

| No. | Training Attended by Director | Presenter/Organiser | Date |
|-------|--|---|-------------------|
| Datuk | Abu Huraira Abu Yazid | | |
| 1 | DNV's Maritime Energy Transition Summit 2024 | DNV Malaysia | 8 February 2024 |
| 2 | CGM-COP28 Debrief | Climate Governance Malaysia (CGM) | 1 March 2024 |
| 3 | Marine Environment Protection Committee 81 Summary – Greenhouse Gas (GHG) Emissions Regulations and More | DNV Malaysia | 3 April 2024 |
| 4 | ILO Global Skills Forum | International Labour Organization (ILO Geneva) | 23-24 April 2024 |
| 5 | MAP Part II: Leading for Impact (LIP) | Bursa Malaysia/Institute of Corporate Directors Malaysia (ICDM) | 13-14 May 2024 |
| 6 | Education World Forum (EWF) | EWF | 19-22 May 2024 |
| 7 | International Labour Conference | ILO Geneva | 11-14 June 2024 |
| 8 | Sustainability Strategy Refresher Session | MISC Berhad | 27 June 2024 |
| 9 | The Commercial Implications of the European Union (EU) Monitoring, Reporting, and Verification (MRV), EU Emissions Trading System (ETS), FuelEU Maritime Regulations | DNV Malaysia | 9 July 2024 |
| 10 | How Organizations Do Great Things – Aligning Strategy and Implementation Talk | Asia School of Business (ASB) | 30 July 2024 |
| 11 | Maritime Forecast 2050 | DNV Malaysia | 3 September 2024 |
| 12 | Navigating Cyber Security Challenges and International Association of Classification Societies (IACS) Unified Requirements (URs) Implementation | DNV Malaysia | 3 September 2024 |
| 13 | ETS Requirements and Implementation Experiences | AET Tankers | 19 September 2024 |
| 14 | MISC Group Directors' Training FY2024 (Session 2) | MISC Berhad | 4 October 2024 |
| 15 | Strategic Governance Mastery: Elevating Boardroom Integrity and Performance | ICDM | 11 November 2024 |
| 16 | AET Board Training • Global Minimum Tax • Internal Carbon Pricing | AET Tankers | 11 December 2024 |

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| No. | Training Attended by Director | Presenter/Organiser | Date |
|-------|---|-------------------------------------|-----------------------------------|
| Chew | Liong Kim | | |
| 1 | PETRONAS Board Excellence Program – 7 th Audit Committee Forum | PETRONAS | 22 April 2024 |
| 2 | MAP Part II: LIP | Bursa Malaysia/ICDM | 13-14 May 2024 |
| 3 | MISC Group Directors' Training FY2024 (Session 1) | MISC Berhad | 13 June 2024 |
| 4 | CGM Masterclass Series 2024 – Latest Developments in Climate: Aligned Executive Compensation | CGM | 17 July 2024 |
| 5 | ETS Requirements and Implementation Experiences | AET Tankers | 19 September 2024 |
| 6 | PETRONAS Board Excellence: Global Internal Audit Standards (GIAS) Upskilling Programme | PETRONAS | 1 October 2024 |
| 7 | MISC Group Directors' Training FY2024 (Session 2) | MISC Berhad | 4 October 2024 |
| 8 | Sustainability Deep-Dive: Scope 3 | PETRONAS | 20 November 2024 |
| 9 | AET Board Training • Global Minimum Tax • Internal Carbon Pricing | AET Tankers | 11 December 2024 |
| Datin | Norazah Mohamed Razali | | |
| 1 | ICDM Power Talk: Future-Proofing Malaysian Businesses – Navigating Cyber-Threats in the Age of Artificial Intelligence (AI) and Thriving in a Risk Landscape | ICDM | 11 March 2024 |
| 2 | Global Outlook for Anti-Money Laundering & Counter Financing of Terrorism (AMLCFT) and Targeted Financial Sanctions (TFS) | Permodalan Nasional Berhad (PNB) | 29 April 2024 |
| 3 | Essential Financial Skills for Board Members | Financial Times | 6 May 2024 (Course Completion) |
| 4 | PNB Knowledge Sharing: Market Ambiguities and Risks – Insights and Opportunities in the Current Economic Climate | PNB/ABRDN | 4 June 2024 |
| 5 | MISC Group Directors' Training FY2024 (Session 1) | MISC Berhad | 13 June 2024 |
| 6 | MAP Part II: LIP | Bursa Malaysia/ICDM | 24-25 June 2024 |
| 7 | PNB Knowledge Forum 2024: Navigating the Threads of Economic Relatedness | PNB Research Institute | 4 July 2024 |
| 8 | ICDM PowerTalk: Navigating Directorship – Legal Consequences, Responsibilities and Risks in the Office | ICDM | 12 July 2024 |
| 9 | PNB Tea Talk Session on Cyber Security | PNB | 19 August 2024 |
| 10 | Sime Darby Property: Pre-Board Strategy Engagement Session • Macro-Economic Outlook • Industrial and Logistics Research • Empowering the Future with Generative AI • Fireside Chat on Customer Experience | Sime Darby Property Berhad | 19 September 2024 |

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| No. | Training Attended by Director | Presenter/Organiser | Date |
|-------|--|---|-------------------------|
| | Norazah Mohamed Razali (cont'd) | | |
| 11 | ICDM PowerTalk: How Can Boards Make the Most of Blockchain and Digital Assets | ICDM | 20 September 2024 |
| 12 | Sime Darby Property Board and Senior Management Training: Board Level Cybersecurity Workshop | Sime Darby Property Berhad | 3 October 2024 |
| 13 | MISC Group Directors' Training FY2024 (Session 2) | MISC Berhad | 4 October 2024 |
| 14 | PNB Cyber Day 2024 | PNB | 10 October 2024 |
| 15 | PNB Board and Senior Management Offsite: AHAM Capital - Building a Great Asset Management Distribution Business McKinsey & Co – Al | PNB | 28 November 2024 |
| Dato' | Tengku Marina Tunku Annuar | | |
| 1 | Future Proofing Your Business - What You Need to Know About the "S" in ESG | ASB | 6 March 2024 |
| 2 | Boardroom Dynamics in Climate Talks | Russell Reynolds Associates Singapore | 17 April 2024 |
| 3 | Engaging in Corporate Climate Advocacy: Developing an Advocacy Strategy | United Nations Global Compact (UNGC UK) | 17 April 2024 |
| 4 | Is Your Organisation Ready for the Taskforce on Nature-related Financial Disclosures (TNFD)? How Resilient is Your Business to Nature and Biodiversity Loss? | ICDM | 14 May 2024 |
| 5 | Climate Risk Disclosure - What Do I Need to Report and Where Do I Start | Raj EcoOnline | 23 May 2024 |
| 6 | MISC Group Directors' Training FY2024 (Session 1) | MISC Berhad | 13 June 2024 |
| 7 | Insights Across Borders: Thriving in the Bermuda Triangle of Technology, Risk and Talent | ICDM | 1 August 2024 |
| 8 | People and Culture Conference 2024 | Malaysian Institute of Development for Professionals (MIDP) | 6-7 August 2024 |
| 9 | Distinguished Board Leadership Series 2024: Digital Transformation in World's Best Bank | ASB | 3 September 2024 |
| 10 | National Climate Governance Summit 2024 | CGM | 10-12 September 2024 |
| 11 | Cybersecurity Oversight: Board Responsibilities in Light of the Cybersecurity Bill 2024 | KPMG Malaysia | 11 September 2024 |
| 12 | ETS Requirements and Implementation Experiences | AET Tankers | 19 September 2024 |
| 13 | MISC Group Directors' Training FY2024 (Session 2) | MISC Berhad | 4 October 2024 |

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| Dato' 14 15 | Tengku Marina Tunku Annuar (cont'd) | | |
|--------------------------|--|--|-------------------|
| | | | |
| 15 | KPMG Symposium: Beyond ESG | KPMG Malaysia | 7 October 2024 |
| | Sustainability Deep-Dive: Scope 3 | PETRONAS | 20 November 2024 |
| 16 | Sustainability and Risk Management Masterclass | SP Setia | 29 November 2024 |
| 17 | Green@Work Leadership Summit | ASB | 4 December 2024 |
| Moha | mmad Suhaimi Mohd Yasin | | |
| 1 | PETRONAS Board Excellence Program – 7 th Audit Committee Forum | PETRONAS | 22 April 2024 |
| 2 | MISC Group Directors Training FY2024 (Session 1) | MISC Berhad | 13 June 2024 |
| 3 | MAP Part II: LIP | Bursa Malaysia/ICDM | 24-25 June 2024 |
| 4 | CGM Masterclass Series 2024 – Latest Developments in Climate: Aligned Executive Compensation | CGM | 17 July 2024 |
| 5 | ETS Requirements and Implementation Experiences | AET Tankers | 19 September 2024 |
| 6 | PETRONAS Board Excellence: GIAS Upskilling Programme | PETRONAS | 1 October 2024 |
| 7 | MISC Group Directors' Training FY2024 (Session 2) | MISC Berhad | 4 October 2024 |
| 8 | Board Ethics: Growing Concern from New Technology, Stakeholders' Interests and Conflict of Interest | Bursa Malaysia/ICDM | 16 October 2024 |
| 9 | AET Board Training Global Minimum Tax Internal Carbon Pricing | AET Tankers | 11 December 2024 |
| Liza N | 1 ustapha | | |
| 1 | Unveiling the Madani Economy: Empowering Malaysia's Future | CHK Consultancy Sdn. Bhd. | 5 January 2024 |
| 2 | Offshore Technology Conference Asia - Strategic Panel Session 6: Current Investments and Future Financing (Speaker) | PETRONAS | 1 March 2024 |
| 3 | CERAWeek 2024 (Speaker) | S&P Global | 18-22 March 2024 |
| 4 | PETRONAS Board Excellence Program – 7 th Audit Committee Forum | PETRONAS | 22 April 2024 |
| 5 | MAP Part II: LIP | Bursa Malaysia/ICDM | 13-14 May 2024 |
| 6 | Senior Management Basic Offshore Safety Induction and Emergency Training (SM-BOSIET) 1 Day Training | Falcon Safety Services Sdn. Bhd. | 16 May 2024 |
| 7 | Basic H2S Training 9014 (OPITO – approved Standard) | Falcon Safety Services Sdn. Bhd. | 12 June 2024 |
| 8 | MISC Group Directors' Training FY2024 (Session 1) | MISC Berhad | 13 June 2024 |
| 9 | WBCSD CFO Network Tokyo Roundtable @ Nomura Research Institute | World Business Council for Sustainable Development (WBCSD) | 1 July 2024 |
| 10 | PETRONAS Business Immersion and Leadership Development Program | Standford Business | 14-17 July 2024 |

Corporate Governance Overview Statement

| No. | Training Attended by Director | Presenter/Organiser | Date |
|--------|--|--|------------------------|
| Liza N | lustapha (cont'd) | | |
| 11 | Multi Stakeholder Dialogue@P50 for Energy Asia 2025 | PETRONAS | 24 August 2024 |
| 12 | KLCC In-House Training - Global Internal Audit Standards | KLCCH | 28 August 2024 |
| 13 | MISC Group Directors' Training FY2024 (Session 2) | MISC Berhad | 4 October 2024 |
| Wan S | ihamilah Wan Muhammad Saidi | | |
| 1 | CERAWeek Conference | S&P Global | 18-22 March 2024 |
| 2 | PETRONAS Board Excellence Program – 7 th Audit Committee Forum | PETRONAS | 22 April 2024 |
| 3 | PETRONAS Top Leaders Dialogue 2024 Optimising Leadership Resilience for Sustainability Crisis Management | PETRONAS | 27 May 2024 |
| 4 | MISC Group Directors' Training FY2024 (Session 1) | MISC Berhad | 13 June 2024 |
| 5 | Offshore Safety Training (SM BOSIET) | Falcon Safety Services Sdn. Bhd. | 20 June 2024 |
| 6 | CGM Masterclass Series 2024 – Latest Developments in Climate: Aligned Executive Compensation | CGM | 17 July 2024 |
| 7 | MAP Part II: LIP | Bursa Malaysia /ICDM | 26-27 August 2024 |
| 8 | PETRONAS Board Excellence: GIAS Upskilling Programme | PETRONAS | 1 October 2024 |
| 9 | MISC Group Directors' Training FY2024 (Session 2) | MISC Berhad | 4 October 2024 |
| Datuk | Adif Zulkifli | | |
| 1 | Offshore Technology Conference Asia: Leadership Dialogue - Excellence in Asia: Energising Now and for the Future (Speaker) | PETRONAS | 27 February 2024 |
| 2 | 48 th IPA Convention 2024 | Indonesian Petroleum Association (IPA) | 14-16 May 2024 |
| 3 | ASCOPE: Leadership Forum | ASEAN Council on Petroleum (ASCOPE) | 27-28 May 2024 |
| 4 | MISC Group Directors' Training FY2024 (Session 2) | MISC Berhad | 4 October 2024 |
| 5 | PIVA North America Emerging Tech Day | PIVA Capital | 12-14 November 2024 |
| 6 | Malaysia-China Summit 2024 Leadership Conference (Speaker) | Qube Integrated Malaysia Sdn. Bhd./Malaysia International Trade and Exhibition Centre (MITEC) | 18 December 2024 |

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| No. | Training Attended by Director | Presenter/Organiser | Date |
|-------|---|--|------------------------|
| Zahid | Osman | | |
| 1 | Singapore Maritime Week 2024 | Maritime and Port Authority of Singapore (MPA) | 15-19 April 2024 |
| 2 | Posidonia 2024 – The International Shipping Exhibition | Posidonia Exhibitions S.A. | 3-7 June 2024 |
| 3 | MISC Group Directors' Training FY2024 (Session 1) | MISC Berhad | 13 June 2024 |
| 4 | MISC Group Directors' Training FY2024 (Session 2) | MISC Berhad | 4 October 2024 |
| 5 | MISC HSSE Partners Summit 2024 | MISC Berhad | 9 October 2024 |
| б | Global Maritime Forum Annual Summit 2024 | Global Maritime Forum | 15-17 October 2024 |
| 7 | Code of Conduct and Business Ethics (CoBE) E-Learning | MISC Berhad | October 2024 |
| 8 | Abu Dhabi International Petroleum Exhibition and Conference 2024 (ADIPEC) | dmg events | 4-6 November 2024 |
| 9 | MAP Part I | Bursa Malaysia/ICDM | 11-12 November 2024 |
| 10 | North Field Expansion Project Shipping Safety Summit and Project Exhibition | QatarEnergy LNG | 17-18 November 2024 |

SUSTAINABILITY

MISC's sustainability governance is key to ensuring that sustainability principles are embedded into our business strategy, decision-making processes and operations. The Board sit at the apex of our sustainability governance structure and maintain strict oversight of the Group's sustainability strategy and performance. The BSRC provides focused oversight on the effective implementation of the sustainability strategy. With regard to the sustainability agenda, the Board and BSRC are supported by the ELT and Sustainability Team under the Group Strategy & Sustainability Division.

(🔘) For more information on MISC's sustainability initiatives in 2024, please refer to the MISC Sustainability Report 2024.

ETHICS AND COMPLIANCE

MISC observes its own Code of Conduct and Business Ethics (CoBE), including the Whistleblowing Policy and No Gift Policy. The CoBE is applicable to the Company, its Directors, employees and third parties performing work or services for and on behalf of the Company. It governs the desired standards of behaviour and ethical conduct expected from each individual to whom the CoBE applies. The MISC Anti-Bribery and Corruption Manual also serves to guide the Company in relation to such matters. Policies in relation to compliance to Critical Legal Areas (CLA) are in place:

- Corporate Privacy Policy and its Master Guidelines
- Sanctions and Export Control Guidelines
- Competition Guidelines and its Protocols on Meetings & Information Sharing and Merger & Acquisition Transactions

A Whistleblowing structure to review and manage any whistleblowing reports is in place, which includes a whistleblowing policy and management process. The Board, through the BAC, reviews the adequacy and effectiveness of the established whistleblowing management policy and procedure on a quarterly basis.

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Appended below are MISC's ethics and compliance initiatives in 2024:

Governance/Policies/Procedures

• Four (4) CLA-related Governance documents revised

Revised Procedures

- Anti-Bribery and Corruption Manual
- Master Guidelines to the Corporate Privacy Policy
- CoBE Country Supplement: Brazil
- Integrity Management System Manual
- MISC Berhad's Regulatory & Legislation Register 2024 updated newly identified applicable laws and regulations (Malaysia, Singapore, Brazil, and United Kingdom categories)
- Advisories and reviews of compliance clauses related to CLAs
- MISC Group Compliance and Ethics Survey launched

Communication/Awareness/Training

- Maritime Anti-Corruption Network (MACN) Seminar & Networking Reception's CEO Panel (featuring Zahid Osman, President & Group CEO as one of the panel speakers) – Tackling Corruption in the Port & Maritime Sector: Learnings from Malaysia
- Four (4) See.Speak.Support Awareness Sessions
- No to Sexual Harassment: Towards a Safe & Secure Workplace
- Personal Data Protection Communicating and Transacting in Cyberspace: Risk and Implications
- Mind Over Matter: Overcoming Burnout and Stress
- Lessons on Integrity: Offence by Commercial Organisation
- Thirteen (13) bite-sized communications
- One (1) CLA e-learning modules for employees, and four (4) for Board members
 - Annual CoBE Training for Third Parties
 - CoBE Refresher Training for MISC Board members and employees
 - CoBE Trainings for new employees during HR onboarding programme
 - Trainings on CLA (including e-learning modules)
 - Anti-Bribery & Corruption Manual
 - Third Party Compliance Due Diligence in MISC
 - Sanctions
 - Personal Data Protection
 - Export Control
 - Competition Law
 - Human Rights Management
- Integrity Time-Out Sessions and Compliance/Integrity Moment Sharing Session initiatives implemented

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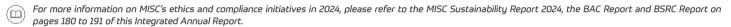
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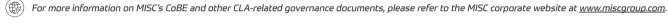
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Monitoring & Assurance

- MISC Group (MISC Berhad, MISC Marine, AET, MHB, and ALAM) achieved 100% compliance in the CLA Functional Checklist as part of its first line assurance activities through the PETRONAS' myAssurance
- . MISC Group maintained its ISO 37001:2016 Anti-Bribery Management System certification where MISC Berhad completed its second recertification audit in November 2024
- MISC Group has completed its annual review of the Briberu and Corruption Risk Assessment, including a thorough analysis and update of the Bribery and Corruption risk exposures and mitigations
- Conflict of Interest (COI) Management where the annual COI declaration for employees was rolled out and any potential COI identified risks properly mitigated
- Management of MISC Berhad's Whistleblowing Channels and cases
- · Monitoring status of compliance and quarterly reporting of breaches to the relevant laws and regulations embedded into the MISC's Enterprise Risk Management (ERM) under Legal, Corporate Secretarial and Compliance (LCSC) Risk Register - Risk Event: Compliance to Rules, Regulations, and Governance
- Third Party Risk Management (TPRM) Compliance due diligence on third parties has been implemented
- · Quarterly reporting to BSRC on the implementation status, and the adequacy and effectiveness of MISC's compliance and ethics programme, and to BAC on the adequacy and effectiveness of the established whistleblowing management policy and procedure
- Automation and digitalisation of the Compliance Monitoring and Assurance Activities and TPRM end-to-end process





DIRECTORS' REMUNERATION

The Company aims to set remuneration for Directors at levels which are sufficient to attract and retain persons of calibre to guide the Group, taking into consideration the workload and responsibilities involved. The level of remuneration for NEDs reflect the level of responsibilities undertaken and contributions made by them. MISC has adopted a Remuneration Framework for NED, which is based on the PETRONAS Public Listed Companies Non-Executive Directors' Guidelines and Remuneration Package. The fee framework is illustrated below:



* Only for eligible Non-Executive Directors with special experience and skills which are critical to the Company's business

At the end of 2024, a review of the NED fees was undertaken to align the Company's NED fee structure with the current NED fee structure of PETRONAS Public Listed Companies. The Board had recommended the revision of monthlu fees and no change to the meeting allowance rate. The proposed Director fees from the 56th Annual General Meeting (AGM) to the 57th AGM, based on the revised fee structure will be tabled for shareholders' approval at the 56th AGM. The revised fee structure of NEDs of MISC is set out in the MISC Integrated Annual Report 2024 under the BNRC Report.

Fees in respect of the Non-Independent Non-Executive Directors (NINEDs) are paid directly to PETRONAS instead of the individual Directors.

For more information on the Remuneration Framework for Non-Executive Directors of MISC Berhad, please refer to the MISC corporate website at www.miscgroup.com.

