



Progressing **FORWARD**



Gas Malaysia Berhad (240409-T)

Annual Report 2012

ANNUAL REPORT **2012**

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Progressing Forward

Beating its wings from 12 to 100 beats per second, the tiny hummingbird is unrivalled in having the highest metabolism rate while in flight, allowing it to generate lift in motion, as it rapidly hovers frontwards to backwards, drinking nectar to quench its unsatiable thirst for energy. Striking parallel, Gas Malaysia's quest to embark onto new opportunities speak of its ability in strategising its position and presence, with the flexibility of experience and expertise to draw on, in operating its pipeline networking. As the hummingbird, the Group's commitment is equal to the task of going beyond its continual pursuit of aggressively looking back into potential for growth, yet remaining focused on progressing forward.





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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Second Annual General Meeting of Gas Malaysia Berhad (“the Company”) will be held at the Glenmarie Ballroom, Holiday Inn Kuala Lumpur Glenmarie, No. 1, Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan on Wednesday, 15 May 2013 at 3.00 p.m. or any adjournment thereof, for the following purposes:-

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2012 together with the Reports of the Directors and Auditors thereon. [Please refer to Note A](#)
2. To declare a final single-tier dividend of 7.69 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 December 2012. [\(Ordinary Resolution 1\)](#)
3. To approve the Directors' Fees up to RM864,000.00 in respect of the financial year ending 31 December 2013. [\(Ordinary Resolution 2\)](#)
4. To re-elect the following Directors who are retiring pursuant to Article 95 (2) of the Company's Articles of Association:-
 - (i) Tadaaki Maeda [\(Ordinary Resolution 3\)](#)
 - (ii) Datuk Muhamad Noor bin Hamid [\(Ordinary Resolution 4\)](#)

Dato' Hamzah bin Bakar who retires pursuant to Article 95 (2) of the Articles of Associations of the Company, has expressed his intention not to seek re-election. Hence, he will retain office until the close of the Twenty-Second Annual General Meeting.
5. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. [\(Ordinary Resolution 5\)](#)

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions:

6. **Proposed Shareholders' Ratification for Recurrent Related Party Transactions of a Revenue or Trading Nature (“Proposed Shareholders' Ratification”)**
(The detailed text and rationale on Item 6 are contained in the Circular dated 24 April 2013 which is enclosed together with the Annual Report) [\(Ordinary Resolution 6\)](#)
7. **Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (“Proposed Shareholders' Mandate”)**
(The detailed text and rationale on Item 7 are contained in the Circular dated 24 April 2013 which is enclosed together with the Annual Report) [\(Ordinary Resolution 7\)](#)



8. Proposed Amendments to the Articles of Association

“THAT the deletions, alterations, modifications, variations and additions to the Articles of Association of the Company as set out in Appendix 1 attached with the Annual Report for the financial year ended 31 December 2012 be and are hereby approved.” (Special Resolution)

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN that a final single-tier dividend of 7.69 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 December 2012, if approved by the shareholders at the Annual General Meeting, will be paid on 26 June 2013 to the shareholders whose name appear in the Record of Depositors of the Company at the close of business on 29 May 2013.

A depositor shall qualify for entitlement to the dividend only in respect of:-

- (a) Shares transferred into the Depositor's securities account before 4.00 p.m. on 29 May 2013 in respect of ordinary transfers; and
- (b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD

ZAINUL ABIDIN BIN HAJI AHMAD (LS 0008854)
YANTI IRWANI BINTI ABU HASSAN (MACS 01349)
Company Secretaries

Shah Alam, Selangor Darul Ehsan
24 April 2013

NOTES:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. A member shall not be entitled to appoint more than two (2) proxies. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
3. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”) as defined

under the Securities Industry (Central Depositories) Act, 1991, 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 there are two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.
5. The instrument appointing a proxy or corporate representative or the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited with the Share Registrar of the Company at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 9 May 2013 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

