

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.

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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.

President & Group Chief Executive Officer's Message

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

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.



Our subsidiary MHB secured its second offshore substation project in the Netherlands to construct a high-voltage direct current platform under TenneT's 2-Gigawatt Programme.

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.

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.



Eagle Veracruz and *Eagle Ventura* were awarded Green Ship status.

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