Corporate Governance Overview Statement

For the financial year ended 31 December 2024, details of the Directors' remuneration (excluding the President & Group CEO) are as follows:

| Name of Director | (Inclusive of A | ors' Fees Annual Fees and Allowance) | Benefits-in-kind | Total | |
|--|--------------------------------------|--|------------------|--------------|--|
| | By MISC By Subsidiaries (RM) (RM) | | - (RM) | (RM) | |
| Datuk Abu Huraira Abu Yazid | 278,500.00 | 296,279.00 | 37,150.00 | 611,929.00 | |
| Chew Liong Kim (1) | 204,000.00 | - | 6,000.00 | 210,000.00 | |
| Datin Norazah Mohamed Razali | 221,500.00 | - | 6,000.00 | 227,500.00 | |
| Dato' Tengku Marina Tunku Annuar | 221,500.00 | - | 6,000.00 | 227,500.00 | |
| Mohammad Suhaimi Mohd Yasin | 204,000.00 | 289,000.00 | 6,000.00 | 499,000.00 | |
| Liza Mustapha ⁽²⁾ | 151,500.00 | - | - | 151,500.00 | |
| Wan Shamilah Wan Muhammad Saidi (2) | 197,000.00 | - | - | 197,000.00 | |
| Datuk Adif Zulkifli ⁽²⁾⁽³⁾ | 54,000.00 | - | - | 54,000.00 | |
| Dato' K Sekhar S Krishnan ⁽⁴⁾ | 4,516.00 | - | 250.00 | 4,766.00 | |
| Dato' Ab. Halim Mohyiddin (4) | 4,516.00 | - | 250.00 | 4,766.00 | |
| Total | 1,541,032.00 | 585,279.00 | 61,650.00 | 2,187,961.00 | |

⁽¹⁾ Re-designated as Senior INED and subsequently appointed as Chairman of BAC and member of BSRC on 15 January 2024

During the year under review, the former President & Group CEO of MISC, Captain Rajalingam Subramaniam, and the current President & Group CEO of MISC, Zahid Osman, received a total remuneration of RM10,301,039.00 in salary, other emoluments and benefits-in-kind. As an Executive Director, the President & Group CEO is not entitled to Directors' fees or any meeting attendance allowance.

🕮 For more information on the remuneration structure for MISC's Directors, please refer to the BNRC Report on pages 173 to 179 of this Integrated Annual Report.

Fees paid to PETRONAS

⁽³⁾ Appointed as NINED on 1 September 2024

⁽⁴⁾ Retired as INED on 15 January 2024

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PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT

BOARD AUDIT COMMITTEE (BAC)

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The BAC was established with the objective of assisting the Board in fulfilling its responsibilities primarily relating to financial management, financial accounting, and internal control systems of the Group. The BAC also monitors the whistleblowing management process and assesses the suitability, objectivity and independence of both the external and internal audit functions, including the performance evaluation and remuneration of the Head of Group Internal Audit (GIA) in consultation with the President & Group CEO. All members of the BAC are financially literate, competent and are able to scrutinise the Company's financial reporting process, transactions and financial information.

(CD) For more information on the BAC and how it has met its responsibilities in 2024, please refer to the BAC Report on pages 180 to 186 of this Integrated Annual Report.

BOARD SUSTAINABILITY & RISK COMMITTEE (BSRC)

The BSRC was established to serve as a sounding board to Management and to perform deep dives into and challenge on risk matters. In addition to matters pertaining to risk management, the scope of the BSRC also encompasses sustainability, governance, compliance and ethics, and health, safety, security and environment (HSSE).

(CD) For more information on the BSRC and how it has met its responsibilities in 2024, please refer to the BSRC Report on pages 187 to 191 of this Integrated Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board acknowledges its overall responsibility for continuous maintenance of a sound risk management framework and internal controls to safeguard shareholders' investment and the Group's assets. Over and above the quarterly review by the BSRC on risk events, relevant risk appetite and mitigation measures at the enterprise level, the Board reviews the status of risk management activities and the updated Risk Register. The Board also ensures that all relevant project and investment risks, including the mitigation measures, are deliberated when making such decisions. Such Project Risk Assessments encompass, amongst others, project execution risks, contract management risks, counter-party risks, operations risks, country risks, and financial risks.

When reviewing the adequacy and integrity of the Company's internal control systems, the Board (via the BAC) reviewed the reports on Related Party Transactions, Conflict of Interest oversight, Whistleblowing cases and the enhanced management processes relating thereto and improvements to internal controls as highlighted by GIA.

For more information on MISC's risk management and internal control frameworks, please refer to the BAC Report, the BSRC Report, and the Statement on Risk Management and Internal Control on pages 180 to 186, 187 to 191, and 192 to 208 respectively of this Integrated Annual Report.

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PRINCIPLE (C) INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

INVESTOR RELATIONS AND ENGAGEMENT WITH STAKEHOLDERS

The Board values its dialogue with the investing community, including both the institutional shareholders and private investors, to enhance investors' understanding of the Group. MISC aims to continuously build and maintain transparent communication with its shareholders, potential investors and the investing community. Through the MISC Group Investor Relations programme, MISC is committed to uphold best practices in CG and ensure timely and equal dissemination of material information to its stakeholders.

In 2024, MISC used the following channels/forums to communicate and engage with its stakeholders:

- MISC Annual General Meeting
- Quarterly financial reports
- MISC Integrated Annual Report
- Announcements on major developments to Bursa Securities
- MISC corporate website at <u>www.miscgroup.com</u>
- Analyst briefings following the announcement of guarterly financial reports
- Site visits
- Industry forums/conference
- Investing community engagement programs and initiatives
- (🔘 For more information on MISC's engagement with stakeholders in 2024, please refer to the MISC Sustainability Report 2024.

INTEGRATED REPORTING

MISC has adopted integrated reporting based on a globally recognised framework with a view of helping our stakeholders understand how MISC creates value and to promote greater transparency and accountability on the part of the Company, in line with the MCCG. The adoption of integrated reporting has been implemented on staggered basis since 2017 and the MISC Integrated Annual Report 2020 was our first integrated report. The MISC Integrated Annual Report 2024 is based on the International <IR> Framework 2021.

CONDUCT OF AGM

The MISC AGM is the principal forum for dialogue and an avenue for the Chairman and Board members to interact with the shareholders. The Chairman plays a pivotal role in accommodating constructive dialogue between shareholders and the Board. The shareholders are strongly encouraged to attend, participate, speak and vote at the Company's AGM, and all queries posed to the Board prior to and during the AGM are responded to accordingly.

From 2020 until 2024, MISC has hosted its AGMs virtually, leveraging on technology to facilitate voting in absentia and remote shareholders' participation at the AGM. The following are some of the measures taken by MISC to encourage attendance and participation from the shareholders at the virtual AGM:

- Comprehensive Administrative Notes were circulated to shareholders to facilitate remote participation and e-Voting, including a dedicated contact number and e-mail address for any requests for technical assistance to participate in the AGM;
- Electronic lodgement of Proxy Forms was enabled;
- The AGM proceedings was broadcasted live via a web portal and mobile application;
- The President & Group CEO presented highlights of MISC Group's performance at the AGM;
- · Questions raised by the Minority Shareholders Watch Group (MSWG) prior to the AGM were shared with the shareholders during the AGM proceedings together with the Company's responses thereto:
- Electronic submission of questions by shareholders either via e-mail prior to the AGM proceedings, or via the virtual AGM platform during the AGM proceedings was enabled;
- During the AGM proceedings, questions from shareholders were displayed via the virtual AGM platform as the Board Chairman and/or President & Group CEO addressed them; and
- After the AGM, the list of questions and answers are published on the MISC corporate website at <u>www.miscqroup.com</u>.

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Corporate Governance Overview Statement

The AGM is scheduled in advance of any new financial year to facilitate Board members to plan and fit the year's AGM into their schedules. In 2024, all eight (8) Board members attended the AGM and members of the then Management Committee and the Group's External Auditors were in attendance to respond to any questions from the shareholders. The Notice of AGM is issued at least 28 days prior to the AGM, as recommended by the MCCG. Voting at the AGM is conducted via electronic polling, in compliance with the MMLR. The polling process is explained clearly during the AGM to ensure a smooth and pleasant voting experience by the shareholders. Poll results are verified by appointed independent scrutineers prior to the Chairman's announcement of the outcome. The AGM minutes is made available within 30 days after the AGM on the MISC corporate website at www.miscgroup.com.

AWARDS AND ACCOLADES

In 2024, MISC was honoured with the Industry Excellence Award (Transportation & Logistics) at the MSWG's National CG & Sustainability Awards (NACGSA) 2024. At The Edge ESG Awards 2024, MISC also received the Silver Award under the Transportation & Logistics Sector. These accolades are a testament of MISC's continuous commitment to enhancing sustainable shareholder value and protecting stakeholders' interests through sound CG and sustainable practices.

This CG Overview Statement is made in accordance with the resolution of the Board of Directors passed on 20 February 2025.

Board Nomination & Remuneration Committee Report

Dear Valued Shareholders,

SECTION 12: GOVERNANCE

The Committee places strong emphasis on leadership continuity by diligently reviewing succession planning for Directors and Senior Management, ensuring that leadership transitions are not only strategic but align seamlessly with the Group's vision and long-term goals. In addition, we facilitate Board induction and oversee training programmes, thereby, strengthening Board capabilities while reinforcing our commitment to good governance. We also ensure effective remuneration policies to align with key strategic priorities and remain competitive.



DATO' TENGKU MARINA TUNKU ANNUAR

Chairperson

Board Nomination & Remuneration Committee

On 1 January 2013, the Nomination Committee and Remuneration Committee were combined to form the Nomination and Remuneration Committee. Subsequently, the Committee was renamed as Board Nomination & Remuneration Committee (BNRC) effective 1 May 2023.

This report provides Shareholders with insights into the BNRC's activities throughout the year under review. It further explains the manner in which the BNRC discharged its functions for the Group.

COMPOSITION AND MEETING ATTENDANCE

The BNRC comprises three (3) members, all of whom are non-executive with the majority being Independent Directors, which complies with the requirements of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities). The BNRC is chaired by an Independent Director.

As of the date of this report, the composition of the BNRC is as follows:

| Members | Date of Appointment as BNRC Member |
|--|---------------------------------------|
| DATO' TENGKU MARINA TUNKU ANNUAR | |
| Chairperson | 1 September 2023 |
| Independent Non-Executive Director | |
| DATIN NORAZAH MOHAMED RAZALI | |
| Member | 1 January 2022 |
| Independent Non-Executive Director | |
| WAN SHAMILAH WAN MUHAMMAD SAIDI | |
| Member | 1 May 2023 |
| Non-Independent Non-Executive Director | |

The BNRC met ten (10) times in 2024. Details of each BNRC member's attendance are set out in the Corporate Governance Overview Statement.

The President & Group CEO attends the BNRC meetings to facilitate discussions, as well as to provide the appropriate information and advice on relevant matters for the BNRC.

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Board Nomination & Remuneration Committee Report

BNRC meetings, together with the tentative agendas, are scheduled in advance of any new financial year to allow the BNRC members to plan ahead and incorporate the year's meetings into their respective schedules. The agenda and meeting papers are distributed to the BNRC members via a secured collaborative software, which eases the process of distribution of meeting papers and minimises leakage of sensitive information, as well as enabling the Directors to have full access to the papers electronically at any given time. This practice is also consistent with the Board's and Companu's commitment to sustainable practices.

All proceedings of the BNRC meetings are duly recorded in the minutes and are properly kept by the Company Secretary.

TERMS OF REFERENCE

The BNRC is governed by its own Terms of Reference (TOR), which is consistent with the requirements of the MMLR and best practices of the MCCG.



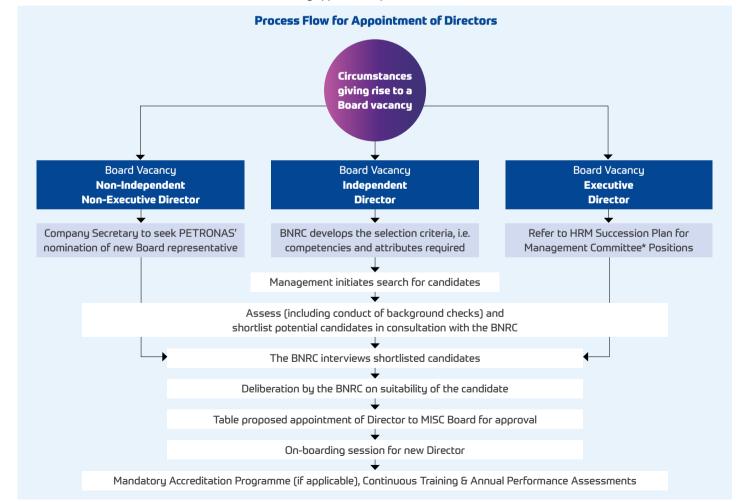
(Ref.) For more information on the BNRC's TOR, please refer to the MISC corporate website at www.miscgroup.com.

FUNCTIONS OF THE BNRC AND RELATED ACTIVITIES IN 2024

i. Board Membership - Appointment/Re-election of Directors and Succession Planning

The BNRC has the responsibility of ensuring appropriate succession planning of Directors and reviewing the Board's required mix of skills and experience, which includes reviewing the tenure of Independent Directors on the Board and proposals for re-appointment or re-election.

The nomination of new Directors adheres to the following appointment process:



Effective 1 January 2025, the Executive Leadership Team (ELT) has been established to replace the Management Committee (MC). Consequently, where applicable, any references to the MC in this report will refer to the ELT.

Board Nomination & Remuneration Committee Report

In sourcing for suitable candidates, the Company utilises a variety of approaches and sources, including referrals from existing Directors, independent search firms and/or other sources. The nomination of Non-Independent Non-Executive Directors (NINEDs) to the Board is made by PETRONAS, being the major shareholder of the Company.

The potential candidates to assume the role of Independent Non-Executive Directors (INEDs) are first tabled to the BNRC for consideration and evaluated based on merit as well as suitability with the Company's objectives and required attributes. Pursuant to the MISC Directors' Fit and Proper Policy, all Directors are required to have the necessary qualities, competencies and experience that allows them to perform their duties and carry out the responsibilities required of the position in the most effective manner.

Prior to the initial appointment or proposed re-election/re-appointment of a Director, the individual concerned is required to complete a Directors' Fit and Proper Declaration Form, which sets out the following overarching criteria: (a) Character and Integrity; (b) Experience and Competence; and (c) Time and Commitment. Diversity in terms of age, gender and ethnicity is also considered during the selection process.



For more information on the MISC Directors' Fit and Proper Policy, please refer to the MISC corporate website at www.miscgroup.com.

In 2024, the composition of the Board underwent notable changes. Dato' Ab. Halim Mohyiddin and Dato' K Sekhar S Krishnan [also a Senior Independent Non-Executive Director (SINED)], retired in January 2024 on completion of their 9-year tenure with the Company. With a sound succession plan in place, the BNRC was able to make positive progress in ensuring seamless reorganisation of the Board Committees' composition and appointment of Mr. Chew Liong Kim as the new SINED following the retirement of the two (2) INEDs. During the year, Captain Rajalingam Subramaniam resigned as Executive Director and President & Group CEO and Encik Zahid Osman was appointed to the position. The BNRC was proactively involved in the transition in leadership at both the Board and Management level. In the second half of 2024, the major shareholder of the Company, namely PETRONAS, nominated Datuk Adif Zulkfili as an additional NINED. In adherence to the Board appointment process, the BNRC had an engagement session with Datuk Adif Zulkifli to communicate the expectations of the Board in terms of contribution and commitment, including time availability.

The BNRC is also responsible for recommending to the Board, Directors who are standing for re-election at the Annual General Meeting (AGM) pursuant to Rules 21.7 and 21.8 of MISC's Constitution. In assessing the Director's eligibility for re-election and/or re-appointment, the BNRC assessed the retiring Directors from the aspects of competencies, commitments, contributions and performance based on the Board Performance Evaluation (BPE) as well as their fitness and propriety in accordance with the Company's Fit and Proper Policy. In 2024, the BNRC with approval from the Board introduced the annual declaration of independence by the INEDs.

At the forthcoming 56th AGM of the Company, the following Directors will be retiring from the Board, and being eligible, have offered themselves for re-election:

Directors retiring pursuant to Rule 21.7

- Datuk Adif Zulkifli
- Encik Zahid Osman

Directors retiring pursuant to Rule 21.8

- Datin Norazah Mohamed Razali
- Encik Mohammad Suhaimi Mohd Yasin

Based on the latest BPE as well as the BNRC's review and assessment of the respective Directors' Fit and Proper Declaration Forms, the BNRC is satisfied with the performance of the abovementioned Directors and, consequently, endorsed their proposed re-elections and recommended the same to the Board for further endorsement and subsequent recommendation to the shareholders for approval at the forthcoming AGM.

At their respective meetings held on 6 February 2025 and 20 February 2025, the BNRC and the Board endorsed and approved the re-election of the aforesaid Directors. The retiring Directors abstained from deliberation and voting in respect of their re-election.

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Board Nomination & Remuneration Committee Report

In line with the MCCG, the Board Charter includes a policy which limits the tenure of INEDs to nine (9) years (without further extension) as well as the Board Diversity Policy. There are currently four (4) female directors in the Company which equates to 44.44% of the overall Board composition.

In cognisance that a majority of the Directors would be approaching mid-term of their 9-year tenure with the Company, the BNRC had recommended the sourcing of an additional INED together with the critical requirements of the candidate, which was approved by the Board in December 2024.



For more information on the MISC Board Charter and Board Diversity Policy, please refer to the MISC corporate website at www.miscgroup.com.

ii. BPE - Board, Board Committees and Individual Directors' Assessment

The BPE is carried out on an annual basis, and as recommended by MCCG, an external independent consultant is appointed once in every three (3) years to conduct the BPE. During the year under review, the performance of the Board and the Board Committees was tracked against the Board KPIs, using a Performance Evaluation Sheet as a tool. The Board KPIs focus on achievements based on three (3) criteria, i.e. Board Structure, Board Operations and Board Roles & Responsibilities. Each Director is required to give Rating '1' for Best Practice, Rating '2' for Meets Requirement or Rating '3' for Areas for Improvement. The final ratings are then reviewed by the BNRC and the Board. The Board evaluation process and the Board Committees' assessment for FY2024 was performed through self-assessment and peer review based on the following areas:

Board and Board Committees Structure Composition Orientation, training and development • Evaluation of the Board Audit Committee, BNRC and Board Sustainability & Risk Committee Independence **Board Operations** Timeliness **Board Performance** Adequacy of information **Evaluation** · Access to Management Conflict of Interest **Board Roles and Responsibilities** Strategic vision Succession planning Risk management and internal controls Investor relations **Board Committees** Effectiveness Discharge of functions, duties and responsibilities in accordance with the TORs.

The BNRC also reviewed and assessed the Individual Directors Performance Assessment (IDPA) Questionnaire for self and peer assessment, which focused on the following areas:

- (i) Fit and proper;
- (ii) Contribution and performance; and
- (iii) Calibre and personality.

There were no adverse findings arising from the BPE and IDPA for FY2024.

Additionally, all INEDs have confirmed and declared that they have fulfilled the criteria of an independent director. Based on the outcome of the BPE, the BNRC was satisfied that all INEDs have fulfilled all independence criteria as set out in Paragraph 1.01 of the MMLR.

Board Nomination & Remuneration Committee Report

iii. Senior Management - Appointment and Succession Planning

The BNRC is responsible for making appropriate recommendations to the Board regarding the appointment or renewal of contracts of employment of the President & Group CEO and Management Committee (MC)* members of the Company, taking into account the strategy and long-term succession planning of the Senior Management composition. Additionally, the BNRC reviewed and provided recommendations on the realignment of the MISC High-Level Organisation Structure to further strengthen focus and accountability at the Group leadership level.

During the year under review, having conducted all relevant reviews and assessments, the BNRC deliberated and recommended the following changes to the MC* composition:

| Zahid Osman | Noridah Khamis |
|--|---|
| Appointed as President & Group CEO | Appointed as General Counsel |
| | |
| Mohd Denny Mohd Isa | Ruzila Idin |
| Appointed as Vice President, MISC Marine | Appointed as Chief Human Resource Officer |

The BNRC also has the responsibility for ensuring appropriate succession planning for MC* members. Below is a brief illustration of the succession planning approach and process adopted by MISC Group:



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Board Nomination & Remuneration Committee Report

iv. Directors' and Senior Management Remuneration

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The Company's policy for remunerating its Directors is based on the PETRONAS Public Listed Companies Non-Executive Directors' Guidelines and Remuneration Package. The existing fee structure of Non-Executive Directors (NEDs) of MISC is as follows:

| | Monthly Fees | Meeting Allowance per Attendance | | | | |
|----------|--------------|----------------------------------|--------------------------|---|--|--|
| | | Board | Board Audit Committee | Board Nomination & Remuneration Committee | Board Sustainability & Risk Committee | |
| Chairman | RM20,000 | DM2 E00 | RM3.500 | RM3.500 | DM2 F00 | |
| Member | RM10,000 | RM3,500 | KI*I5,500 | KM3,500 | RM3,500 | |

INEDs are entitled to fuel allowance of RM6,000 per annum and Directors' and Officers' Insurance coverage of up to RM1.29 billion per occurrence and in the aggregate. The Chairman is also entitled to a company car and driver allowance of RM31,150 per annum.

The fees and allowances for NEDs are determined by the Board and are subject to the approval of the shareholders of MISC. The breakdown of the detailed Directors' fees paid during the year under review is disclosed in the Corporate Governance Overview Statement on pages 168 to 169 of this Integrated Annual Report.

The Directors' fees and meeting allowances for NINEDs, who are employees of PETRONAS, are paid directly to PETRONAS. The presence and participation of the NINEDs, who are employees of PETRONAS, give the Board a deeper insight into PETRONAS' operations and direction.

The remuneration package for the Executive Director of MISC is balanced between fixed and performance-linked elements. A portion of the Executive Director's remuneration package is variable in nature and is KPI-based, which includes the Group's performance. An Executive Director is not entitled to receive Directors' fees or meeting allowance.

The existing fee structure for NEDs has remained unchanged since it was approved at the 49th AGM held on 27 April 2018. Recognising the need to stau competitive and fair. Management initiated a review of the fees to align the Company's NED fee structure with the current fee structure of PETRONAS Public Listed Companies. This review was essential to ensure that the compensation offered to NEDs reflects current standards and commensurate with the responsibilities the Directors undertake.