Explanatory notes:

- A. Agenda item no. 1 is meant for discussion only as the provisions of Section 169(1) of the Companies Act, 1965 (“Act”) does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.
- B. The Ordinary Resolution 6, if passed, will ratify all the recurrent related party transactions entered into by the Company and its subsidiaries from 11 June 2012 to the date of the Twenty-Second Annual General Meeting.
- C. The Ordinary Resolution 7, if passed, will benefit the Company by facilitating the Company and its subsidiaries to enter into transactions with Related Parties specified in Section 2.4 of the Circular to Shareholders dated 24 April 2013 in the ordinary course of the Group's business on commercial terms, in a timely manner and will enable the Group to continue to carry out recurrent related party transactions necessary for the Group's day-to-day operations.
- D. The Special Resolution, if passed, will render the Articles of Association of the Company to be in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and to update the Articles of Association of the Company to be consistent with the prevailing laws, guidelines or requirements of the relevant authorities as well as to further enhance administrative efficiency of the Company.

OUR VISION AND MISSION

VISION

TO BE AN INNOVATIVE VALUE
ADDED ENERGY SOLUTIONS
PROVIDER.

MISSION

WE PROVIDE THE CLEANEST,
SAFEST, COST EFFECTIVE
AND RELIABLE ENERGY
SOLUTIONS TO THE NATION.





CORPORATE PROFILE

We were established to sell, market and distribute natural gas as well as construct and operate the NGDS within Peninsular Malaysia.

We have a network of natural gas pipelines connecting customers to the Peninsular Gas Utilisation ("PGU"). In December 2000, we expanded our business to include reticulated Liquefied Petroleum Gas ("LPG") to the industrial, commercial and residential sectors within Peninsular Malaysia. The expansion enabled us to sell to locations not served by the NGDS. As at 31 December 2012, we have a total of approximately 1,800 km pipelines in operation across Peninsular Malaysia serving 709 industrial customers, 565 commercial customers and 11,392 residential customers for natural gas. In relation to the supply of LPG, we serve one industrial customer as well as 1,170 commercial customers and 21,058 residential customers.

We are the only company licensed under the Gas Supply Act, 1993 ("GSA") by the Energy Commission, with the approval of the Minister, to supply and sell reticulated natural gas in Peninsular Malaysia. The licence to supply and sell reticulated natural gas was granted on 1 September 1998 and will expire on 1 September 2028. In addition, we have also been granted the licence to supply and sell reticulated LPG on 15 December 2000 and the said licence will expire on 15 December 2020. Our licensed activities are principally regulated by the Energy Commission.



Our headquarters is situated in Shah Alam, Selangor. We have three (3) regional offices, located in Prai, Gebeng and Pasir Gudang, and seven (7) branch offices located in Kuala Lumpur, Shah Alam, Bangi, Kluang, Putrajaya, Senawang and Sri Manjung, to provide efficient operations and maintenance as well as effective customer service.

Our mission is to provide the cleanest, safest, most cost effective and reliable energy solutions to the nation. Currently, our customer base consists of diverse industries such as food and beverage, rubber, non-metallic minerals, glass, fabricated and basic metal, chemicals, electric and electronics, paper, printing and publishing, textiles, hotels, shopping malls as well as hospitals.

In line with our vision to be an innovative energy solutions provider which supports the Government's effort to improve energy efficiency, we have taken the initiative to introduce and promote a new energy utilisation technique to our customers, for example Combined Heat and Power ("CHP"). This solution will enable customers to utilise more energy from the same volume of gas consumed, thus significantly reducing their total energy cost.