In December 2024, after thorough consideration, the Board recommended a revision of the monthly fees for NEDs, while maintaining the current meeting allowance. This decision was made to balance the need for competitive compensation with the financial prudence expected bu shareholders.

The proposed Director fees will be applicable from the 56th to the 57th AGM. These proposed fees will be presented for shareholders' approval at the forthcoming 56th AGM.

v. Company and President & Group CEO Performance Appraisal

The Company's performance against the FY2024 Balanced Scorecard was deliberated by the BNRC. The performance appraisal covered the following scorecard dimensions, whereby specific ratings were given to each dimension based on "Minimum", "Base" or "Stretch" achievements:

| Financial | Strategic Initiatives | Operations | Health, Safety, Security and Environment | People Development & Ethics |
|-----------|-----------------------|------------|--|--------------------------------|
|-----------|-----------------------|------------|--|--------------------------------|

Based on the Company's performance against the FY2024 Balanced Scorecard, the BNRC also deliberated on the individual performance of the President & Group CEO of the Company for FY2024 and made the appropriate recommendations to the Board for approval.

Board Nomination & Remuneration Committee Report

vi. Directors' Training

The BNRC recognizes the critical importance of continuing training and development of the Directors to ensure that they are well-equipped with the necessary skills and knowledge. Throughout the year under review, the BNRC played a pivotal role in assisting the Board by evaluating and reviewing a range of training topics. These topics were specifically curated to ensure that Directors remain up to date with current issues and are equipped with the relevant knowledge to effectively discharge their roles. This commitment to continuous learning ensures that the Board can navigate the complexities of the business environment and make informed decisions that contribute to the long-term success of the Company.

For more information on the training(s) attended by the Directors, please refer to pages 160 to 166 of the Corporate Governance Overview Statement of this Integrated Annual Report.

SUMMARY OF THE BNRC'S WORK IN 2024

Board Membership

- · Reviewed and recommended matters relating to the appointment, re-appointment and/or re-election of Directors, including revisions to the Director's Service Contract.
- Reviewed and endorsed the revised delegation of authority for nomination of Directors in subsidiary and associate companies.

Succession Planning

- Reviewed and endorsed the composition of MISC Board and Board Committees.
- Reviewed and endorsed changes of the CEO, MC* and other critical positions, as well as realignment of MISC High Level Organisation

Performance Management and Remuneration

- Reviewed and endorsed the Group's FY2023 Balanced Scorecard (BSC) results and the FY2025 BSC.
- Reviewed and endorsed the Performance Bonus for appraisal year 2023, annual salary increment and adjustment and revisions to bonus framework.
- Reviewed the remuneration structure for the Board.
- Reviewed and endorsed the results of the Organisational Culture Survey 2023.
- Reviewed the transformation plan for Human Resource (HR).

Board Performance Evaluation

- Reviewed and endorsed the outcome and implementation of comprehensive improvement plans following the Board Effectiveness
- Reviewed and endorsed the Board KPIs for FY2025 and revisions to the performance evaluation questionnaires.

Training and Development

Reviewed and endorsed topics for the bi-annual MISC Group Directors' Training in FY2024.

Reviewed and endorsed the disclosures in the BNRC Report for the 2023 Integrated Annual Report.

FOCUS AREAS FOR 2025

The BNRC will continue to provide oversight of the matters under its purview. The key focus areas for 2025 would include, among others, the transformation plan of HR function for better alignment with the Company's strategic goals and business needs. The plan aims to achieve several desired outcomes, including operational efficiency, an HR operating model that is fit for purpose, an integrated HR system and enhanced HR capabilities.

Furthermore, the BNRC is firmly committed to adopting best practices, upholding corporate governance standards and ensuring that leadership transitions are smooth, strategic, and aligned with the Company's overall vision. The succession planning strategy, together with a comprehensive talent development plan, safeguards leadership continuity and ensures the Company's leadership remains strong, dynamic, and capable of steering the organisation toward a sustainable future.

DATO' TENGKU MARINA TUNKU ANNUAR

Chairperson

Board Nomination & Remuneration Committee

MISC REPHAN **SECTION 12: GOVERNANCE**

www.miscocouo.com

Board Audit Committee Report

Board Audit Committee Report

INTEGRATED ANNUAL REPORT 2024



Dear Valued Shareholders,

The Committee supports the Board in fulfilling its oversight responsibilities by ensuring the integritu of financial reporting, evaluating the effectiveness of risk management and internal controls, and addressing ethics and compliance matters. To accomplish this, we assess the independence and quality of the external auditor, monitor the performance of the internal audit function, and conduct onsite visits including to assets under construction, to evaluate risks and explore opportunities. Additionally, we are committed to strengthening climate-related disclosures in our financial reporting to improve transparency and accountability.



CHEW LIONG KIM

Chairman Board Audit Committee

The Board Audit Committee (BAC) was established with the objective of assisting the Board in an oversight role to help ensure effective financial management, financial accounting, internal control systems, whistleblowing policy and management process of the Group.

COMPOSITION AND MEETING ATTENDANCE

The BAC comprises three (3) members, the majority of whom are Independent Non-Executive Directors (INEDs) of the Company. The current composition of the BAC and qualifications of its members comply with Paragraph 15.09(1) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities) which requires at least one (1) member of the BAC to be a qualified accountant.

As at the date of this report, the composition of the BAC is as follows:

| Members | Date of Appointment as BAC Member |
|---|--------------------------------------|
| CHEW LIONG KIM | 1 January 2022 |
| Chairman | (Re-designated as Chairman |
| Senior Independent Non-Executive Director | on 15 January 2024) |
| MOHAMMAD SUHAIMI MOHD YASIN | |
| Member | 15 January 2024 |
| Independent Non-Executive Director | |
| WAN SHAMILAH WAN MUHAMMAD SAIDI | |
| Member | 15 January 2024 |
| Non-Independent Non-Executive Director | |

The BAC Chairman, Chew Liong Kim and the member of BAC, Wan Shamilah Wan Muhammad Saidi are qualified accountants. Chew Liong Kim is a member of the Malaysian Institute of Accountants (MIA) and a Fellow Chartered Accountant of the Chartered Accountants Australia and New Zealand. Wan Shamilah Wan Muhammad Saidi is a Fellow of Institute of Chartered Accountants in England & Wales and a member of MIA.

CHEW LIONG KIM MOHAMMAD SUHAIMI WAN SHAMILAH WAN MOHD YASIN MUHAMMAD SAIDI Number of meetings Number of meetings Number of meetings attended in FY2024 attended in FY2024 attended in FY2024 5/5 4/5

The BAC met five (5) times in FY2024. Details of each BAC member's attendance are as follows:

The President & Group CEO is invited to attend the BAC meetings to facilitate discussions, as well as to provide explanation on audit issues, financials, internal controls as well as other matters within the BAC's Terms of Reference (TOR). The Group Chief Audit Executive, Group Internal Audit (GIA) of PETRONAS or her representative and the Head, GIA of MISC are also invited to the BAC meetings, together with the relevant management personnel, to observe the proceedings and provide clarification on any relevant internal audit reports tabled to the BAC. The external auditors are invited to present their audit plan, audit results and other relevant matters.

The BAC meetings, together with the tentative agendas, are scheduled in advance of any new financial year to allow the BAC members to plan ahead and incorporate the year's meetings into their respective schedules. The agenda and meeting papers are distributed to the BAC members via a secured collaborative software, which eases the process of distributing meeting papers and minimises leakage of sensitive information, and enables the BAC members to have access to the papers electronically at any given time. This practice is also consistent with the Board's and Company's commitment to sustainable practices.

For the management of conflicts of interest (COI). BAC members are required to declare interests that they may have in the subject matters arising during meetings. BAC member who has COI will be excluded from deliberations and decision-making in such matters and will also abstain from voting on the related resolutions at the meeting.

All proceedings of the BAC meetings are duly recorded in the minutes and are properly kept by the Company Secretary.

TERMS OF REFERENCE

The BAC is governed by its own TOR, which is consistent with the requirements of the MMLR of Bursa Securities and best practices of the Malaysian Code on Corporate Governance (MCCG).



(P) For more information on the BAC's TOR, please refer to the MISC corporate website at www.miscgroup.com.

SUMMARY OF THE BAC'S WORK IN 2024

2024 has been marked by significant achievements and progress in our financial management, internal control systems, and corporate governance practices. The BAC focused on enhancing our corporate governance framework by reviewing related party transactions and recurrent related party transactions, ensuring they are conducted on fair and reasonable commercial terms.

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Board Audit Committee Report

INTEGRATED ANNUAL REPORT 2024

During the year under review, the BAC carried out the following activities in discharging its functions and duties:

Financial Reporting

- Reviewed and endorsed the quarterly financial results for announcements to Bursa Securities before recommending the same for the Board's approval upon being satisfied that it has complied with the Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS), MMLR and other relevant regulatory requirements.
- Reviewed the audited financial statements of the Company and the Group prior to submission to the Board for the Board's consideration and approval, upon being satisfied that the audited financial statements were drawn up in accordance with the MFRS, IFRS, MMLR and Companies Act 2016.
- Received update on Project Lightspeed Finance, in particular, the implementation of new systems (SAP S/4 Hana, Coupa), processes and the new Finance structure.

The abovementioned reviews were conducted together with the President & Group CEO and Chief Financial Officer.

Internal Audit

- Reviewed and endorsed internal audit reports issued by GIA based on the approved Annual Internal Audit Plan (AIAP).
- Reviewed and endorsed the adequacu and effectiveness of action plans provided by Management on the deliberated audit reports.
- Reviewed to ensure the conformity of MISC Berhad (MISC)'s Anti-Bribery Management System (ABMS) to the requirement of the ISO 37001:2016 ABMS standards.
- Reviewed and endorsed GIA's AIAP for FY2025 as guided but the approved Enhanced Risk Based Internal Audit Framework of MISC, in order to ensure adequacy of coverage on auditable
- Reviewed the adequacy of resources and competencies of GIA's staff to execute the audit plan.
- Reviewed GIA's half-yearly and yearly performance status of the approved audit plan, strategic initiatives and other GIA's activities.
- Conducted the yearly assessments of GIA's performance.

Prior to BAC meetings, the Chairman of the BAC held private meetings and discussions with the Head and Principal Auditors of GIA on internal audit reports and any related matters.

External Audit

- Reviewed and endorsed the external auditors' terms of engagement, audit plan, scope and proposed fees for FY2024.
- Reviewed the results and issues arising from the external auditors' audit, including the key audit matters and the resolution of issues highlighted in the external auditors' report to the BAC and Management's responses thereto.
- The BAC had two (2) private meetings with the external auditors without the presence of Management during the year under review (i.e. on 21 February 2024 and 4 November 2024) to discuss any matters the external auditors may wish to present and to ensure that there were no restrictions in the scope and discharge of their audit activities.
- Reviewed and recommended the reappointment of the external auditors to the Board for proposal to shareholders at the Annual General Meeting for approval.

To ensure that the external auditors' independence is not impaired, the Audit Engagement Partner in charge of the Company is changed every seven (7) years and is required to observe a cooling-off period of five (5) years before being reappointed, which is in line with the recommendation by the MIA. Internally, the external auditors conduct an Independent Partner Review in order to preserve their independence. The external auditors had also provided written assurance to the BAC that in accordance with the terms of all relevant professional and regulatory requirements, they had been independent throughout the audit engagement.

In line with the Company's adoption of the Policy on External Auditors, the BAC had carried out an assessment on the performance, suitability and independence of the external auditors based on the following criteria, and will continue to do so on an annual basis:



Quality of engagement team (including adequacy of resources).



Quality of communication and interaction.



Independence, objectivity and professional scepticism.

Corporate Governance and Regulatory Compliance

- Reviewed and deliberated the reports on Related Partu Transactions (RPTs) and Recurrent Related Party Transactions (RRPTs) on a quarterly basis.
- Reviewed and recommended to the Board the Statement on Risk Management and Internal Control (particularly items related to internal controls), BAC Report and Additional Compliance Information for inclusion in the Integrated Annual Report 2023.
- Reviewed the minutes of meetings of the Board Audit Committee of Malaysia Marine and Heavy Engineering Holdings Berhad and the Audit, Risk and Sustainability Committee (ARSC) of AET Pte. Ltd. for an overview of the state of internal control sustems of those subsidiaries.
- Reviewed the Whistleblowing quarterly reports of the Companu.
- Reviewed the Group Health, Safety, Security & Environment (GHSSE) Audit and Assurance Bi-Annual Reports focusing on the efficiency and effectiveness of the maintenance of the Group's vessels and floating assets.
- Reviewed and endorsed the GHSSE Annual Audit and Assurance Plan for FY2025.
- Reviewed the governance aspect of the procurement transformation plan including the adequacy and effectiveness of the internal controls arising from the implementation of a digital platform for procurement activities.
- Conducted COI review for the appointment of the Vice President, Maritime, Gas & Maritime Business, PETRONAS and the Non-Independent Non-Executive Director of the Company.
- Reviewed the revision to the Guidelines on RPTs and RRPTs for the Group.
- Reviewed the Director's COI Review Procedures for MISC Group.
- Reviewed the revision to the TOR of the BAC.

STATEMENT ON INTERNAL AUDIT FUNCTION

The internal audit function of the Company was carried out in-house by the GIA. GIA undertakes a systematic and disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes within the Group.

The Head of GIA reports functionally to the BAC and administratively to the President & Group CEO of MISC. Izran Kassim is the Head of GIA. He is an Associate Member of the Chartered Institute of Management Accountants, a member of MIA and holds a Bachelor of Economics (Honours) from the University of Manchester, UK.

GIA adopts the standards and principles outlined in the Institute of Internal Auditors' International Professional Practices Framework and the Committee of Soonsoring Organisations of the Treadway Commission (COSO) framework; a comprehensive, structured and widely used auditing approach, in conducting the audit activities. The conduct of internal audit work is also governed by the MISC Internal Audit Charter and GIA's established procedures and

quidelines.

Board Audit Committee Report

The annual audit plan and strategy including the scope of works and resources are approved by the BAC. The audit plan is established primarily using a risk-based approach as well as input gathered from various sources, including feedback from Management and the BAC, trends and findings from past audit engagements.

GIA conducts scheduled audits independently to ensure there is effective risk monitoring, internal controls, governance processes and compliance procedures to provide the level of assurance required by the Board. GIA also supports and conducts special reviews (which also includes investigations) upon request by Management, BAC and ARSC of AET Pte. Ltd.

GIA has incorporated digital technologies into the audit processes. This includes the deployment of the Continuous Auditing (CA) dashboard and the development of the risk sensing framework. GIA's first pilot CA dashboard was with the Human Resource (HR) division; the dashboard was developed to monitor staff claims.

GIA submits its audit reports to the Management Audit Committee (MAC) for executive review. Subsequently, the reports together with deliberations by the MAC are tabled at the BAC meetings for endorsement. At the Board meetings, the BAC Chairman highlights the key audit issues and overall decisions and resolutions made during the BAC meetings to the Board.

The audit reports prepared by GIA provide details of audit findings and corresponding Agreed Corrective Actions (ACAs). The status of implementation of these ACAs are captured through the Quarterly Audit Status Reports, from which, the ACAs are monitored and analysed. The consolidated reports are submitted and presented to the MAC and the BAC for deliberation and endorsement on a quarterly basis. Such regular monitoring is essential to ensure the integrity and effectiveness of the Group's internal controls.

Board Audit Committee Report

During the financial year, GIA reported the following engagements as per the approved internal audit plan:

- Audit on AET Cybersecurity and Related IT Controls
- Audit on Eaglestar Marine (Philippines) Corporation
- Audit on MISC Financial Reporting Control
- Audit on Malaysia Deepwater Production Contractors
 Sdn. Bhd.
- Audit on Group Corporate Secretarial Activities
- Audit on AET Offshore Services Inc. and AET Lightering Services LLC
- Audit on Treasury Activities
- Audit on Readiness of Akademi Laut Malaysia's University College Status
- Audit on AET Chartering, Commercial Operations and Post Fixtures Activities
- · Audit on Eaglestar Marine B.V.
- Review on MERO 3 Project Cost
- Review on FY2023 Anti-Bribery Management System for MISC Berhad
- Review on FY2024 Anti-Bribery Management System for MISC Berhad

MISC as a Group has been able to consistently achieve high percentage of closure for the audit findings through close monitoring thereof. The status of the audit corrective actions are reported to the BAC on a quarterly basis. In FY2024, a 98% closure rate was recorded, with the balance 2% being granted extension to the second quarter of FY2025.

GIA conducted quarterly reviews on the internal control process and reporting of RPTs and RRPTs to provide assurance to the BAC that its implementation conforms to the requirements of Bursa Securities.

All internal audit activities for the financial year under review were performed by 23 internal auditors as of 31 December 2024 from diverse backgrounds, disciplines and operational experiences such as accounting and finance, business administration, human resource, engineering, information technology, shipping and logistics.

In maintaining independence and objectivity, GIA ensures that the internal auditors are free from any relationship or COI when performing their duties. All auditors have declared their independence through the annual COI declaration.

GIA continues its commitment to equip the internal auditors with adequate knowledge and proficiencies to discharge their duties and responsibilities by providing sufficient and relevant functional trainings.

The total cost incurred in discharging the internal audit function during FY2024 was RM9.7 million.

RPT AND RRPT

MISC has put in place internal controls, guidelines and procedures to ensure that RPTs and RRPTs are entered into on normal commercial terms which are not more favourable than those generally available to third parties dealing on arm's length basis and are not detrimental to the minority shareholders of the Company.

During the year under review, the BAC has reviewed the internal guidelines pertaining to the governance of RPTs and RRPTs as outlined above and is of the view that the said guidelines are sufficient to ensure that the RPTs and RRPTs are fair, reasonable and in the best interest of the Group. The BAC was satisfied that the Group has put in place adequate procedures and processes to monitor, track and identify RPTs and RRPTs in a timely and orderly manner to ensure that the RPTs and RRPTs were always carried out on normal commercial terms and consistent with the Group's practices and were not to the detriment of the minority shareholders. The procedures and processes will be reviewed from time to time based on recommendations from the internal audit team of the Company.

In ensuring adequate procedures and processes are in place, the BAC is responsible to ensure the following:

- That a framework and appropriate procedures are in place for the purposes of identifying, monitoring, evaluating, reporting and approving RPTs and RRPTs.
- That a review of any RPTs or RRPTs and COI that may arise within the Group is conducted.
- That the established procedures are adequate to ensure that the RPTs and RRPTs are entered into in the best interest of the Company, on fair and reasonable commercial terms and not detrimental to the interest of minority shareholders.

Board Audit Committee Report

Due to integrated nature of MISC's business operations with the PETRONAS Group, the Company has been granted exemption from complying with the requirement of Paragraphs 10.08 and 10.09 of the MMLR including having to seek shareholders' approval in relation to the supply, sale, purchase, provision and usage of certain goods, services and facilities which form part of the PETRONAS Group integrated operations. The exemption is of particular significance to ensure MISC does not experience any disruption to its operations.

The RRPTs entered into by the Group during FY2024 are summarised below:

| latur | e of transaction | Transacting party | Related party |
|-------|---|-------------------------------------|-----------------------------------|
| 1 | Charters of LNG vessels from MISC by PETRONAS Group | MISC Berhad and/or its subsidiaries | PETRONAS* and/or its subsidiaries |
| | Charters of petroleum and chemical tankers and liquefied petroleum gas carriers from MISC by PETRONAS Group | MISC Berhad and/or its subsidiaries | PETRONAS* and/or its subsidiaries |
| 3 | Operating, maintaining and lease/charter of Floating Production, Storage and Off-Loading (FPSO), Floating Storage and Off-Loading (FSO) and other floating solutions by PETRONAS Group | MISC Berhad and/or its subsidiaries | PETRONAS* and/or its subsidiaries |
| | Fabrication and construction of oil and gas offshore/ onshore structures for PETRONAS Group | MISC Berhad and/or its subsidiaries | PETRONAS* and/or its subsidiaries |
| | Marine and consultancy services to PETRONAS Group | MISC Berhad and/or its subsidiaries | PETRONAS* and/or its subsidiaries |
| | Sungai Udang Port management | MISC Berhad and/or its subsidiaries | PETRONAS* and/or its subsidiaries |
| | Purchase of industrial gases, lubricants and other petroleum products including bunker oil from PETRONAS Group | MISC Berhad and/or its subsidiaries | PETRONAS* and/or its subsidiaries |
| | Port management services to PETRONAS Group | MISC Berhad and/or its subsidiaries | PETRONAS* and/or its subsidiaries |
| | Supply of information technology services provided by PETRONAS Group | MISC Berhad and/or its subsidiaries | PETRONAS* and/or its subsidiaries |
| | Rental of premises with PETRONAS Group | MISC Berhad and/or its subsidiaries | PETRONAS* and/or its subsidiaries |
| 1 | Supply of bunkers, manpower and other services by PETRONAS Group | MISC Berhad and/or its subsidiaries | PETRONAS* and/or its subsidiaries |

^{*} PETRONAS is the major shareholder of the Company

The BAC also confirmed that the methods or procedures for determining the prices and terms of the RRPTs have not changed since the issuance of the Independent Adviser's opinion by PricewaterhouseCoopers Capital Sdn. Bhd. dated 26 March 2012. The same was published in the Company's Annual Report for the year ended 31 December 2011.

MISC REPHAN **SECTION 12: GOVERNANCE** ---------

Board Audit Committee Report

INTEGRATED ANNUAL REPORT 2024

COI

The BAC reviewed and monitored all COI situations within MISC Group. This included a comprehensive review of COI disclosures submitted, assessment of any potential COI situations/transactions, procedures or courses of conduct that could raise concerns on management integrity, together with the measures taken to resolve, eliminate or mitigate such conflicts, as well as ensuring the complete disclosure in the BAC Report for the Annual Report.

During FY2024, the BAC reviewed the COI procedures for MISC Group. The BAC also reviewed if there was any potential COI in relation to the appointment of Zahid Osman as the Vice President, Maritime, Gas & Maritime Business, PETRONAS and Datuk Adif Zulkifli as Non-Independent Non-Executive Director of the Company.

FOCUS AREAS FOR 2025

The BAC remains committed to enhancing compliance with regulatory requirements and environmental initiatives. This year, we will focus on, amongst others, two (2) critical areas: climate financial reporting and system governance, including changes in internal controls.

The BAC is committed to strengthening climate-related disclosures to enhance transparency and accountability in managing the environmental impact. This includes adhering to the International Sustainability Standards Board (ISSB) guidelines for climate disclosures, setting targets to reduce greenhouse gas emissions, and implementing strategies to mitigate climate-related risks while seizing opportunities in the energy transition.

Furthermore, the BAC will oversee system governance, with an emphasis on changes in internal controls resulting from the implementation of new systems, such as Project Lightspeed Wave 2, the HR system, and the digitalisation of the third-party risk management system. This oversight will ensure that these systems comply with regulatory standards, that internal controls are effective, and that financial reporting remains accurate and reliable. The BAC will also monitor and address risks related to data security, system integrity, and operational efficiency throughout the implementation process.

CHEW LIONG KIM

Chairman Board Audit Committee

Board Sustainability & Risk Committee Report



Dear Valued Shareholders.

The Committee plaus a pivotal role in driving MISC's ESG agenda, ensuring that sustainability is deeply embedded within our corporate strategy, decision-making processes, and business operations. By integrating ESG principles into our governance framework, we proactively manage ESG-related risks, strengthen regulatory compliance. and align our initiatives with evolving stakeholder expectations. Our approach is guided by global sustainability standards and best practices, enabling us to enhance long-term value creation, improve resilience against emerging challenges, and contribute to a more sustainable and responsible future.



DATIN NORAZAH MOHAMED RAZALI

Chairperson

Board Sustainabilitu & Risk Committee

The Board Sustainability & Risk Committee (BSRC), formerly known as Board Governance & Risk Committee, was established on 1 January 2021 to enhance oversight on risk management matters and enable more effective anticipation and reaction in managing events and trends that could lead to disruptive changes to MISC's business model. The scope of the BSRC encompasses governance, compliance and ethics, sustainability as well as health, safety, security and environment (HSSE).

This report provides Shareholders with insights into the BSRC's activities throughout the year under review. It further explains the manner in which the BSRC discharged its functions for the Group.

COMPOSITION AND MEETING ATTENDANCE

The BSRC comprises four (4) members, all of whom are Independent Non-Executive Directors. In line with the Malaysian Code on Corporate Governance 2021 (MCCG), the BSRC's Terms of Reference (TOR) requires a majority of the BSRC members to be Independent Directors. Additionally, the BSRC's TOR specifies that at least one (1) member of the BSRC must also be a member of the Board Audit Committee (BAC) to foster a common understanding of the risk management and internal control systems and ensure co-ordination between the two (2) standing Board Committees of MISC in its risk, internal controls and governance oversight roles.

As of the date of this report, the composition of the BSRC is as follows:

| Members | Date of Appointment as BSRC Member |
|---|---------------------------------------|
| DATIN NORAZAH MOHAMED RAZALI | |
| Chairperson | 1 January 2021 |
| Independent Non-Executive Director | |
| CHEW LIONG KIM | |
| Member | 15 January 2024 |
| Senior Independent Non-Executive Director | |
| MOHAMMAD SUHAIMI MOHD YASIN | |
| Member | 1 January 2021 |
| Independent Non-Executive Director | |
| DATO' TENGKU MARINA TUNKU ANNUAR | |
| Member | 1 April 2022 |
| Independent Non-Executive Director | |

⁽¹⁾ Dato' K Sekhar S Krishan retired as Senior Independent Non-Executive Director and ceased being a member of the BSRC on 15 January 2024.

⁽²⁾ Dato' Ab. Halim Mohyiddin retired as Independent Non-Executive Director and ceased being a member of the BSRC on 15 January 2024

Board Sustainability & Risk Committee Report

The BSRC met eight (8) times in 2024, with the BSRC Chairperson and all duly appointed BSRC Members in attendance for all meetings during their respective tenure.

The President & Group CEO attends the BSRC meetings to facilitate discussions, as well as to provide the appropriate information and advice on relevant matters for the BSRC.

BSRC meetings together with the tentative agendas, are scheduled in advance of any new financial year to allow the BSRC members to plan ahead and incorporate the year's meetings into their respective schedules. The agenda and meeting papers are distributed to the BSRC members via a secured collaborative software, which eases the process of distribution of meeting papers and minimises leakage of sensitive information, as well as enabling the Directors to have full and timely access to the papers electronically at any given time. This practice is also consistent with the Board's and Company's commitment to sustainable practices.

All proceedings of the BSRC meetings are duly recorded in the minutes and properly kept by the Company Secretary.

TERMS OF REFERENCE

The BSRC is governed by its own TOR, which is consistent with the requirements of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad and best practices of the MCCG.



(A) For more information on the BSRC's TOR, please refer to the MISC corporate website at www.miscgroup.com.

FUNCTIONS OF THE BSRC

To review, evaluate, report and make appropriate recommendations to the MISC Board on the following matters: **Risk Management** Sustainability Provide oversight on the risk management policies, Provide oversight on the sustainability strategy framework and process. and initiatives. **Compliance and Ethics** Governance Ensure effectiveness of the compliance and Determine the governance structure and monitor good ethics programmes. governance practices.

Board Sustainability & Risk Committee Report



Risk Management

Matters pertaining to risk management fall within the scope of the BSRC, which will act as a sounding board to Management and perform a deep dive and challenge on risk matters. The BSRC shall review, evaluate, report and make the appropriate recommendations to the Board on the following matters:

- (a) Adequacy and effectiveness of MISC's Risk Management Framework and the ongoing activities to ensure that appropriate systems and processes are in place to effectively manage and monitor the identified risks, focusing on the Group's primary
- (b) Status of Enterprise Risk Management (ERM) Risk Register, to identify, evaluate, mitigate and monitor risks, focusing on key strategic and business risks as well as ESG risks;
- (c) Risk assessments conducted by the Project Risk Assessment Sub-Committee, on business proposals and new initiatives, ensuring relevant risks are identified, considered and addressed to support informed decision-making; as well as enabling implementation of appropriate controls to mitigate the associated risks;
- (d) Determination of MISC's level of risk tolerance; and
- (e) Any other matters as determined by the Board.



Sustainabilitu

As sustainability is a key feature of MISC's strategy, the Board considers sustainability to be of paramount importance when determining the Board agenda. Hence, the BSRC has been identified as the custodian for MISC's sustainability initiatives.

The BSRC has oversight on ESG matters, including climate change, health and safety, security, and cybersecurity. The BSRC reviews, evaluates, reports and makes appropriate recommendations to the Board not only in regard to the determination of MISC's sustainability strategy but also to ensure alignment with MISC's business strategy.



Compliance and Ethics

The BSRC reviews and makes the appropriate recommendations to the Board on the adequacy and effectiveness of MISC's Compliance and Ethics strategy and objectives to continuously embed a compliance culture of strong corporate governance, business ethics and conduct within the organisation, through a management framework for business and operations to develop, manage and maintain the governance required, including continuous enhancement and monitoring to meet and sustain the compliance strategy and objectives across the MISC Group.



Governance

The BSRC reviews, evaluates, reports and makes appropriate recommendations to the Board on the determination of MISC's governance structure to ensure alignment with MISC's business strategy. Additionally, the BSRC also monitors good governance practices across the Group to ensure consistency with the Board's risk appetite, guided by applicable laws and regulations.

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Board Sustainability & Risk Committee Report

SUMMARY OF THE BSRC'S WORK IN 2024

INTEGRATED ANNUAL REPORT 2024

During the year under review, the BSRC carried out the following activities in discharging its functions and duties:

- Reviewed the Financial Risk Appetite Setting (FRAS) FY2024 indicators for the Group.
- Received quarterly updates on the FRAS indicators for the Group.
- Reviewed the MISC Risk Register and assessed the primary risk events to ensure all material and strategic risks faced by the Group are managed and addressed.
- Assessed the Group's risk status across the seven (7) risk categories: financial; operational; governance and compliance; health, safety and security; environment; human resource; and cybersecurity, through the ERM quarterly reports.
- Assessed the status of the Group's Risk Appetite, against the approved risk appetite thresholds, covering four (4) key areas: strategic; financial; operational; and legal and regulatory through the ERM quarterly reports.
- · Reviewed the proposals, strategies and project risk assessments related to proposed participation in new projects/tenders and/or other corporate exercises and provided appropriate recommendations to mitigate any identified risks.
- Reviewed Post Implementation Economic Review (PIER) reports for major projects to assess the achievement of project economics when the asset is already in operation. This includes assessing actual economic returns against mandated economic returns during the project approval stage.
- Assessed the Group's HSSE performance through quarterly reports.
- Received updates on the status of ongoing tenders, projects and/or transactions.
- · Reviewed updates on progress of MISC's investments and provided the necessary steer on the way forward.
- Received the performance review report of GAS Fleet.
- Considered the provisions of the Occupational Safety & Health Act (Amendment) 2022 (which was enforced on 1 June 2024), its implications on MISC Group, and reviewed the Group-wide gap assessment and action plans.

- Received quarterly updates on MISC's sustainability performance in line with MISC Group Sustainability Strategy.
- Received the quarterly MISC Sustainability Strategy Progress and Performance Report.
- Reviewed and endorsed the MISC Human Rights Policy for the approval of the Board.
- Received quarterly performance reports on ESG indicators through the MISC Sustainability Dashboard.
- Reviewed MISC Internal Carbon Pricing Framework and Responsible Supply Chain Programme.
- Conducted the annual review of the Modern Slavery Statement.
- Received update on ESG Ratings Gap Assessment.

Compliance and Ethics

- Received quarterly updates on compliance and ethics initiatives which cover policy-related matters, communication and training, as well as monitoring and assurance.
- Received periodic updates on compliance with MISC's Regulatory & Legislation Register, employees' conflict of interest disclosures, as well as other compliance dashboard.

Governance

- Reviewed the BSRC Report, Statement on Risk Management and Internal Control and Corporate Governance Overview Statement for inclusion in the MISC Integrated Annual Report 2023.
- Reviewed the Corporate Governance Report 2023.
- Reviewed MISC Group Climate Risks and Opportunities Disclosure in the Sustainability Report 2023.

Board Sustainability & Risk Committee Report

FOCUS AREAS FOR 2025

The BSRC would continue to provide oversight of the matters under its purview. The key focus for 2025 would include, among others, the further improvement and streamlining of the Group's ERM programme by consolidating key risks while ensuring the primary risks remain in sight. The BSRC started the year with a review of the establishment of a Corporate Risk Profile which aims to promote deliberation of strategic risks, emerging risks and current risk outlook. The BSRC will also conduct its annual review and periodic monitoring of the MISC Group's FRAS, Risk Appetite and Risk Register, as well as conducting risk assessments on business proposals and new initiatives and determining MISC's level of risk tolerance.

The BSRC will continue to oversee the alignment of MISC's sustainability strategy with its business strategy and monitor the progress of MISC's sustainability performance. Additionally, the BSRC will oversee the improvement of safety practices, raise awareness, and enhance workforce engagement through the "Back to Basics" intervention plan. This plan focuses on four (4) key pillars: leadership, supervision, building psychological safety, and fostering conscious risk awareness through effective communication. These pillars aim to drive a generative HSSE culture where everyone is committed to safety as a core value.

The BSRC shall also continue to play a key role in reviewing proposals, strategies, and project risk assessments related to proposed participation in new projects/tenders and/or other new ventures and business opportunities, such as the ongoing corporate exercises on exploring offshore business synergy.

DATIN NORAZAH MOHAMED RAZALI

Chairperson Board Sustainability & Risk Committee

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Statement on Risk Management & Internal Control

The Board of Directors is pleased to provide this Statement on Risk Management and Internal Control (Statement) pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and as quided by The Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

The following statement outlines the nature and scope of risk management and internal controls within MISC Berhad (MISC or Company) and its subsidiaries (MISC Group or Group) during the financial year ended 31 December 2024.

ACCOUNTABILITY OF THE BOARD

The Board is responsible for establishing and maintaining a sound risk management and internal control framework with the objective of safeguarding the shareholders' interest and the Group's assets.

The Board affirms its principal responsibility to regularly review the adequacy and effectiveness of the risk management and internal control framework. By implementing sound risk management and internal control systems, it helps the Group to achieve its performance and profitability targets whilst managing risks.

In discharging its responsibilities, the Board is supported by MISC's Board Sustainability & Risk Committee (BSRC) and Board Audit Committee (BAC) to oversee the risk management and internal control systems during the financial year ended 31 December 2024.

The BSRC reviews, evaluates, reports and makes appropriate recommendations to the Board on the adequacy and effectiveness of the Group's risk management framework, policies and process whilst the adequacy and effectiveness of the Group's internal control framework is under the purview of the BAC. For more information on the BAC's and BSRC's responsibilities, please refer to their respective reports on pages 180 to 186 (for the BAC) and pages 187 to 191 (for the BSRC) of this Integrated Annual Report.

During the year under review, the BSRC was further supported by the MISC Management Risk Committee (MRC) (formerly known as Risk Management Committee), which comprises Executive Leadership Team (ELT) (formerly known as Management Committee) members and Heads of Divisions, to reflect the prominence and focus by Management on the oversight of risk management for the Group. In ensuring that

the Group's internal control systems are in place and effective in dealing with risks during the year under review, the BAC was supported by the MISC Management Audit Committee (MAC), which comprises ELT members and Group Internal Audit (GIA).

The Board, via the BSRC and the BAC, periodically reviews the efficiency and effectiveness of the Group's risk management and internal control to ensure the viability and robustness of

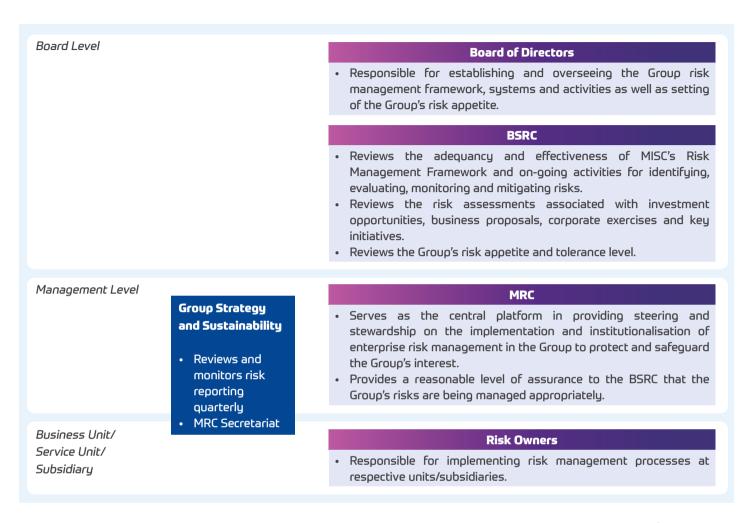
In view of the inherent limitations in any processes and risks which cannot be eliminated completely, the Group has in place, a system of internal control and risk management designed to mitigate rather than eliminate the risks that may impede the Group from achieving its objectives. Therefore, it can only provide a reasonable, but not an absolute assurance against material misstatements or losses or the occurrence of unforeseeable circumstances. Thus, the Board adopts a cost-benefit approach to ensure that the expected returns outweigh the cost of risk mitigation.

RISK GOVERNANCE STRUCTURE

The Group's risk governance structure facilitates the flow of information and effective oversight of the implementation of risk management practices across its businesses.

Risk management activities span across the corporate, business/service units and subsidiaries based on the established risk management frameworks. Each appointed and dedicated risk focal person has the responsibility for risk management activities in their units and subsidiaries to ensure consistent implementation of risk management processes across the Group. Material and key risks are assessed and evaluated prior to reporting and escalation to the MRC and BSRC for deliberation, and subsequent approval by the Board.

Statement on Risk Management & Internal Control



The MRC was established to review and monitor the Group's risk management practices. It is primarily responsible for driving the implementation of the risk management framework and acts as the central platform for the Group.

Assist the management in identifying principal risks at Group level and provide guidance and direction in Review, deliberate and recommend mitigation actions the implementation of group wide Enterprise Risk to ensure that the Group's risks are being mitigated Management (ERM) to protect and safeguard effectively. MISC's interest. MANAGEMENT RISK COMMITTEE Review and recommend policies and frameworks specifically to address risks inherent in all Provide a reasonable assurance to the BSRC that business operations and environments pertaining the Group's risks are being managed appropriately.

The MRC holds quarterly meetings to review the key risks and at the same time ensure that mitigation plans are in place to manage such risks. The adequacy and effectiveness of the controls and the robustness of the mitigation actions are also addressed. These are then further deliberated at the BSRC and finally reported to the Board on a quarterly basis.

to the Group.

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Statement on Risk Management & Internal Control

RISK MANAGEMENT AND RESILIENCY

INTEGRATED ANNUAL REPORT 2024

The Group adopts the PETRONAS Resiliency Model which provides an integrated view for managing risks effectively with the primary focus on three areas of business resilience as shown below:

Enterprise Risk Management (ERM) To reduce the likelihood and impact of the identified risks that may affect the achievement of business objectives. Crisis Management (CM) MISC To prepare the Group to respond and manage crisis in the risk areas, to protect people, Resiliencu environment, assets and reputation. Model **Business Continuity Management (BCM)** To build the capability of the Group to recover and continue the operations of critical business functions in the event of disruptions.

The Group's risk management practices are continuously assessed for enhancements, and these are supported by the relevant risk management frameworks and guidelines to govern and guide the risk management practices across the Group.

ENTERPRISE RISK MANAGEMENT

Risk Policy

MISC's Risk Policy guides the overall best practice of identifying, evaluating, managing, reporting and monitoring the ever-changing risks faced by the Group and specific measures to mitigate these risks. The emphasis is to effectively reduce the impact of risks, respond to immediate risk events and recover from prolonged business disruption to ensure continuity and sustainability of key business activities as well as delivery of strategic and business objectives. It also outlines the general principles for making risk-based decisions, thus strengthening MISC Group's position as a risk-resilient organisation.

MISC is committed to become a risk-resilient organisation.

MISC shall continuously strive to implement:

- Risk management best practices to protect and create value within the set boundaries; and
- · Risk based decision-making by providing a balanced and holistic view of exposure to achieve business objectives.

Managing risk is everyone's responsibility.

Statement on Risk Management & Internal Control

Risk Appetite

The Group's Risk Appetite defines the acceptable level of risks and boundaries that the Group is willing to assume in pursuits of its strategic and business objectives.

The Group's Risk Appetite is demonstrated by way of Risk Appetite Statements which express the organisation's context for managing and taking risks. This is further supported by Risk Tolerances and Thresholds, which reflects the maximum risk that can be undertaken with a metric that can be measured and managed. The Group's Risk Appetite is integrated into the MISC Business Plan, Strategic Priorities and Group's decision-making framework to enable the Group to navigate the risk landscape and build resilience as we pursue our business objectives.

For the year under review, the Group's Risk Appetite was approved for review and monitoring which covered five key areas in line with the business strategies and performance expectations.



Enterprise Risk Management Framework

The Group's Enterprise Risk Management Framework is generally aligned with the Principles and Guidelines of ISO31000:2018 and provides a standard approach in implementing the elements and processes to identify, assess, treat and monitor the risks impacting the Group. The established processes enable the identification and management of principal risks of the Group as described in Risks and Mitigation Strategies on pages 65 to 69 of this Integrated Annual Report. Appropriate internal control systems are also implemented to manage these risks, details of which are set out in the following pages.

Statement on Risk Management & Internal Control

The Group has implemented risk management best practices in the form of an ERM framework which ensures a consistent approach in assessing and identifying risks faced by the Group against the backdrop of MISC's 2030 Ambition targets.

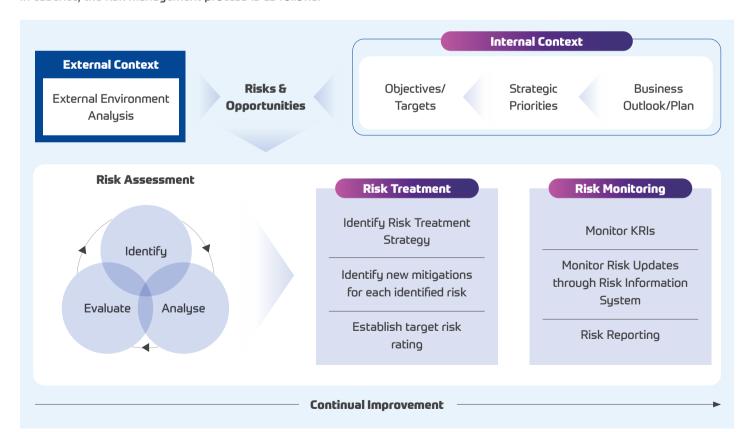
In sustaining the achievement of business objectives, it is important to manage risks across the Group on an integrated basis with a balanced view of the risks taken against the rewards of business performance. The business/service units and subsidiaries are required to perform an annual review of their risk profiles with an emphasis on linking these risks to MISC Group's business objectives. The identified risks are recorded in the respective Unit's risk profiles, and these risks are assessed, treated, monitored, and reviewed quarterly.