NORTHERN REGION

NG

KAMUNTING
KULIM
PARIT BUNTAR
NIBONG TEBAL
PRAI
KANGAR
SERI MANJUNG
SUNGAI PETANI
LUMUT
SITIAWAN
TRONOH
PADANG TERAP

LPG

PULAU PINANG
SUNGAI PETANI
IPOH
SERI MANJUNG
TELUK INTAN
SERI ISKANDAR
MERGONG



PRAI



Seri Manjung

CENTRAL REGION

NG

KUALA LUMPUR
PETALING JAYA
BATU CAVES
SELAYANG
SHAH ALAM
KLANG
SEPANG
SALAK TINGGI
PUCHONG
BANTING
NILAI
SERDANG
BALAKONG
SUNGAI BULOH
DAMANSARA
KELANA JAYA
PUTRAJAYA
KLIA
BANGI
CYBERJAYA
TELUK PANGLIMA GARANG
BERANANG
BESTARI JAYA

JERAM
NORTH PORT
DENGKIL
BANDAR SULTAN SULAIMAN
PANDAMARAN
SERI KEMBANGAN
SEMENYIH
IJOK
KUNDANG
RAWANG
WEST PORT
KAJANG
CHERAS

LPG

KUALA LUMPUR
DAMANSARA
KELANA JAYA
PETALING JAYA
BATU CAVES
KLANG
PUCHONG
SHAH ALAM
KAJANG



Kuala Lumpur



SHAH ALAM



Bangi



Putrajaya



Senawang

GAS SUPPLY AREA

EASTERN REGION

NG

GEBENG
TELUK KALONG
KEMAMAN
KERTEH
KUANTAN PORT
GAMBANG

LPG

KUANTAN

GEBENG



HEADQUARTERS



REGIONAL OFFICE



BRANCH OFFICE



NOTES:

NG : NATURAL GAS

LPG : LIQUEFIED PETROLEUM GAS

SOUTHERN REGION

NG

PASIR GUDANG
TG. LANGSAT
TEBRAU
TAMPOI
LARKIN
PLENTONG
SENAI
KULAI
AIR HITAM
KLUANG

SENAWANG
SEREMBAN
ALOR GAJAH
AYER KEROH
CHENG
TANGGA BATU
BATU BERENDAM
BUKIT RAMBAI

LPG

JOHOR BHARU
GELANG PATAH
TAMPOI
BANDAR MELAKA

Kluang

PASIR GUDANG



MEDIA

Penyenaraian Gas Malaysia catat premium 27 sen

KUALA LUMPUR - Gas Malaysia Bhd. (Gas Malaysia) mencatatkan kemunculan sulung yang membebankan IPO terbesar di Papan Utama, Bursa Malaysia pada RM2.47 dengan 27 sen premium daripada harga tawaran RM2.20 di samping 13.79 juta saham didagangkan.

Gas Malaysia merupakan pembekal gas asli tunggal negara kepada sektor bukan tenaga.

Mengikuti tawaran awam pertama (IPO) berkenaan, sebanyak 25.68 juta saham ditawarkan kepada orang ramai dan ia terlebih langganen sebanyak 21.64 kali.

Pengerusi Gas Malaysia, Datuk Hamzah Bakar berkata, IPO mendapat sambutan yang menggalakkan daripada pelabur dengan meraih RM734.4 juta, menjadikan ia sebagai salah satu daripada IPO terbesar di Malaysia setakat ini pada tahun ini.

"Sokongan hebat pelabur membuktikan kekuatan kami dan mencerminkan keyakinan pelabur terhadap potensi pertumbuhan dan peralihan kami," katanya kepada pemberita selepas majlis penyenaraian saham syarikat itu di Bursa Malaysia di sini semalam.

Turut hadir ialah Pengarah Urusan Gas Malaysia, Datuk Muhamad Noor Hamid.

Selain itu, IPO Gas Malaysia merangkumi 303.32 juta tawaran saham institusi yang dilanggan sepenuhnya oleh pelabur institusi.