The Group maintains a risk register, which comprises a list of Primary Risks critical to the Group inclusive of their corresponding risk mitigations and assigned Key Risk Indicators (KRIs), derived from the businesses. These risks are reviewed and assessed in terms of likelihood and magnitude of potential impact and mapped to the MISC risk matrix, a standard 5 by 5 matrix. This process enables the prioritisation of risks, as well as to identify and evaluate the adequacy of mechanisms in place to manage and respond to the critical risks that may impact the Group. All Primary Risks are assigned to a risk owner, accountable for the management of risk which includes the implementation of action plans to treat the risk.

For the purpose of risk reporting, the status of the mitigation action plans identified to manage these risks and breaches to the KRI thresholds are monitored, updated, and reported to the MRC, BSRC and subsequently to the Board on a quarterly basis.

The ERM implementation within the Group is continuously reviewed and documented for an effective and sustainable ERM culture, including enhancing the individuals' capability on risk management.

In essence, the risk management process is as follows:



Statement on Risk Management & Internal Control

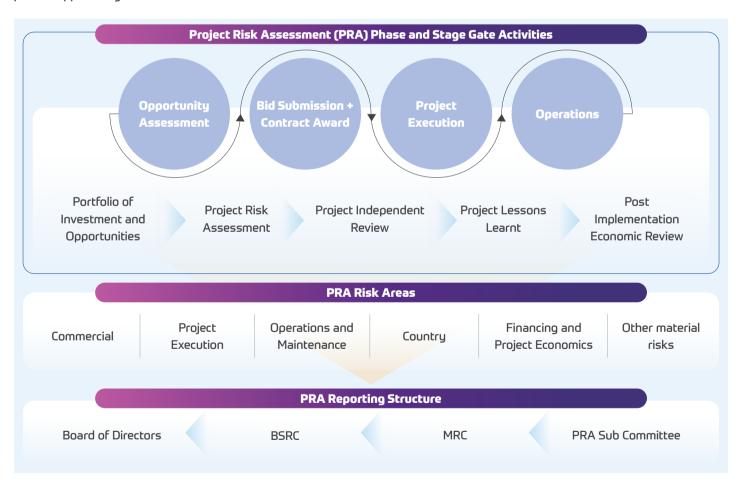
Risk Assessment in Decision Making (RADM)

In instituitionalising risk-based decision making across the Group, RADM Guideline sets out the requirement for strategic decision papers to be equipped with risk assessments to ensure that decision makers make fully informed decisions. It aims to enhance decision making process through sufficient deliberation with a balanced view of exposure associated with the decision.

The risk assessment facilitates the identification of potential threats, enables risk prioritisation, and enhances preparedness by identifying relevant mitigations to address the risks. During the year, the BSRC deliberated risks related to proposed participation in new projects, corporate exercises, and key business proposals prior to approval by the Board.

Risk Assessment for Projects and Investment Opportunities

The Project Risk Assessment Framework (PRAF) is a risk-based tool that thoroughly evaluates risks for capital intensive projects and other investment opportunities, which enables the business to identify and implement appropriate controls to mitigate associated risks. The framework supports informed decisionmaking, reinforces a disciplined and structured investment practice. It is continuously reviewed and refined to maintain relevance and robustness in risk assessment throughout the project cycle. The PRAF for capital intensive projects and other investment opportunities is outlined below:



PRA Phase and Stage Gate Activities

The PRA Phase and Stage Gate activities consider the project lifecycle, ensuring that capital intensive projects are evaluated with risk assessment, mitigation, independent review, and lessons learned at key milestones for informed decision-making and monitoring. It encompasses phases such as opportunity assessment, bid submission and award, project execution and operations.

Statement on Risk Management & Internal Control

PRA Risk Area

Risks for participation in new capital-intensive projects are assessed using criteria that, at a minimum, focus on material risks, including commercial, execution, operations, country, and financial aspects.

PRA Reporting Structure

The risk assessment is deliberated by the MISC's PRA Sub-Committee, (i.e., sub-committee from the MRC) and BSRC for endorsement before Board of Directors' approval.

Key ERM Activities in FY2024

- Reviewed and endorsed the MISC Group Risk Register and the Primary Risk Events for FY2024.
- Reviewed and endorsed the Statement of Risk Management and Internal Control for inclusion in the MISC Integrated Annual Report FY2023.
- Reviewed and endorsed the Financial Risk Appetite Setting for FY2024.
- Monitored and reported the status, risk indicators and thresholds for MISC Group Risk Appetite and Enterprise Risk Management on a quarterly basis.
- Undertook risk assessments for participation in new projects/tenders and monitored the progress of new projects under the PRAF.
- Reviewed and provided appropriate recommendations for the MISC Group Corporate Risk Profile for FY2025.
- Conducted the annual ERM focused training session for risk focal points across the Group as part of a continuous upskilling program. In 2024, a training and workshop session on ERM principles and practices, focusing on identifying and managing strategic and ESG-related risks, was conducted.

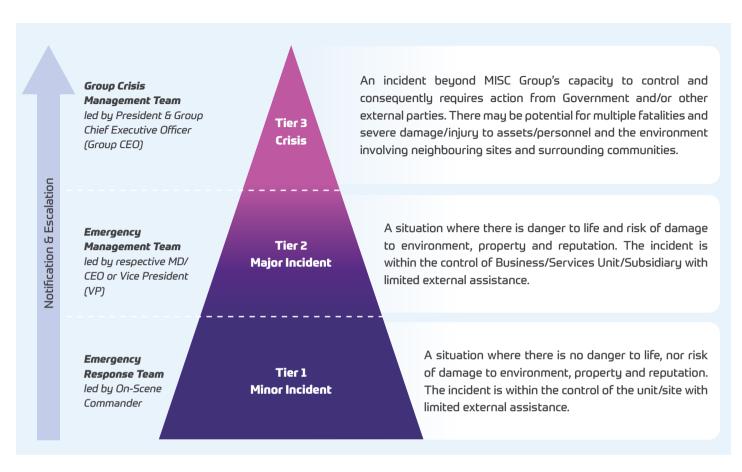
CRISIS MANAGEMENT

Crisis Management is a holistic and cohesive approach designed to enhance MISC Group's ability to anticipate, prepare for, respond to, and manage crisis across all risk dimensions of people, environment, assets, and reputation.

The MISC Strategic Crisis Management Guideline (SCMG) was established in 2023 replacing MISC Group Crisis Management Plan, 2019. The SCMG details the roles and responsibilities allocated under the crisis management structure and used in the preparation and planning of a crisis response across MISC Group.

A three-tiered response system provides the demarcation of roles and responsibilities between emergency site management, business segment/subsidiary management, corporate and internal/external response agencies, and/or authorities.

Statement on Risk Management & Internal Control



An integrated crisis management drill was conducted in 2024 based on a simulated incident in order to test the effectiveness of the SCMG and the Crisis Management Team (CMT) in ensuring a coordinated and timely response during crisis. Additionally, drill exercises were conducted for emergencies on vessels and offshore facilities, validating response plans and promoting continuous improvement. These proactive measures highlight the Group's commitment to enhancing crisis management capabilities, ensuring swift and effective responses to unforeseen challenges, and fostering resilience.

BUSINESS CONTINUITY MANAGEMENT

Business Continuity Management (BCM) aims to build the capability of the MISC Group to recover and continue the operations of critical business functions in the event of disruption.

In 2024, MISC has established the Business Continuity Management Framework (BCMF) to set expectation for clear and consistent BCM practices throughout the MISC Group. Through the BCM process, the Business Continuity Plan (BCP) is developed to enhance MISC Group's readiness to recover and restore essential business functions within a reasonable time to sustain business activities and minimise stakeholder disruption. Annual Business Impact Analysis and recovery strategy reviews are carried out to ensure changes in the Group is risk-assessed, analysed and mitigated. The mitigation action also takes into consideration different work environments such as flexible working arrangement and other remote working arrangements. This is achieved seamlessly by the application of technology, deployment of digital platforms for communication and collaboration to ensure our teams are able to work remotely and effectively.

Through the operational resilience that MISC Group has built over the years and the well-executed recovery plans, MISC Group was able to provide uninterrupted services to its clients, as well as internal and external stakeholders, globallu.

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Statement on Risk Management & Internal Control

KEY INTERNAL CONTROL PROCESSES IN ENTERPRISE RISK AREAS

MISC Group Management Framework (MGMF) functions as a guide that aligns the Group's activities on an integrated platform providing the first point of reference with guiding principles for the following areas which defines how the Group fulfils its obligations to regulators, employees, customers, shareholders, and the community:

Corporate Governance and Communication

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- 2 Values
- B Decision-making Philosophy
- 4 Approach to Governance Management
- MISC Excellence Management System (ExMS)

In operationalising MGMF, MISC uses myGOVERNANCE, a digital system that has been designed as a central hub to streamline document management across all levels to ensure compliance, facilitate online adoption, deviation handling, and provide comprehensive performance reports for governance activities. myGOVERNANCE which was approved for implementation in August 2023, has been in operation since January 2024.

During the year under review, MISC conducted 710 self-assessments via myASSURANCE, an online assurance platform, covering Health, Safety, Security, Cyber Security, Environment, Finance, Tax, Procurement and Legal areas to ensure compliance with internal governance requirements, established under the Group's frameworks, guiding principles and guidelines.

Other than self-assessment via myASSURANCE, amongst other MISC Group's key internal control processes in Enterprise Risk Areas are as follows:

FINANCIAL

Limits of Authority (LOA)

The LOA manual provides a framework of authority and accountability within organisation and facilitates sound and timely corporate decision-making at the appropriate level in the organisation's hierarchy.

Reporting

The Board reviews quarterly reports from management on key operating performance, legal, environmental and regulatory matters. Financial performance is deliberated monthly by the ELT and tabled to the BAC and the Board on a quarterly basis.

Planning and Budgeting

The Group performs a comprehensive annual planning and budgeting exercise which involves the development of business strategies for the next five years to achieve the Group's vision. The long-term strategies are supported by initiatives to be pursued in the upcoming year and for effective implementation, the initiatives are tied to specific measurable indicators which will be evaluated against the relevant business/service units and subsidiaries' deliverables.

The Group's strategic direction is then reviewed annually taking into account the current progress level and other indicators such as the latest developments in the industry, changes in market conditions and significant business risks. In addition, the Group's business plan is translated into budgetary numbers for the next five years, and financial performance and variance against budget is analysed and reported to the ELT, BAC, and the Board.

Financial Reporting Control Assurance

To enhance the quality of the Group's financial reports, the Group continues the execution of the PETRONAS Financial Reporting Control (FRC) Assurance. FRC Assurance is a structured process of ensuring the adequacy and effectiveness of internal controls operating within the Group. FRC covers internal controls related to financial reporting based on the identified processes and risks.

The FRC includes among others, documentation of controls, testing of internal control design effectiveness, remediation of control gaps as well as a periodic testing of control operating effectiveness.

The objective of conducting the assurance and evaluating the test results is to conclude whether the controls are designed and operating effectively to support the financial statement assertions. If internal control deficiencies are noted during the testing, management shall determine whether they constitute a material misstatement to the financial statements. The root cause for each deficiency shall be documented and the Corrective Action Plan for the ineffective controls shall be monitored and reported periodically.

FRC Assurance testing requirement is performed annually for relevant processes.

MISC Financial Policy

MISC Financial Policy (MFP), outlines the financial management framework and incorporating principles of financial risk management. The MFP governs financial risk management practices across the Group and establishes a framework for identifying and managing risk exposures to ensure efficient capital and liquidity management.

MISC is committed to become a financially resilient organisation.

MISC shall continuously strive to achieve the following:

- Capital efficiency in pursuit of business objectives with appropriate balance between risk and reward.
- Maintain an investment grade credit rating (if applicable).
- Sustain a strong cash repatriation discipline in the most optimal manner.
- Uphold strong governance at all times.

Adherence to this Policy is everyone's responsibility.

Note: MISC refers to MISC Berhad and its subsidiaries, excluding the joint venture companies and associate companies.

The MFP is in alignment with the existing Petronas Corporate Financial Policy (CFP) which serves as a supporting framework and guidelines to manage its finance risk exposure that include liquidity management, cash repatriation, financing, investment, banking, asset-liability management, foreign exchange management, credit, tax, inward financial guarantee and documentary credit, and integrated financial risk management.

Debt Covenant Monitoring

The Group monitors its financial and non-financial covenants set out under all its external financing facilities on a quarterly basis, to ensure that the covenants are observed and complied with.

Financial Risk Appetite

The Group has established the Financial Risk Appetite Setting (FRAS), which sets out KRIs as a means of monitoring and mitigating against adverse trends in the following financial risk areas:

 Interest rate risk appetite limit, where the Weighted Average Cost of Debt (WACD) for the year is set to monitor the overall cost of debt of the Group.

Statement on Risk Management & Internal Control

- Debt appetite limit, where the debt threshold is set to monitor the Group's leverage levels.
- Minimum liquidity requirement level, to ensure that the Group can meet its immediate operating expenses payables, committed debt service obligation and capital expenditures. In addition to the minimum liquidity requirement, additional cash reserves and credit facilities available for utilisation are maintained to meet contingent payments and opportunistic investments.
- Foreign exchange risk appetite, to set out thresholds for net currency exposures to mitigate the financial risk arising from non-functional currency transactions.
- Financial institution credit counterparty risk appetite, to mitigate financial exposures arising from failure of financial institution counterparties.

The KRIs thresholds are reviewed and refreshed annually.

MISC Tax Policy

With the tax policy in place, MISC Group continues to enhance its tax compliance with the required legislations, including OECD's Base Erosion and Profit Shifting 2.0 Pillar 2 or otherwise known as Global Minimum Tax (GMT), in the countries where it has presence, with the aim for the Group to be a responsible corporate taxpayer and to maintain cooperative relationships with the relevant tax authorities.

MISC Group is committed to be a responsible taxpayer by:

- Complying in good faith with all applicable tax laws, regulations, guidelines and international tax treaties, and settling tax obligations when legally due, as company and employer; and
- Maintaining cooperative working relationships with tax authorities.

Adherence to this Policy is everyone's responsibility, by referring all tax related matters to the appropriate parties.

Note: MISC refers to MISC Berhad and its subsidiaries, excluding the joint venture companies and associate companies

Statement on Risk Management & Internal Control

In addition, overall tax risks of the Group are being managed, among others, through:

- I. Risk Register which sets out KRI in relation to non-compliance events which resulted in penalties being imposed by tax authorities.
- Tax Compliance & Control (TCC) assurance which is designed to enforce effective governance and management of tax risks for both direct and indirect tax areas; and
- III. Performing tax assessment covering contractual, business structure and operational tax risks as part of Project Risk Assessment (PRA).
- IV. Assessment of potential tax liabilities including GMT in each jurisdiction annually. The Group, however, does not have a material exposure to Pillar Two income taxes in the relevant jurisdiction.

Finance Transformation Programme (FTP)

MISC Group has embarked on FTP: Project Lightspeed. The primary objective of Project Lightspeed is to shift the role of Finance from transaction processing to becoming strategic business partners, by leveraging analytics and automation to enable data-driven business decisions. The objective will be achieved through the re-engineering of financial processes, internal reorganisation, implementation of modernised financial platforms and automation technologies, as well as the upskilling of finance practitioners in the Group, whilst ensuring the adequacy and effectiveness of internal controls. The Group has completed the Wave 1 initiatives whereby all Wave 1 companies have integrated into SAP S4 Hana and process harmonisation has taken place. Wave 2 initiatives have started in Q4 2024 and is expected to complete in Q4 2025.

PROCUREMENT

The MISC Group Procurement Transformation Programme is focused on:

MISC Group Procurement Guidelines related to Category Management were launched in August 2023 and adopted in all Business Procurement Manuals across the Group; and

The digitalisation of procurement processes and policies through a procurement platform which will enforce compliance to Procure to Pay policies and improve visibility of procurement activities. The Source to Contract modules were fully operational across the entire Group from February 2023 and the Procure to Pay modules are progressively being rolled out.

CONTRACT MANAGEMENT

MISC Group has implemented contract management digital transformation which aims to drive efficiency and automate the monitoring of contractual compliances. The system and framework will undergo continuous monitoring and evaluation to ensure a seamless contract lifecycle management experience across the organisation.

PROJECT MANAGEMENT

Project management of newbuilding engineering and construction for GAS Business and AET are handled by Asset Construction & Conversion (ACC) department of the Marine Services whereas the project management for Offshore is managed by the Project Delivery and Technology (PD&T) department of the Offshore unit. The primary objective of the ACC and PD&T departments is to strategise, lead and control the shipbuilding/conversion of vessels and newbuild/conversion of floaters respectively, to ensure safe and successful execution of projects within the agreed schedule and allocated budget limits.

Two main functions of Marine Services ACC are:

- Project engineering team, which mainly provides technical support in project bidding and contracting, feasibility and conceptual studies, retrofitting and modification projects; and
- Project management team, which handles project execution post contract signing, engineering review, supervision, guarantee claim management and appraisal of builders' performance, depending on the agreed scope of work with the project owner.

The ACC continuously reviews the execution of the project against the project execution plan, which includes the planned programme, procurement schedule, factory test schedule and commissioning schedule. The ACC also provides regular reporting to management on the progress and escalating pertinent issues.

The Offshore's PD&T manages all project phases, from the bid through Front End Engineering Design (FEED), and execution until handover to the asset management team. During project execution, the team will carry out regular project reviews and risk assessments and formulates risk mitigation to ensure that appropriate actions are taken in a timely manner. Independent reviews, which may include external experts if required, are performed during the project execution phase led by MISC's GIA.

Statement on Risk Management & Internal Control

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INFORMATION & COMMUNICATION TECHNOLOGY (ICT)

MISC Group is responsible for implementing and maintaining enterprise ICT systems and corporate applications to support core business functions. The goal is to enhance technology delivery to a Managed State by 2025.

A Managed State refers to all areas of ICT being monitored, tracked and controlled through a defined process, ensuring consistency and visibility of all systems. This is to ensure the continuity of ICT systems within MISC Group to meet its availability and information security needs.

ICT Risk and Governance

ICT risks are governed through the following governance body:

The Information
Technology
Program
Committee (ITPC)

The ITPC serves as the central governance platform for evaluating and monitoring ICT strategic investments. It provides management oversight, ensures business alignment and track the progress of strategic initiatives to ensure successful implementation.

The Enterprise
Architecture
Committee (EAC)

The EAC oversees ICT architecture decisions, ensuring alignment with business goals, and promoting future-proof solutions that deliver business value while minimising risk. To support this, an Enterprise Architecture Team is established under the governance of the EAC through:

- The Digital Foundation and ICT Standards (DFIS), Unified Control Framework (UCF) and Project Management Procedures to ensure robust performance and risk management.
- The ICT UCF defines minimum standards to enhance ICT control effectiveness across the Group, minimising risks and improving IT governance.

CYBERSECURITY

In 2024, MISC continues to execute its 5-year MISC Cybersecurity Strategic plan to continuously improve on the maturity of cybersecurity in MISC. The strategy aims to ensure MISC remain continuously protected and secured from existing and emerging threats and to improve on MISC's cyber resiliency.

MISC, recognising the increased risk to supply chain, as evident from various cybersecurity incidents globally, as well as to operational technology (OT) onboard MISC's maritime assets due to the increased convergence of IT and OT devices, had developed new cybersecurity guidelines for third party and MISC maritime assets.

The Guideline for Third-Party will require third parties, who supply systems and applications to MISC or have accesses to MISC digital resources and data comply to MISC's cybersecurity requirements to protect and secure the confidentiality, the integrity and the availability of MISC data. In 2025, MISC will be looking to enhance the current practice to include the third-party monitoring tool for continuous monitoring of critical third parties.

The Guideline for Maritime Assets ensures that MISC vessels and floating platforms maintain a cybersecurity standard to safeguard their operations, the assets and its crew, and to comply to regulatory requirements. During the development of the guideline, MISC had commissioned an independent third-party assessor to evaluate the current cyber posture of MISC vessels. While the assessment has rated the current risk as low, it has provided the necessary recommendations to further improve on the existing gaps and cyber hygiene which was taken into consideration.

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Aside from the Guidelines, MISC is continuously working on reviewing and updating its existing guidelines and technical controls, and monitoring and detection of cybersecurity events to ensure emerging threats are considered and risks are mitigated.

A formal cubersecurity team has been established and led by a qualified Chief Information Security Officer (CISO), reporting to the Group HSSE & Sustainability Council, chaired by the President & Group CEO continues to provide management and implementation oversight with the cubersecurity risks addressed through the adoption of the following strategies:



Cybersecurity Governance

The cybersecurity governance framework outlines the policies and procedures, specifies the cybersecurity control standards and ensures a consistent approach to managing cybersecurity for the Group.



Cybersecurity Risk Management

Cybersecurity risks are managed by the team based on a group-wide methodology. All projects and implementation of IT/OT facilities will be assessed and remediated prior to handing over to operation. Regular assessments are conducted to identify changes in risk profiles and ensure continuous improvement.



Cybersecurity Culture

Formal and structured cybersecurity campaigns and awareness programmes are conducted combining MISC Group internal cybersecurity training and email phishing campaigns. On-going cybersecurity announcements are done to provide security alerts and updates of cubersecurity incidents in developing a security culture where everyone understands that cybersecurity is everyone's responsibility.



Cybersecurity Technology

MISC Group adopts proven and cost effective technology solutions in detecting and preventing cuber attacks, as well as responding and recovering from cyber attacks. These technologies comprise of Artificial Intelligence, cloud computing and data analytics and are revised regularly to reduce MISC Group's risks from cyber attacks.

The progress of all initiatives is reported regularly to the Group HSSE & Sustainability Council and the BSRC.

HUMAN RESOURCE

MISC Group places significant emphasis on nurturing a sustainable and healthy talent pool to support its strategic goals. To mitigate risks related to talent acquisition and retention. MISC has established robust recruitment and development processes. These ensure the sourcing of the right talent through a structured and transparent approach, supported by comprehensive development programs to nurture employee growth. Recruitment is conducted in a timely manner, prioritising the fulfilment of corporate and business-critical positions to ensure seamless business continuity. To address workforce flexibility and manage operational risks, "contingent workforce" work arrangement was introduced, enabling access to skilled talent through flexible work arrangements.

The Group's Performance Management is a cornerstone of MISC's high-performance culture and closely aligns with strategic objectives. The system incorporates annual and mid-year reviews, expectation-setting and quarterly check-ins to ensure employees are clear on objectives, monitor progress and receive support when needed. These initiatives help mitigate risks related to underperformance and ensure a systematic approach to addressing developmental requirements. Merit-based rewards further strengthen retention and engagement by acknowledging and incentivising top performers.

MISC is committed to fostering a diverse and inclusive workplace aligned with its ESG Social Pillar. This reduces risks associated with discrimination and lack of engagement by creating an environment that empowers employees to speak up and participate meaningfully. Initiatives such as the Conscious Inclusion Program for leaders aim to build inclusive leadership capabilities and address unconscious bias. Additionally, webinars on critical topics like addressing microaggressions and fostering inclusivity were conducted to further embed these values within the organisation.

Statement on Risk Management & Internal Control

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The Group's succession planning framework mitigates risks of leadership gaps by maintaining a strong leadership pipeline. Potential successors are assessed on their performance. leadership capabilities, and alignment with MISC's cultural beliefs. Tailored development plans prepare identified successors for critical roles, while the People Development Committee (PDC) conducts annual reviews to evaluate readiness. This structured approach ensures leadership continuity and minimises the risk of disruptions in key positions.

To address skill gaps and ensure workforce readiness, MISC conducts functional and leadership competency assessments. These efforts focus on developing critical skills in areas such as Al-assisted predictive asset management and sustainability. ensuring alignment with emerging industry needs. Leadership courses tailored through LinkedIn Learning and other platforms further enhance the workforce's ability to drive strategic priorities. By proactively developing future and adjacent skills in areas like sustainability and contract management, MISC minimises risks associated with talent obsolescence and positions itself to capitalize on growth opportunities.

Recognising the importance of fostering a healthy and productive workforce, MISC has implemented well-being initiatives to mitigate risks related to employee health, morale, and engagement. Programs such as FlexWear, FlexWork and FlexBenefit balance operational needs with personal preferences, promoting a supportive and inclusive work culture. Enhanced medical benefits, flexible leave policies and career paths for contingent roles support work-life balance and help retain top talent. Compliance with the Malaysian Employment Act, including maternity and paternity leave provisions, reinforces the Group's commitment to a family-friendly workplace.

By embedding robust risk management practices across its HR functions, MISC Group ensures alignment with strategic goals, mitigates workforce-related risks, and builds a resilient and future-ready organisation. These measures support a sustainable and inclusive culture, reinforce business continuity, and empower the workforce to thrive in a rapidly changing global environment.

COMPLIANCE & ETHICS

The strategic priority – Governance & Business Ethics, under the Governance Pillar of Sustainability Strategy, is to continuously embed a culture of strong corporate governance and business ethics and conduct within the Group. The Governance Pillar maps out the Group's compliance strategy, objectives, and guidance through the Compliance Management Framework to assist management, business and operations to develop, manage, and maintain the governance required to meet and sustain the compliance strategy and objectives across the Group including the performance of the core functions of an Integrity Governance Unit (IGU) i.e. complaints management, detection and verification of breaches, integritu strengthening and governance

MISC Group has put in place fundamental policies in line with the Code of Conduct and Business Ethics (CoBE) that extends to employees and directors within the Group and third parties performing works or services for or on behalf of the Group. Internal controls including policies and measures addressing the Critical Legal Areas (CLA) related to ethics and integrity, personal data protection, sanctions, export control, competition and human rights/modern slaveru through the following policies:

 MISC Group has a zero-tolerance policy (Anti-Bribery) Corruption Policy and Manual) which applies to employees or companies acting for or on behalf of MISC, throughout the Group reflecting the commitment of zero tolerance against any corrupt or unethical practices in the course of conducting business in all the jurisdiction it operates. This is further strengthened through the Integrity Management System which sets out the requisite requirements to prevent, identify and respond to bribery, of which MISC Group are ISO ABMS certified entities i.e. MISC Berhad and MHB have received the ISO 37001:2016 (ISO ABMS) certification in 2019, followed bu AET in 2020, MISC Marine in 2022 and ALAM in 2023.

The Corruption Risk Assessment (CRA) is being conducted and reviewed on an annual basis to ensure MISC Group fulfils the requirements of the Adequate Procedures Guideline and is safeguarded against the provision in the MACC Act (Amendment 2018) under Section 17A: Corporate Liability which was effective from 1 June 2020.

Statement on Risk Management & Internal Control

- MISC Group has established the Corporate Privacy Policy and Master Guidelines which demonstrate the commitment to handle and manage personal data in accordance with the general principles of personal data protection and applicable laws in various jurisdictions.
- The Sanctions and Export Control Guidelines underpin the Group's commitment to comply with relevant economic sanctions and export control regulations in the jurisdictions it operates in, through identifying, mitigating and managing such risks.
- MISC Group has a policy under the Competition Law Guidelines and its supporting protocols on Meetings and Information Sharing and Merger and Acquisition Transactions for fully complying with competition laws of every country we operate in.
- MISC Group has also adopted the Human Rights Policy on 22 August 2024 superseding the Human Rights Commitment and Modern Slavery Policy, to ensure adherence to the CoBE, which outlines the standards and behaviours that upholds, with emphasis on due respect for human rights and compliance to applicable global laws and rules.

In keeping with global business and regulatory development, the CLA related governance documents have been revised to cater to the latest development in laws and regulations. All entities (active, dormant and joint venture companies where MISC has controlling interest) are required to adopt the CLA governance documents, in order to address compliance and ethics risk across the Group.

For other relevant laws, MISC Group through the Regulatory and Legislation (R & L) Register and myGovernance Legal Register maintains regulations and legislations which can potentially impact the Group. The R & L Register/Legal Register shall be the guide to ensure that MISC Group operates in accordance with the R & L requirements and for any potential exposures to be adequately mitigated.

In providing the Board and Management with assurances that MISC Group is complying with all applicable laws and regulations, HOD Compliance Attestations to R & L and Legal Functional Checklists (FCs) are implemented through an Integrated Assurance platform called myASSURANCE.

Dealing with third parties is part of MISC Group's business operations and it expects third parties to comply with the same standards as MISC Group's CoBE related policies and guidelines as mentioned above:

Due diligence exercises are carried out on all third parties as outlined in MISC's Third Party Compliance Due Diligence Operational Guidelines.

Third parties are also required to adhere to MISC Group's CoBE related policies and guidelines through the Declaration and Integrity Pledge.

Annual trainings are also conducted to MISC Group's third parties.

There are continuous awareness sessions through the "See.Speak.Support" Campaigns with the objective of highlighting and creating awareness amongst employees on MISC Group's principal elements of the CoBE. The campaigns were aimed at promoting MISC's Whistleblowing Channels and processes to employees. Continuous mandated training on the CoBE and its related policies covering the CLA have been conducted for employees, directors and third parties. This is to be further reiterated through Integrity Time-Out sessions by Senior Leadership and through Compliance and Integrity sharing sessions.

The Group continues to monitor any potential conflicts of interest through the annual declaration by employees and the receipt and/or giving of any gifts via the employees' Conflict of Interest Register and employees' Gift Register.

MISC's Conflict of Interest (COI) policy, as described in MISC Group's CoBE, provides guidelines on the business and personal relationships between MISC Group's employees and its competitors, suppliers, customers and other business entities. As per the COI Review and Analysis Procedure, the disclosures are reviewed and analysed to ensure any potential conflict of interest exposures are adequately mitigated.

Actual, potential and perceived conflict of interest situations for directors are managed through established procedures which includes having an agenda on declaration of interest by directors at the start of every Board and Board Committee meetings.

Statement on Risk Management & Internal Control

BSRC as the governing body is updated on Compliance and Ethics related matters as good governance, and to ensure the objectives of the Sustainability Strategy 2025 (Governance Pillar) are effectively implemented.

The Whistleblowing (WB) Policy provides an avenue for all parties to disclose and report any suspected unethical and/ or unlawful conduct or non-compliance with the CoBE involving MISC Group and/or any of its employees. In line with the highest standards of integrity expected of the Company and its employees and the Malaysian Code on Corporate Governance 2021, the BAC shall also review the adequacy and effectiveness of the established WB management policy and procedure.

CORPORATE POLICIES

MISC established its Corporate Disclosure Policy (CDP) and Corporate Disclosure Guidelines (CDG) in 2016. The CDP guides the Board, Management Officers and employees of the Group when communicating and making disclosure of information to external parties such as Bursa Malaysia Securities Berhad, investment community, media, government authorities and other relevant stakeholders. It also sets out the parameters to enable timely, adequate and accurate disclosure of such information. The CDG, which is an internal document, provides more definitive guidelines for communication and disclosure of information in the above areas.

ASSURANCE FUNCTIONS

Group Health, Safety, Security, Environment & Sustainability (Group HSSE & Sustainability)

MISC Group is committed to ensure the highest HSSE standards and compliance in formulating plans, procuring products and services, making investment decisions and managing total business risks. MISC Group established the Health, Safety and Environment Management System (HSEMS) and the Security Management System (SeMS) pursuant to the Health, Safety and Environment (HSE) policy and the Security Policy instituted by management. The management systems were developed to ensure adherence to applicable international standards, legal requirements and other recognised industry best practices. The management system establishes the expectations and performance objectives in identifying, evaluating and managing the HSSE risks to People, Environment, Assets and Reputation. MISC Group's commitment to HSSE principles and sustainability beyond compliance, signifies responsibility in creating persistent positive impacts across all components of operations.

HSSE assurance is carried out on the respective business segments, vessels and floating facilities with the objective to verify, evaluate and review HSSE operational activities to ensure their operational integrity and reliability are maintained at all times, consistent with international regulations, HSSE controls and internal policies.

The Group's vessels are subjected to stringent audits, vetting and inspections to meet various regulatory and commercial requirements. These include vetting by oil majors, audits by the Malaysian Marine Department and ship classification societies to maintain international safety and security management certification under the relevant international codes. In addition, MISC Group is also subjected to periodic management reviews by its customers' risk management units.

The Group HSSE & Sustainability Council, chaired by the President & Group CEO with the ELT and Managing Director/CEO of all entities as members, reviews the Group's HSSE & Sustainability performance periodically. HSSE & Sustainability policies and strategies are reviewed to ensure alignment with business objectives. The BSRC will then be updated on the HSSE & Sustainability performance while the BAC oversees the HSSE Risk and Control effectiveness, through review of the assurance findings.

MISC Safety Rules was first introduced in 2015 to mitigate risks and reduce injurious incidents throughout our operations. In 2023, MISC Group adopted the International Association of Oil & Gas Producers (IOGP) Life Saving Rules to enhance safety awareness, prevent accidents, and ultimately save lives by promoting strict adherence to these rules throughout the operation. MISC Group has also introduced the new HSSE Rules and Commitments to create a secure and healthy workplace ensuring compliance to relevant laws and regulations. Reflective Learnings are carried out for high-risk incidents to reinforce the learnings from the incidents. The HSSE Incident Management process has been translated into an e-Learning platform where a mandatory module has been developed to be completed by all employees to ensure they understand the implications of any HSSE incidents. The HSSE Lessons Learnt process has been improved via translation into an interactive learning through series of videos.

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The HSSE culture of MISC Group encompasses values, attitudes, perceptions, competencies of the entire workforce and patterns of behaviour that determine the commitment of the Group's HSSE management. In 2021, MISC Group embarked on a journey to institutionalise a Generative HSSE Culture where everyone is doing the right thing at all times even when no one is watching. Various initiatives were implemented during the period to strengthen the HSSE behaviour at all levels, to develop and internalise the right attitude and skills to promote a generative culture and ensure forward accountability across the Group.

GROUP INTERNAL AUDIT

MISC's GIA supports the BAC by providing independent review on the adequacy of risk management, governance as well as the efficiency and effectiveness of the internal control systems.

The authority, responsibilities and scope of work are defined in the approved Internal Audit Charter, which is aligned with the principles outlined in the International Professional Practices Framework (IPPF). The IPPF will be replaced by the Global Internal Audit Standard (GIAS) effective January 2025. In performing its audit engagements, GIA refers to the internal control framework and guideline issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). COSO is an internationally recognised organisation providing guidance on internal control, enterprise risk management and governance.

Further information on the internal audit functions is set out in the Statement of Internal Audit on pages 183 to 184 in the BAC Report of this Integrated Annual Report.

OTHER MATTERS

With regard to the associate companies and jointly controlled entities, the Board does not regularly review their internal control systems as the Board has no direct control over their operations. Nevertheless, MISC's interests in the associate companies and jointly controlled entities are served via representations on the boards as well as review of management accounts and enquiries thereof.

AFFIRMATION BY THE BOARD

The Board has received assurance from the President & Group CEO and the Chief Financial Officer that the internal control and risk management systems of the Company and its subsidiaries for the year under review up to the date of approval of the statement, in all material aspects, operating adequately and effectively.

During the financial year under review, there was no significant control failure or weakness that would result in material losses, contingencies or uncertainties requiring separate disclosure in this Integrated Annual Report.

REVIEW BY EXTERNAL AUDITOR

The external auditor, Messrs. Ernst & Young PLT, has reviewed this Statement on Risk Management and Internal Control for inclusion in the Integrated Annual Report for the financial year ended 31 December 2024, in compliance with paragraph 15.23 of the Listing Requirements in accordance with guidelines issued by the Malaysian Institute of Accountants and reported to the Board that nothing has come to their attention to cause them to believe that the statement intended to be included in the Integrated Annual Report is not prepared, in all material respects, in accordance with disclosures required by Paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuer, or that the statement is factually inaccurate.

CONCLUSION

For the financial year under review, based on enquiry, information and assurance provided, the Board is satisfied that the internal control and risk management systems were generally satisfactory. Measures would continuously be taken to ensure ongoing adequacy and effectiveness of the internal control and risk management systems, and to safeguard the Group's assets and shareholders' investment.

This statement is made in accordance with the resolution of the Board of Directors dated 20 February 2025.

Statement of Directors' Responsibility

The directors are responsible in ensuring that the annual audited financial statements of the Group and of the Corporation are drawn up in accordance with the provisions of the Companies Act 2016 and the requirements of the applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board.

The directors are also responsible to ensure that the annual audited financial statements of the Group and of the Corporation present a true and fair view of the financial position of the Group and of the Corporation as at the financial year end and of their financial performance and cash flows for the financial year then ended.

In preparing the annual audited financial statements of the Group and of the Corporation for the financial year ended 31 December 2024, the directors have ensured that:

- the financial statements comply with the Companies Act 2016 and the requirements of the applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board;
- appropriate and relevant accounting policies were adopted and consistently applied;
- reasonable and prudent estimates and judgements were made; and
- going concern basis was adopted.

The directors are responsible to ensure that the Group and the Corporation keep accounting records which disclose, with reasonable accuracy, the financial position of the Group and the Corporation.

The directors have the overall responsibility for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Corporation to prevent and detect fraud and other irregularities.

Additional Compliance Information

A. STATUS OF UTILISATION OF PROCEEDS

During the financial year ended 31 December 2024, the Company did not raise any proceeds from corporate proposals.

B. AUDIT AND NON-AUDIT FEES

- i) The amount of audit fees paid or payable to the external auditors, Ernst & Young PLT (EY PLT), for services rendered to the Group and the Company for the financial year ended 31 December 2024 amounted to RM7,010,000 and RM1,001,000 respectively.
- ii) The amount of non-audit fees paid or payable to the external auditors, EY PLT, and their affiliated companies for services rendered to the Group and the Company for the financial year ended 31 December 2024 amounted to RM814,000 and RM356,000 respectively. The non-audit services rendered to the Group and the Company includes limited review of semi-annual financial results and tax advisory.

C. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries which were not in the ordinary course of business, involving the Directors' and/or major shareholders' interests, still subsisting at the end of the financial year ended 31 December 2024 or, if not then subsisting, entered into since the end of the previous financial year.

SECTION 13

ADDITIONAL INFORMATION

Properties Owned by MISC Berhad and Its Subsidiaries

214 Statistics on Shareholdings

217 Corporate Information

218 List of Abbreviations

Properties Owned by MISC Berhad and Its Subsidiaries As at 31 December 2024

| NO | LOCATION | DESCRIPTION | TENURE & YEAR LEASE EXPIRES | AREA IN SQFT | EXISTING USE | AGE OF BUILDING/ LAND (YEARS) | APPROX NBV (RM'000) |
|----|--|--|--------------------------------|-----------------|---|--|---------------------------|
| 1 | PTD 22805 Mukim Plentong Johor Bahru | Land, shipyard | Leasehold/2073 | 13,115,306 | Marine repair, marine conversion, | 45 | 36,450 |
| 2 | PTD 11549 Mukim Plentong Johor Bahru | Land, shipyard | Leasehold/2075 | 522,720 | heavy engineering fabrication yard, ancillary facilities and office buildings | 49 | 624 |
| 3 | PTD 101363 Mukim Plentong Johor Bahru | Land | Leasehold/2039 | 2,567,862 | Storage area | 15 | 13,274 |
| 4 | PTD 65615 Mukim Plentong Johor Bahru | Land | Leasehold/2044 | 698,266 | Staff quarters | 41 | 1,589 |
| 5 | PTD 65618 Mukim Plentong Johor Bahru | Land | Leasehold/2044 | 587,624 | Staff quarters | 41 | 1,338 |
| 6 | PTD 65619 Mukim Plentong Johor Bahru | Land | Leasehold/2044 | 128,502 | Staff quarters | 41 | 293 |
| 7 | PTD 65616 Mukim Plentong Johor Bahru | Land | Leasehold/2044 | 169,884 | Vacant | 41 | 387 |
| 8 | PTD 65617 Mukim Plentong Johor Bahru | Land | Leasehold/2044 | 374,180 | Vacant | 41 | 852 |
| 9 | Pasir Gudang Industrial Estate 81707 Pasir Gudang, Johor (erected on land 1 and 2 above) | Warehouse, workshops and office buildings | Leasehold/ 2073/2075 | 1,956,881 | Marine repair, marine conversion, heavy engineering fabrication yard, ancillary facilities and office buildings | 47 | 1,061,092 |
| 10 | Rumah Pangsa MMHE 81700 Pasir Gudang (erected on land 4 to 6 above) | 4-storey residential flats | Leasehold/2044 | 383,559 | Staff quarters | 46 | 1,245 |
| 11 | PTD 71056 Mukim Plentong Johor Bahru | Land, yard | Leasehold/2045 | 1,524,600 | Heavy engineering fabrication yard, ancillary facilities and office buildings | 39 | 31,148 |
| 12 | PTD 109040 Mukim Plentong Johor Bahru | Land | Leasehold/2053 | 217,800 | Workshop, ancillary facilities and site office | 31 | 5,178 |
| 13 | PTD 200290 Mukim Plentong Johor Bahru | Land, yard | Leasehold/2052 | 2,424,158 | Workshop, ancillary facilities and office buildings | 16 | 59,372 |

Properties Owned by MISC Berhad and Its Subsidiaries

As at 31 December 2024

| NO | LOCATION | DESCRIPTION | TENURE & YEAR LEASE EXPIRES | AREA IN SQFT | EXISTING USE | AGE OF BUILDING/ LAND (YEARS) | APPROX NBV (RM'000) |
|----|--|----------------|--------------------------------|-----------------|---|--|---------------------------|
| 14 | PTD 22768 Mukim Plentong Johor Bahru | Land | Leasehold/2040 | 435,600 | Storage area | 44 | 7,899 |
| 15 | Lot 51611 Mukim Plentong Johor Bahru | Land | Leasehold/2045 | 173,514 | Ancillary facilities and storage area | 28 | 3,545 |
| 16 | PTD 110760 Mukim Plentong Johor Bahru | Land | Leasehold/2052 | 205,603 | Workshop, ancillary facilities and office buildings | 31 | 4,737 |
| 17 | PTD 110758 Mukim Plentong Johor Bahru | Land | Leasehold/2052 | 59,242 | Cabin office and warehouse | 31 | 1,437 |
| 18 | PTD 233477 Mukim Plentong Johor Bahru | Land | Leasehold/2079 | 333,197 | Heavy engineering fabrication yard and ancillary facilities | 6 | 12,691 |
| 19 | Lot 76, Mukim Kuala Sungai Baru, Alor Gajah, Melaka | Building | Leasehold/2046 | 13,474 | Accommodation, meeting facilities and storage | 16 | Nil |
| 20 | Lot 1516, Mukim Kuala Sungai Baru (Kampus Alam, Batu 31 Kampung Tanjung Dahan Kuala Sungai Baru, Melaka) | Building | Leasehold/2046 | 24,210 | Post sea hostel | 14 | Nil |
| 21 | Lot 32988, Mukim Dengkil, (No. 3505 Jalan Teknokrat 5, Cyberjaya, Selangor) | Land, building | Freehold | 58,652 | Office | 22 | 29,104 |
| 22 | 305, The Colonnades Porchester Square, Bayswater, London W2 6AS | Apartment | Leasehold/2073 | 1,200 | Accommodation | 33 | 3,468 |
| 23 | Galveston, Texas, USA | Land, building | Freehold | 290,415 | Workboats, dockage and lightering support operation | 56 | 14,902 |
| 24 | Rivium 1e straat 42, 2909 LE, Capelle ann den IJssel, Netherlands | Land, building | Freehold | 21,140 | Office | 27 | 7,424 |

Statistics on Shareholdings

As at 5 March 2025

Total Number of Issued Shares : 4,463,793,103* Class of Share : Ordinary shares

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Voting Right : One vote per ordinary share held

* Inclusive of 47,400 treasury shares

Analysis of Shareholdings

| Size of Shareholdings | No. of Shareholders | % of Shareholders | No. of Shares | % of Issued Share Capital# |
|--|------------------------|----------------------|------------------|-------------------------------|
| Less than 100 | 2,188 | 25.99 | 10,203 | 0.00 |
| 100 - 1,000 | 2,226 | 26.45 | 1,173,077 | 0.02 |
| 1,001 - 10,000 | 2,512 | 29.84 | 9,736,599 | 0.22 |
| 10,001 - 100,000 | 885 | 10.51 | 30,745,080 | 0.69 |
| 100,001 to less than 5% of issued shares | 605 | 7.19 | 1,756,824,115 | 39.36 |
| 5% and above of issued shares | 2 | 0.02 | 2,665,256,629 | 59.71 |
| Total | 8,418 | 100.00 | 4,463,745,703 | 100.00 |

[#] Excludes 47,400 ordinary shares bought back by the Company and held as treasury shares as at 5 March 2025.