Gas Malaysia Bhd. juga mencatatkan kemunculan sulung IPO terbesar di Bursa Malaysia dengan meraih RM734.4 juta, menjadikan ia sebagai salah satu daripada IPO terbesar di Malaysia setakat ini pada tahun ini.

"Sokongan hebat pelabur membuktikan kekuatan kami dan mencerminkan keyakinan pelabur terhadap potensi pertumbuhan dan peralihan kami," katanya kepada pemberita selepas majlis penyenaraian saham syarikat itu di Bursa Malaysia di sini semalam.

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Gas Malaysia perluas pelanggan

Syarikat bakal runding dengan PETRONAS dapatkan bekalan tambahan

KUALA LUMPUR - Gas Malaysia Bhd. mengumumkan bahawa ia sedang menandatangani perjanjian pembelian gas dengan PETRONAS untuk memperluas bekalan gasnya.

Perjanjian pembelian gas ini akan membolehkan syarikat itu memperluas bekalan gasnya dengan menggunakan gas yang dihasilkan oleh PETRONAS.

Perjanjian pembelian gas ini akan membolehkan syarikat itu memperluas bekalan gasnya dengan menggunakan gas yang dihasilkan oleh PETRONAS.

Perjanjian pembelian gas ini akan membolehkan syarikat itu memperluas bekalan gasnya dengan menggunakan gas yang dihasilkan oleh PETRONAS.

Perjanjian pembelian gas ini akan membolehkan syarikat itu memperluas bekalan gasnya dengan menggunakan gas yang dihasilkan oleh PETRONAS.

Gas M'sia, Petronas meterai perjanjian bekalan gas baharu

KUALA LUMPUR - Gas Malaysia Bhd. mengumumkan bahawa ia sedang menandatangani perjanjian pembelian gas dengan PETRONAS untuk memperluas bekalan gasnya.

Perjanjian pembelian gas ini akan membolehkan syarikat itu memperluas bekalan gasnya dengan menggunakan gas yang dihasilkan oleh PETRONAS.

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Perjanjian pembelian gas ini akan membolehkan syarikat itu memperluas bekalan gasnya dengan menggunakan gas yang dihasilkan oleh PETRONAS.



HAMZAH (kanan) dan Muhamad Noor Hamid (kiri) semasa pelancaran IPO Gas Malaysia.



Perjanjian pembelian gas antara Gas Malaysia dan PETRONAS.



Perjanjian pembelian gas antara Gas Malaysia dan PETRONAS.



Perjanjian pembelian gas antara Gas Malaysia dan PETRONAS.



Gas M'sia ink new gas supply agreement with Petronas

KUALA LUMPUR - Gas Malaysia Bhd signed a new Gas Supply Agreement with Petronas National Bhd (Petronas) Thursday, for the supply of up to 534,143 Gigajoules (equivalent to 492 million standard cubic feet per day (MMScfd)) of natural gas.

In a statement, Gas Malaysia said the term of the agreement is for a period of 10 years from Jan 1, 2013 to Dec 31, 2022 with the option to extend for another five years, subject to terms and conditions to be agreed by both parties.

The agreement was signed by Petrona Infrastructure and Utilities vice president Pramod Kumar Karumakaran and Gas Malaysia chairman Datuk Hamzah Bakar.

The new gas supply agreement will replace the existing one which expires on Dec 31, 2013 for a total gas supply of 36 MMScfd, Gas Malaysia said.

"The SC had, via its letter dated May 11, 2012, granted its approval in principle to Gas Malaysia for the registration of its listing prospectus," its major shareholder MMC Corp Bhd said in a filing with Bursa Malaysia.

It said the Shariah Advisory Council of the SC had, based on the latest financial statements of Gas Malaysia for the financial year ended Dec 31, 2011, reaffirmed the syariah compliant classification of Gas

Malaysia above. The classification will remain valid until the next compliance review in the next financial year of Gas Malaysia.