Directors' Shareholdings in the Company

(Based on Register of Directors' Shareholdings)

None of the Directors have any interest in the shares of the Company.

Directors' Shareholdings in Related Corporation

(Based on Register of Directors' Shareholdings)

PETRONAS Chemicals Group Berhad

| | | Direct | Direct | | |
|-----|---------------------------------|---------------|--------|---------------|---|
| No. | Name of Directors | No. of Shares | % | No. of Shares | % |
| 1 | Mohammad Suhaimi Mohd Yasin | 6,000 | 0.00 | - | - |
| 2 | Wan Shamilah Wan Muhammad Saidi | 6,000 | 0.00 | - | - |

Substantial Shareholders

(Based on Register of Substantial Shareholders)

| | | Dire | ect | Indir | ect |
|-----|---|---------------|------------|---------------|------------|
| No. | Name of Substantial Shareholders | No. of Shares | % # | No. of Shares | % # |
| 1 | Petroliam Nasional Berhad | 2,276,583,900 | 51.00 | - | - |
| 2 | Employees Provident Fund Board | 584,736,580 | 13.10 | - | - |
| 3 | Kumpulan Wang Persaraan (Diperbadankan) | 212,050,000 | 4.75 | 11,220,100 | 0.25 |

[#] Excludes 47,400 ordinary shares bought back by the Company and held as treasury shares as at 5 March 2025.

Statistics on Shareholdings

As at 5 March 2025

30 Largest Shareholders as at 5 March 2025

| EXEMPT AN FOR PETROLIAM NASIONAL BERHAD 2 CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. | % # 1.00 |
|--|--------------------|
| EMPLOYEES PROVIDENT FUND BOARD 3 AMANAHRAYA TRUSTEES BERHAD 212,540,800 AMANAH SAHAM BUMIPUTERA 4 KUMPULAN WANG PERSARAAN (DIPERBADANKAN) 211,448,015 5 CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. 125,111,651 EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC) 6 STATE FINANCIAL SECRETARY SARAWAK 67,466,667 7 MAYBANK NOMINEES (TEMPATAN) SDN. BHD. 51,891,800 PLEDGED SECURITIES ACCOUNT FOR LEMBAGA KEMAJUAN TANAH PERSEKUTUAN (415321) 8 PENANG DEVELOPMENT CORPORATION 50,800,000 9 AMANAHRAYA TRUSTEES BERHAD 36,712,100 AMANAH SAHAM MALAYSIA 3 10 AMANAHRAYA TRUSTEES BERHAD 33,919,800 AMANAH SAHAM MALAYSIA 11 PERMODALAN NASIONAL BERHAD 32,000,000 12 CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. 31,572,740 URUSHARTA JAMAAH SDN. BHD. (1) 13 HSBC NOMINEES (ASING) SDN. BHD. 30,001,102 JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND | |
| AMANAH SAHAM BUMIPUTERA 4 KUMPULAN WANG PERSARAAN (DIPERBADANKAN) 5 CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC) 6 STATE FINANCIAL SECRETARY SARAWAK 67,466,667 7 MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEMBAGA KEMAJUAN TANAH PERSEKUTUAN (415321) 8 PENANG DEVELOPMENT CORPORATION 9 AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 3 10 AMANAHRAYA TRUSTEES BERHAD 33,919,800 AMANAH SAHAM MALAYSIA 11 PERMODALAN NASIONAL BERHAD 21 CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. URUSHARTA JAMAAH SDN. BHD. (1) 13 HSBC NOMINEES (ASING) SDN. BHD. JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND | 8.71 |
| 5 CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC) 6 STATE FINANCIAL SECRETARY SARAWAK 7 MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEMBAGA KEMAJUAN TANAH PERSEKUTUAN (415321) 8 PENANG DEVELOPMENT CORPORATION 9 AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 3 10 AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 11 PERMODALAN NASIONAL BERHAD 2 CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. URUSHARTA JAMAAH SDN. BHD. (1) 13 HSBC NOMINEES (ASING) SDN. BHD. JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND | 4.76 |
| EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC) 6 STATE FINANCIAL SECRETARY SARAWAK 67,466,667 7 MAYBANK NOMINEES (TEMPATAN) SDN. BHD. 51,891,800 PLEDGED SECURITIES ACCOUNT FOR LEMBAGA KEMAJUAN TANAH PERSEKUTUAN (415321) 8 PENANG DEVELOPMENT CORPORATION 50,800,000 9 AMANAHRAYA TRUSTEES BERHAD 36,712,100 AMANAH SAHAM MALAYSIA 3 10 AMANAHRAYA TRUSTEES BERHAD 33,919,800 AMANAH SAHAM MALAYSIA 11 PERMODALAN NASIONAL BERHAD 32,000,000 12 CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. URUSHARTA JAMAAH SDN. BHD. (1) 13 HSBC NOMINEES (ASING) SDN. BHD. 30,001,102 JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND | 4.74 |
| 7 MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEMBAGA KEMAJUAN TANAH PERSEKUTUAN (415321) 8 PENANG DEVELOPMENT CORPORATION 9 AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 3 10 AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 11 PERMODALAN NASIONAL BERHAD 12 CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. URUSHARTA JAMAAH SDN. BHD. (1) 13 HSBC NOMINEES (ASING) SDN. BHD. JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND | 2.80 |
| PLEDGED SECURITIES ACCOUNT FOR LEMBAGA KEMAJUAN TANAH PERSEKUTUAN (415321) 8 PENANG DEVELOPMENT CORPORATION 50,800,000 9 AMANAHRAYA TRUSTEES BERHAD 36,712,100 AMANAH SAHAM MALAYSIA 3 10 AMANAHRAYA TRUSTEES BERHAD 33,919,800 AMANAH SAHAM MALAYSIA 11 PERMODALAN NASIONAL BERHAD 32,000,000 12 CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. URUSHARTA JAMAAH SDN. BHD. (1) 13 HSBC NOMINEES (ASING) SDN. BHD. JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND | 1.51 |
| 9 AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 3 10 AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 11 PERMODALAN NASIONAL BERHAD 32,000,000 12 CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. URUSHARTA JAMAAH SDN. BHD. (1) 13 HSBC NOMINEES (ASING) SDN. BHD. JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND | 1.16 |
| AMANAH SAHAM MALAYSIA 3 10 AMANAHRAYA TRUSTEES BERHAD 33,919,800 AMANAH SAHAM MALAYSIA 11 PERMODALAN NASIONAL BERHAD 32,000,000 12 CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. 31,572,740 URUSHARTA JAMAAH SDN. BHD. (1) 13 HSBC NOMINEES (ASING) SDN. BHD. 30,001,102 JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND | 1.14 |
| AMANAH SAHAM MALAYSIA 11 PERMODALAN NASIONAL BERHAD 32,000,000 12 CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. URUSHARTA JAMAAH SDN. BHD. (1) 13 HSBC NOMINEES (ASING) SDN. BHD. JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND | 0.82 |
| 12 CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. URUSHARTA JAMAAH SDN. BHD. (1) 13 HSBC NOMINEES (ASING) SDN. BHD. JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND 31,572,740 30,001,102 | 0.76 |
| URUSHARTA JAMAAH SDN. BHD. (1) 13 HSBC NOMINEES (ASING) SDN. BHD. 30,001,102 JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND | 0.72 |
| JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND | 0.71 |
| | 0.67 |
| 14 AMANAHRAYA TRUSTEES BERHAD 28,245,800 AMANAH SAHAM BUMIPUTERA 2 | 0.63 |
| 15 HSBC NOMINEES (ASING) SDN. BHD. 27,596,096 JPMCB NA FOR VANGUARD EMERGING MARKETS STOCKS INDEX FUND | 0.62 |
| 16 DB (MALAYSIA) NOMINEE (ASING) SDN. BHD. 26,960,720 EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67) | 0.60 |
| 17 CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. 22,318,000 EMPLOYEES PROVIDENT FUND BOARD (CGS CIMB) | 0.50 |
| 18 CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. 21,243,100 GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1) | 0.48 |
| 19 MAYBANK NOMINEES (TEMPATAN) SDN. BHD. 19,950,200 MAYBANK TRUSTEES BERHAD FOR PUBLIC ITTIKAL FUND (N14011970240) | 0.45 |
| 20 CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. 19,092,760 EXEMPT AN FOR AIA BHD. | 0.43 |
| 21 CARTABAN NOMINEES (TEMPATAN) SDN. BHD. 17,650,400 PBTB FOR TAKAFULINK DANA EKUITI | 0.40 |

Statistics on Shareholdings

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As at 5 March 2025

| No. | Name of Shareholders | No. of Shares | % # |
|-----|---|---------------|------------|
| 22 | AMANAHRAYA TRUSTEES BERHAD | 16,421,300 | 0.37 |
| | AMANAH SAHAM BUMIPUTERA 3 - DIDIK | | |
| 23 | HSBC NOMINEES (ASING) SDN. BHD. | 15,662,558 | 0.35 |
| | JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL | | |
| | INTERNATIONAL STOCK MARKET INDEX TRUST II | | |
| 24 | AMANAHRAYA TRUSTEES BERHAD | 13,900,360 | 0.31 |
| | PUBLIC ISLAMIC DIVIDEND FUND | | |
| 25 | CARTABAN NOMINEES (TEMPATAN) SDN. BHD. | 13,016,400 | 0.29 |
| | PAMB FOR PRULINK EQUITY FUND | | |
| 26 | HSBC NOMINEES (ASING) SDN. BHD. | 12,446,100 | 0.28 |
| | JPMSE LUX FOR ROBECO CAPITAL GROWTH FUNDS | | |
| 27 | LEMBAGA TABUNG HAJI | 11,541,700 | 0.26 |
| 28 | CARTABAN NOMINEES (ASING) SDN. BHD. | 10,083,400 | 0.23 |
| | BNYM SA/NV FOR PEOPLE'S BANK OF CHINA (SICL ASIA EM) | | |
| 29 | MINISTER OF FINANCE | 10,000,000 | 0.22 |
| | AKAUN JAMINAN PINJAMAN KERAJAAN PERSEKUTUAN | | |
| 30 | CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. | 9,688,400 | 0.22 |
| | EMPLOYEES PROVIDENT FUND BOARD (ASIANISLAMIC) | | |
| | Total | 3,844,538,598 | 86.14 |
| | | | |

[#] Excludes 47,400 ordinary shares bought back by the Company and held as treasury shares as at 5 March 2025.

Corporate Information

| BOARD OF DIRECTORS | | | | | | |
|---|---|--|--|--|--|--|
| Chairman, Independent Non-Executive Director | Independent Non-Executive Directors Datin Norazah Mohamed Razali | President & Group CEO, Non-Independent Executive Director | | | | |
| Datuk Abu Huraira Abu Yazid | Dato' Tengku Marina Tunku Annuar Mohammad Suhaimi Mohd Yasin | Zahid Osman | | | | |
| Senior Independent Non-Executive | | | | | | |
| Director | Non-Independent Non-Executive Directors | | | | | |
| Chew Liong Kim | | | | | | |
| | Liza Mustapha Wan Shamilah Wan Muhammad Saidi Datuk Adif Zulkifli | | | | | |
| | | | | | | |
| Board Audit Committee | Board Nomination & Remuneration Committee | Board Sustainability & Risk Committee | | | | |
| | | _ | | | | |
| Committee | Remuneration Committee | Risk Committee | | | | |
| Chairman | Remuneration Committee Chairperson | Risk Committee Chairperson | | | | |
| Chairman Chew Liong Kim | Remuneration Committee Chairperson Dato' Tengku Marina Tunku Annuar | Risk Committee Chairperson Datin Norazah Mohamed Razali | | | | |

Company Secretaries

Noridah Khamis LS 0010240 SSM PC No. 201908001731

Lee Ming Leong MAICSA 7006926 SSM PC No. 202308000507

Level 25, Menara Dayabumi

Registered Office

Jalan Sultan Hishamuddin 50050 Kuala Lumpur +603 2264 0888 Email: miscweb@miscbhd.com Website: www.miscgroup.com

Auditors

Ernst & Young PLT Level 23A, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur +603 7495 8000 Fax: +603 2095 5332

Share Registrar

Boardroom Share Registrars Sdn. Bhd. 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13 46200 Petaling Jaya Selangor Darul Ehsan Tel: +603 7890 4700

Fax: +603 7890 4670

Email: bsr.helpdesk@boardroomlimited.com

Place of Incorporation and Domicile

Malaysia

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad

Stock Name: MISC Stock Code: 3816

List of Abbreviations

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| ABMS | Anti-Bribery Management System |
|--------|--|
| ACC | Asset Construction & Conversion |
| AET | AET Pte. Ltd. |
| ADIPEC | Abu Dhabi International Petroleum Exhibition and Conference 2024 |
| AGM | Annual General Meeting |
| AI | Artificial Intelligence |
| ALAM | Akademi Laut Malaysia |
| ASB | Asia School of Business |
| ASCOPE | ASEAN Council on Petroleum |
| BAC | Board Audit Committee |
| BCM | Business Continuity Management |
| ВСР | Business Continuity Plan |
| BNRC | Board Nomination & Remuneration Committee |
| bρd | Barrels Per Day |
| BPE | Board Performance Evaluation |
| BSRC | Board Sustainability & Risk Committee |
| BWTS | Ballast Water Treatment Systems |
| CAPEX | Capital Expenditure |
| cbm | Cubic Metre |
| CCS | Carbon capture and storage |
| CDG | Corporate Disclosure Guidelines |
| CDP | Carbon Disclosure Project |
| CEO | Chief Executive Officer |
| CFO | Cash Flows from Operations |
| CFP | Corporate Financial Policy |
| CG | Corporate Governance |
| CGM | Climate Governance Malaysia |
| CISO | Chief Information Security Officer |
| CLA | Critical Legal Areas |
| CM | Crisis Management |
| CMT | Crisis Management Team |
| CO2 | Carbon Dioxide |
| CoBE | Code of Conduct and Business Ethics |
| COI | Conflict of Interest |
| COSO | Committee of Sponsoring Organisations of the Treadway Commission |
| СРР | Central Processing Platform |
| CRA | Corruption Risk Assessment |

| CSA | Chamber of Shipping of America | |
|--------------|--|--|
| CSR | Corporate Social Responsibility | |
| CSS0 | Chief Strategy & Sustainability Officer | |
| D&I | Diversity and Inclusion | |
| DPST | Dynamic Positioning Shuttle Tanker | |
| EES&G | Economic, Environmental, Social and Governance | |
| ELT | Executive Leadership Team | |
| EPC | Engineering, Procurement and Construction | |
| EPCIC | Engineering, Procurement, Construction, Installation and Commissioning | |
| EPP | Employee Participation Programme | |
| ERM | Enterprise Risk Management | |
| ESG | Environmental, Social and Governance | |
| ETS | Emissions Trading System | |
| EU | European Union | |
| ExMS | Excellence Management System | |
| FCA | Fellow Chartered Accountant | |
| FCs | Functional Checklists | |
| FEED | Front End Engineering Design | |
| FPS | Floating Production System | |
| FPS0 | Floating Production, Storage and Offloading | |
| FRAS | Financial Risk Appetite Setting | |
| FRC | Financial Reporting Control | |
| FSO | Floating Storage and Offloading | |
| FSRP | Floating Storage, Regasification Powerplant | |
| FSRU | Floating Storage Regasification Unit | |
| FSU | Floating Storage Unit | |
| FTP | Finance Transformation Programme | |
| FY2023 | Financial Year Ended 31 December 2023 | |
| FY2024 | Financial Year Ended 31 December 2024 | |
| GAS | Gas Assets & Solutions | |
| GDP | Gross Domestic Product | |
| GEES | Graduate Employability Enhancement Scheme | |
| GHG | Greenhouse Gas | |
| GHSSE | Group Health, Safety, Security and Environment | |
| GIA | Group Internal Audit | |
| GIAS | Group Internal Audit Standard | |
| | | |

List of Abbreviations

| GMF | Global Maritime Forum |
|---------|---|
| GMT | Global Minimum Tax |
| GRI | Global Reporting Initiative |
| GSP | Green Ship Programme |
| gt | Gross Tonnage |
| ното | Heart of the Ocean |
| HR | Human Resource |
| HSE | Health, Safety and Environment |
| HSEMS | Health, Safety and Environment Management System |
| HSQE-En | Health, Safety, Quality, Environment and Energy |
| HSSE | Health, Safety, Security and Environment |
| HSSES | Health, Safety, Security, Environment & Sustainability |
| HVDC | High-Voltage Direct Current |
| IAR | Integrated Annual Report |
| IBAMA | Brazilian Institute of Environment and Renewable Natural Resources |
| ICDM | Institute of Corporate Directors Malaysia |
| ICP | Internal Carbon Pricing |
| ICT | Information & Communications Technology |
| IDPA | Individual Directors Performance Assessment |
| IEA | International Energy Agency |
| IFRS | International Financial Reporting Standards |
| IGU | Integrity Governance Unit |
| IIRC | International Integrated Reporting Council |
| IMF | International Monetary Fund |
| IMO | International Maritime Organization |
| INEDs | Independent Non-Executive Directors |
| IOGP | International Association of Oil & Gas Producers |
| IP | Internet Protocol |
| IPA | Indonesian Petroleum Association |
| IPPF | International Professional Practices Framework |
| ISO | International Organization for Standardization |
| KPI | Key Performance Indicators |
| KRI | Key Risk Indicator |
| KYC | Know Your Counterparty |

| LBV | LNG Bunker Vessel |
|------------------|--|
| LCO ₂ | Liquefied Carbon Dioxide |
| LD | Liquidated Damages |
| LIP | Leading for Impact |
| LNG | Liquefied Natural Gas |
| LNGC | LNG Carrier |
| LOA | Limits of Authority |
| LR2 | Long Range 2 |
| LSV | Lightering Support Vessel |
| LTI | Lost Time Injury |
| LTIF | Lost Time Injury Frequency |
| MAC | Management Audit Committee |
| MACN | Maritime Anti-Corruption Network |
| MARC | Malaysia Rating Corporation Berhad |
| MCCG | Malaysian Code on Corporate Governance |
| MCVs | Modular Capture Vessels |
| MFP | MISC Financial Policy |
| MFRS | Malaysian Financial Reporting Standards |
| MGMF | MISC Group Management Framework |
| МНВ | Malaysia Marine and Heavy Engineering Holdings Berhad |
| MIA | Malaysian Institute of Accountants |
| MMASB | Malaysian Maritime Academy Sdn. Bhd. |
| MMD | Malaysian Marine Department |
| MMEGA | Mega-Module Engineering and Green Architecture |
| ММНЕ | Malaysia Marine and Heavy Engineering Sdn. Bhd. |
| MMLR | Main Market Listing Requirements |
| MODU | Mobile Offshore Drilling Unit |
| MOHE | Ministry of Higher Education |
| MoU | Memorandum of Understanding |
| MPA | Marine & Port Authority of Singapore |
| MPC | Malaysia Productivity Corporation |
| MRC | Management Risk Committee |
| MRV | Monitoring, Reporting, and Verification |
| MSOSH | Malaysian Society for Occupational Safety and Health |
| MSWG | Minority Shareholders Watch Group |
| MTPA | Million Tonne Per Annum |
| | |

List of Abbreviations

INTEGRATED ANNUAL REPORT 2024

| NACGSA | National Corporate Governance & Sustainability Awards |
|------------------------------------|---|
| NAPEI | National Association of Private Educational Institutions |
| NED | New Energy & Decarbonisation |
| NEDs | Non-Executive Directors |
| NGO | Non-Governmental Organisation |
| NINEDs | Non-Independent Non-Executive Directors |
| O&M | Operations and Maintenance |
| OMF | Operations Management Framework |
| OPEC | Organization of the Petroleum Exporting Countries |
| OSH | Occupational Safety and Health |
| OSS | Offshore Substation |
| ОТ | Operation Technology |
| OTCA | Offshore Technology Conference Asia |
| PD&T | Project Delivery & Technology |
| PDC | People Development Council |
| PETRONAS Petroliam Nasional Berhad | |
| PETRONAS Group | PETRONAS and its Subsidiaries |
| PGCEO | President & Group Chief Executive Officer |
| PLL | PETRONAS LNG Ltd. |
| PRA | Project Risk Assessment |
| PRAF | Project Risk Assessment Framework |
| PRASC | Project Risk Assessment Sub-Committee |
| PTLCL | PETCO Trading Labuan Company Ltd. |
| PTW | Permit-To-Work |
| RLE | Repair and Life Extension |
| RM | Ringgit Malaysia |
| RPTs | Related Party Transactions |
| RRPTs | Recurrent Related Party Transactions |
| SASB | Sustainability Accounting Standards Board |
| SCMG | Strategic Crisis Management Guideline |
| SDG | Sustainable Development Goals |
| Semi-FPS | Semi-submersible Floating Production system |
| SeMS | Security Management System |
| SIGTTO | Society of International Gas Tanker and Terminal Operators |
| SPM | Single Point Mooring |

| STCW Standards of Training, Certification and Watchkeeping STS ship-to-ship TCC Tax Compliance & Control TCFD Task Force on Climate-related Financial Disclosures TCPS Time Charter Parties TMS Talent Management System TOR Terms of Reference TRC Total Recordable Cases TRCF Total Recordable Case Frequency UCF Unified Control Framework UESB Uzma Engineering Sdn. Bhd. UN SDG United Nations Sustainable Development Goals USD United States Dollar VLCC Very Large Crude Carrier VLEC WACD Weighted Average Cost of Debt WB Whistleblowing WHP Wellhead Platform | | |
|--|--------|---|
| TCC Tax Compliance & Control TCFD Task Force on Climate-related Financial Disclosures TCPS Time Charter Parties TMS Talent Management System TOR Terms of Reference TRC Total Recordable Cases TRCF Total Recordable Case Frequency UCF Unified Control Framework UESB Uzma Engineering Sdn. Bhd. UN SDG United Nations Sustainable Development Goals USD United States Dollar VLCC Very Large Crude Carrier VLEC Weighted Average Cost of Debt WB Whistleblowing | STCW | |
| TCFD Task Force on Climate-related Financial Disclosures TCPs Time Charter Parties TMS Talent Management System TOR Terms of Reference TRC Total Recordable Cases TRCF Unified Control Framework UESB Uzma Engineering Sdn. Bhd. UN SDG United Nations Sustainable Development Goals USD United States Dollar VLCC Very Large Crude Carrier VACD Weighted Average Cost of Debt WB Whistleblowing | STS | ship-to-ship |
| Disclosures TCPS Time Charter Parties TMS Talent Management System TOR Terms of Reference TRC Total Recordable Cases TRCF Total Recordable Case Frequency UCF Unified Control Framework UESB Uzma Engineering Sdn. Bhd. UN SDG United Nations Sustainable Development Goals USD United States Dollar VLCC Very Large Crude Carrier VLEC Very Large Ethane Carrier WACD Weighted Average Cost of Debt WB Whistleblowing | TCC | Tax Compliance & Control |
| TMS Talent Management System TOR Terms of Reference TRC Total Recordable Cases TRCF Total Recordable Case Frequency UCF Unified Control Framework UESB Uzma Engineering Sdn. Bhd. UN SDG United Nations Sustainable Development Goals USD United States Dollar VLCC Very Large Crude Carrier VLEC Very Large Ethane Carrier WACD Weighted Average Cost of Debt WB Whistleblowing | TCFD | resiction contentions related i manetal |
| TOR Terms of Reference TRC Total Recordable Cases TRCF Total Recordable Case Frequency UCF Unified Control Framework UESB Uzma Engineering Sdn. Bhd. UN SDG United Nations Sustainable Development Goals USD United States Dollar VLCC Very Large Crude Carrier VLEC Very Large Ethane Carrier WACD Weighted Average Cost of Debt WB Whistleblowing | TCPs | Time Charter Parties |
| TRC Total Recordable Cases TRCF Total Recordable Case Frequency UCF Unified Control Framework UESB Uzma Engineering Sdn. Bhd. UN SDG United Nations Sustainable Development Goals USD United States Dollar VLCC Very Large Crude Carrier VLEC Very Large Ethane Carrier WACD Weighted Average Cost of Debt WB Whistleblowing | TMS | Talent Management System |
| TRCF Total Recordable Case Frequency UCF Unified Control Framework UESB Uzma Engineering Sdn. Bhd. UN SDG United Nations Sustainable Development Goals USD United States Dollar VLCC Very Large Crude Carrier VLEC Very Large Ethane Carrier WACD Weighted Average Cost of Debt WB Whistleblowing | TOR | Terms of Reference |
| UCF Unified Control Framework UESB Uzma Engineering Sdn. Bhd. UN SDG United Nations Sustainable Development Goals USD United States Dollar VLCC Very Large Crude Carrier VLEC Very Large Ethane Carrier WACD Weighted Average Cost of Debt WB Whistleblowing | TRC | Total Recordable Cases |
| UESB Uzma Engineering Sdn. Bhd. UN SDG United Nations Sustainable Development Goals USD United States Dollar VLCC Very Large Crude Carrier VLEC Very Large Ethane Carrier WACD Weighted Average Cost of Debt WB Whistleblowing | TRCF | Total Recordable Case Frequency |
| UN SDG United Nations Sustainable Development Goals USD United States Dollar VLCC Very Large Crude Carrier VLEC Very Large Ethane Carrier WACD Weighted Average Cost of Debt WB Whistleblowing | UCF | Unified Control Framework |
| Goals USD United States Dollar VLCC Very Large Crude Carrier VLEC Very Large Ethane Carrier WACD Weighted Average Cost of Debt WB Whistleblowing | UESB | Uzma Engineering Sdn. Bhd. |
| VLCC Very Large Crude Carrier VLEC Very Large Ethane Carrier WACD Weighted Average Cost of Debt WB Whistleblowing | UN SDG | · |
| VLEC Very Large Ethane Carrier WACD Weighted Average Cost of Debt WB Whistleblowing | USD | United States Dollar |
| WACD Weighted Average Cost of Debt WB Whistleblowing | VLCC | Very Large Crude Carrier |
| WB Whistleblowing | VLEC | Very Large Ethane Carrier |
| - | WACD | Weighted Average Cost of Debt |
| WHP Wellhead Platform | WB | Whistleblowing |
| | WHP | Wellhead Platform |
| WIF Water Injection Facility | WIF | Water Injection Facility |
| ZEUS Zero Emission Power Station | ZEUS | Zero Emission Power Station |





ANNUAL GENERAL MEETING

224 Notice of Annual General Meeting
Form of Proxy

SECTION 14: ANNUAL GENERAL MEETING

www.miscocouo.com

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fiftu-Sixth Annual General Meeting ("56th AGM") of MISC Berhad ("MISC" or "the Company") will be held at Grand Ballroom, Level 2, InterContinental Kuala Lumpur, 165, Jalan Ampang, 50450 Kuala Lumpur, Malaysia on Wednesday, 14 May 2025 at 10.00 a.m. for the following purposes:

AGENDA

As Ordinary Business

- 1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.
- 2. To re-elect the following Directors who retire pursuant to Rule 21.7 of the Company's Constitution and, being eligible, offer themselves for re-election:

(i) Zahid Osman Ordinary Resolution 1 (ii) Datuk Adif Zulkifli Ordinary Resolution 2

- 3. To re-elect the following Directors who retire by rotation pursuant to Rule 21.8 of the Company's Constitution and, being eligible, offer themselves for re-election:
 - (i) Datin Norazah Mohamed Razali Ordinary Resolution 3 (ii) Mohammad Suhaimi Mohd Yasin Ordinary Resolution 4
- 4. To approve the payment of Directors' fees (inclusive of benefits-in-kind) up to an amount of RM2,850,000.00 from 15 May 2025 until the conclusion of the next Annual General Meeting of the Company.
- 5. To re-appoint Ernst & Young PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

Ordinary Resolution 6

As Special Business

To consider and, if thought fit, to pass the following resolution, with or without modifications:

6. Proposed renewal of authority for MISC to purchase its own shares of up to 10% of its prevailing total number of issued shares at any time ("Proposed Renewal of Share Buy-Back Authority")

"THAT subject to compliance with the Companies Act 2016 ("Act"). MISC's Constitution, the Main Market Listing Requirement of Bursa Malaysia Securities Berhad ("Bursa Securities") and/or any other relevant regulatory requirements, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company ("Proposed Share Buy-back") as may be determined by the Board of Directors ("Board") from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the best interest of the Company, provided that the maximum aggregate number of shares which may be purchased and/ or held by the Company shall not exceed ten per centum (10%) of its prevailing total number of issued shares at any point of time, and that the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the latest retained earnings of the Company.

Ordinary Resolution 7

Ordinary Resolution 5

Notice of Annual General Meeting

THAT the Board be and is hereby authorised to deal with the shares so purchased, at their discretion, in the following manner:

- (i) cancel the shares so purchased; or
- (ii) retain the shares so purchased as treasury shares which may be dealt with in accordance with Section 127(7) of the Act; or
- (iii) retain part of the shares so purchased as treasury shares and cancel the remainder of the

or in any other manner as may be prescribed by the Act, all applicable laws, regulations and guidelines applied from time to time by Bursa Securities and/or any other relevant authority for the time being in force, and that the authority to deal with the purchased shares shall continue to be valid until all the purchased shares have been dealt with by the Board.

THAT the authority shall commence immediately upon passing of this resolution, until the earlier

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company; or
- (ii) the expiration of the period within which the next AGM is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting.

AND THAT the Board be and is hereby authorised to do all acts and things and to take all such steps as necessary or expedient (including opening and maintaining a Central Depository System account) to give full effect to the Proposed Share Buy-back with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant regulatory authorities, and/or to do all such acts and things as the Board may deem fit, necessary and expedient in the best interest of the Company."

7. To transact any other business for which due notice has been given.

By Order of the Board

Noridah Khamis (LS 0010240) (SSM PC No. 201908001731) **Lee Ming Leong** (MAICSA 7006926) (SSM PC No. 202308000507) Company Secretaries 15 April 2025 Kuala Lumpur

Notice of Annual General Meeting

Explanatory Notes on Ordinary Business

1. Audited Financial Statements for the financial year ended 31 December 2024

This Agenda item is meant for discussion only as Section 340(1) of the Companies Act 2016 ("Act") does not require the Audited Financial Statements to be formally approved by the shareholders. As such, this Agenda item is not put forward for voting.

2. Re-election of Directors (Resolutions 1, 2, 3 and 4)

Rule 21.7 of the Company's Constitution provides that a Director appointed in addition to the existing Directors or to fill a casual vacancy, shall hold office until the next following Annual General Meeting ("AGM") of the Company when he/she shall retire and shall be eliqible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at the meetina.

While Rule 21.8 of the Company's Constitution provides that one-third of the Directors of the Company for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third, shall retire from office and that each Director shall retire at least once in every three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the AGM at which he/she retires. The Directors to retire at such AGM shall be the Directors who have been longest in office and the length of time a Director has been in office shall be computed from his/her last appointment or election.

The Board has endorsed the Board Nomination & Remuneration Committee's ("BNRC") recommendation that the Directors who retire in accordance with Rules 21.7 and 21.8 of the Company's Constitution are eligible to stand for re-election on the basis that the performance of each of the retiring Director was found to be satisfactory arising from the last Board performance evaluation. The retiring Directors have effectively discharged their duties and responsibilities and met the criteria in the Fit and Proper Policy of the Company.

All Directors standing for re-election as Directors and being eligible, have offered themselves for re-election at the 56th AGM of the Company. The retiring Directors had abstained themselves from deliberations and decisions on their re-election at the BNRC and Board meetings, as appropriate.

The profiles of the retiring Directors are set out in the Profiles of Board of Directors on pages 134 to 138 (inclusive) of the Company's Integrated Annual Report 2024.

3. Payment of Directors' Fees (inclusive of Benefits-in-kind) (Resolution 5)

Pursuant to Section 230(1) of the Act, the shareholders' approval is sought for the proposed payment of Directors' fees (inclusive of Benefits-in-kind) to the Non-Executive Directors ("NEDs") for the period from 15 May 2025 until the expiration of the period within which the next AGM of the Company is required to be held, which is estimated to be RM2,850,000.00. The calculation is based on the revised Directors' fee structure, the estimated number of scheduled Board and Board Committees' Meetings, and the composition of NEDs, including a provisional sum as a contingency for future appointment of NED on the Board from 15 May 2025, being the day after the 56th AGM until the conclusion of the next AGM. The resolution is to facilitate payments of the Directors' Fees (inclusive of Benefits-in-kind) for the financial year 2025/2026.

The Board had in the Board meeting held on 19 December 2024, endorsed the BNRC's proposal for the adjustment of the Directors' fee structure, subject to the shareholders' approval for Resolution 5. This revision will update the existing fee structure, which has remained unchanged since 2018, to align with the Directors' fee structure of PETRONAS Public Listed Companies.

Notice of Annual General Meeting

The proposed revision of the Directors' fee structure is in relation to the retainer fees while the allowance (attendance fees) remains unchanged, as follows:

| DIRECTORS' FEE STRUCTURE | | | | | |
|--|----------|-------------------|------------------|-----------|--|
| Retainer Fee (per annum) Attendance Fee (p | | | ee (per meeting) | | |
| | Existing | Proposed Revision | Board | Committee | |
| Chairman | 240,000 | 288,000 | 3,500 | 3,500 | |
| Member | 120,000 | 144,000 | 3,500 | 3,500 | |

Accordingly, the Company is seeking the shareholders' approval at the 56th AGM on the Directors' fees (inclusive of the benefits-in-kind) up to an amount of RM2,850,000.00 with effect from 15 May 2025 until the conclusion of the next AGM based on the revised Directors' Fee Structure.

The Board will seek shareholders' approval at the next AGM in the event the Directors' Fees (inclusive of Benefits-in-kind) is insufficient.

Please refer to pages 168 to 169 of the Corporate Governance Overview Statement in the Company's Integrated Annual Report 2024 for details of the Directors' Fees and Benefits-in-kind for the financial year ended 31 December 2024.

4. Re-appointment of Auditors (Resolution 6)

The Board Audit Committee has considered the re-appointment of Ernst & Young PLT ("EY") as Auditors of the Company and is satisfied with the performance, competency, audit approach, and independence of EY. The Committee viewed that EY have met the relevant criteria prescribed by Paragraph 15.21 of Main Market Listing Requirement of Bursa Malaysia Securities Berhad, amongst others, adequacy of the experience and resources of the accounting firm, and size and competency of the audit engagement team.

The Board endorsed the Board Audit Committee's recommendation to seek shareholders' approval to re-appoint EY as External Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

Explanatory Notes on Special Business

1. Proposed Renewal of Share Buy-Back Authority (Resolution 7)

Ordinary Resolution 7, if passed, will renew the authority granted by the shareholders at the last AGM. The renewed authority will allow the Company to purchase its own shares of up to 10% of its prevailing total number of issued shares at any time. The renewed authority, unless revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting, will expire at the conclusion of the 56th AGM of the Company or the expiration of the period within which the 56th AGM is required by law to be held, whichever occurs first.

Further information on the Proposed Renewal of Share Buu-Back Authoritu is set out in the statement dated 15 April 2025.

MISC BERHAD SECTION 14: ANNUAL GENERAL MEETING

INTEGRATED ANNUAL REPORT 2024 www.miscgroup.com

Notice of Annual General Meeting

Notes

- 1. Only depositors whose names appear in the Record of Depositors as at 7 May 2025 shall be entitled to attend, speak and vote at the meeting or appoint proxy(ies) to attend and vote on their behalf.
- A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to exercise all or any of his rights to attend, participate, speak and vote at the meeting.
- 3. A member may appoint not more than two (2) proxies to attend the same meeting. Where a member appoints two (2) proxies the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy.
- 4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account and the number of shares to be represented by each proxy must be clearly indicated.
- 5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. Where an exempt authorised nominee appoints more than one (1) proxy in respect of each Omnibus Account, the appointment shall not be valid unless the exempt authorised nominee specifies the proportion of the shareholding to be represented by each proxy.
 - An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- 6. Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the Form of Proxy.
- 7. The Form of Proxy must be signed by the appointer of the proxy, or his attorney duly authorised in writing. In the case of a corporation, the Form of Proxy shall be executed under its common seal, or signed by its attorney duly authorised in writing or by a duly authorised officer on behalf of the corporation.
- 8. The appointment of proxy may be made in a hardcopy form or by electronic means as specified below and must be received by the Company not less than forty-eight (48) hours before the time appointed for the holding of the 56th AGM, or in the event the 56th AGM is adjourned, not less than twenty-four (24) hours before the time appointed for the taking of the poll at the adjourned 56th AGM:
 - (i) In hardcopy form

The original proxy form shall be deposited at the Share Registrar's office, Boardroom Share Registrars Sdn. Bhd. ("Boardroom"), 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

(ii) Electronically

The proxy form can be electronically lodged with Boardroom via Boardroom Smart Investor Portal at https://investor.boardroomlimited.com. Please follow the procedures set out in the Administrative Notes for such lodgement. Alternatively, the proxy form can be emailed to Boardroom at bsr.helpdesk@boardroomlimited.com.

9. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the 56th AGM will be out to vote bu poll.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company: (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Form of Proxy

Signature/Common Seal of Member

Contact No.:

Email address:



100%

| | | | | Registration No. 196801000580 (8178-H (Incorporated in Malaysia) |
|-----------------------|-----------------------|---|---------------------------|---|
| /We | | | | _(Full name in block letters) |
| NRIC/Passport/Con | npany No. : | of | | |
| • | | | | (Full address |
| peing a member of | | ereby appoint | | |
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| NRIC/Passport No. | : | of | | |
| | | | | (Full address) |
| | | (Contact No.) | | (Email address |
| | | Ampang, 50450 Kuala Lumpur, Malay: is to vote as indicated below: | sia on Wednesday, 14 Ma | y 2025 at 10.00 a.m. and at |
| RESOLUTIONS | | | | FOR AGAINST |
| Re-election of Zah | id Osman as Director | of the Company. | Ordinary Resolution 1 | |
| | | ector of the Company. | Ordinary Resolution 2 | |
| | | Razali as Director of the Company. | Ordinary Resolution 3 | |
| | | d Yasin as Director of the Company. | Ordinary Resolution 4 | |
| to an amount of R | | s (inclusive of benefits-in-kind) up 15 May 2025 until the conclusion of Company. | Ordinary Resolution 5 | |
| | _ | as Auditors of the Company and to uneration. | Ordinary Resolution 6 | |
| Proposed Renewal | l of Share Buy-Back A | uthority. | Ordinary Resolution 7 | |
| such specific directi | | whether you wish your votes to be don't wote or abstain as he/she thinks fit. | ast for or against the re | solutions. In the absence of |
| | | The proportions of my/our are as follows: | shareholding to be repr | esented by my/our proxies |
| | | | No. of shares | Percentage |
| -: 1. 15 | 5 1 514 1 | First Proxu | | |

Second Proxy

Total

Notes

- Only depositors whose names appear in the Record of Depositors as at 7 May 2025 shall be entitled to attend, speak and vote at the meeting.
- A member of the Company entitled to attend and vote at the meeting is entitled to appoint a
 proxy or proxies to exercise all or any of his rights to attend, participate, speak and vote at
 the meeting.
- 3. A member may appoint not more than two (2) proxies to attend the same meeting. Where a member appoints two (2) proxies the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy.
- 4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account and the number of shares to be represented by each proxy must be clearly indicated.
- 5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. Where an exempt authorised nominee appoints more than one (1) proxy in respect of each Omnibus Account, the appointment shall not be valid unless the exempt authorised nominee specifies the proportion of the shareholding to be represented by each proxy.

An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

- Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the Form of Proxy.
- 7. The Form of Proxy must be signed by the appointer of the proxy, or his attorney duly authorised in writing. In the case of a corporation, the Form of Proxy shall be executed under its common seal or signed by its attorney duly authorised in writing or by a duly authorised officer on behalf of the corporation.
- 8. The appointment of proxy may be made in a hardcopy form or by electronic means as specified below and must be received by the Company not less than forty-eight (48) hours before the time appointed for the holding of the 55th AGM, or in the event the 55th AGM is adjourned, not less than twenty-four (24) hours before the time appointed for the taking of the poll at the adjourned 55th AGM:
- (i) In hardcopy form

The original proxy form shall be deposited at the Company Share Registrar's office, Boardroom Share Registrars Sdn. Bhd. ("Boardroom"), 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia.

(ii) Electronicallu

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 Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the 56th AGM will be put to vote by poll.

MISC Berhad

Annual General Meeting 14 May 2025

STAMP

Boardroom Share Registrars Sdn. Bhd.

11th Floor, Menara Symphony No. 5 Jalan Prof. Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan Malaysia

MISC BERHAD 196801000580 (8178-H)

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