Gas Malaysia was originally slated to list by fourth quarter 2011, but the exercise was delayed to the second quarter of this year due to non-compliance with the SC's rules.

It was reported that the listing is expected to raise over RM734.4 million, potentially making it the third-largest initial public offering this year after Felda Global Ventures Holdings Bhd and Integrated Healthcare Holdings Bhd.

Gas Malaysia's shareholders are MMC-Charapada (Holdings) Sdn Bhd (10%), Tokyo Gas-Mitsui & Co (Holdings) Sdn Bhd (10%) and Petronas Gas Bhd (80%).

Strong demand expected for Gas Malaysia's IPO

KUALA LUMPUR - MMC Corp Bhd is optimistic regarding the proposed listing of its subsidiary, Gas Malaysia Bhd, this year due to an encouraging demand for Gas Malaysia's shares and ample liquidity in the local market.

"We are very happy for the listing of Gas Malaysia Bhd as it is a very important step for us," said Datuk Hamzah Bakar, chairman of Gas Malaysia Bhd.

He said the company's strong performance and growth prospects are expected to attract a large number of investors.

Gas Malaysia's prospects are expected to be strong due to the increasing demand for natural gas in the country.

Gas Malaysia's prospects lie in volume growth

KUALA LUMPUR - Gas Malaysia Bhd is expected to see significant volume growth in its natural gas supply over the next few years.

The company's revenue is expected to increase as a result of the new gas supply agreement with Petronas.

Gas Malaysia's revenue is expected to increase as a result of the new gas supply agreement with Petronas.

Gas M'sia IPO boost for major listings

KUALA LUMPUR - The robust demand for Gas Malaysia Bhd's IPO is expected to boost the market for other major listings in the country.

The IPO of Gas Malaysia Bhd is expected to attract a large number of investors, which will help to increase the liquidity of the market.

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Gas Malaysia's prospects lie in volume growth

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Company	Market Cap (RM)	Listing Date	Subscription Ratio	Underwritten (RM)	Over-subscribed (RM)	Unsubscribed (RM)
Gas Malaysia Bhd	2,470,000,000	Dec 31, 2012	25.68x	2,470,000,000	13,790,000,000	0
Felda Global Ventures	1,500,000,000	Nov 15, 2012	15x	1,500,000,000	10,000,000,000	0
Integrated Healthcare	1,200,000,000	Nov 15, 2012	12x	1,200,000,000	8,000,000,000	0
Other Major Listings	500,000,000	2012	5x	500,000,000	3,000,000,000	0



Gas Malaysia tawar 333.840 juta saham

Gas Malaysia Bhd, syarikat yang akan memulakan IPO, menawarkan 333.840 juta saham kepada pelabur. IPO ini akan membolehkan syarikat ini memperoleh dana untuk memulakan projek-projek infrastruktur gas yang bernilai RM140 juta. IPO ini akan membolehkan syarikat ini memperoleh dana untuk memulakan projek-projek infrastruktur gas yang bernilai RM140 juta.

Gas Malaysia Bhd, syarikat yang akan memulakan IPO, menawarkan 333.840 juta saham kepada pelabur. IPO ini akan membolehkan syarikat ini memperoleh dana untuk memulakan projek-projek infrastruktur gas yang bernilai RM140 juta. IPO ini akan membolehkan syarikat ini memperoleh dana untuk memulakan projek-projek infrastruktur gas yang bernilai RM140 juta.



Wakil-wakil Gas Malaysia dan pihak berkuasa berkaitan sedang menandatangani perjanjian IPO.

大马气体IPO不发新股

(吉隆坡18日讯) 大马气体 (Gas Malaysia) 的初次公开招股 (IPO) 活动, 将以大股亦配售股的方式来进行, 而不会发行新股, 因此该公司上市所集得的7亿3445万令吉, 全数资金将用于大马气体的现有大股东。



Wakil-wakil Gas Malaysia dan pihak berkuasa berkaitan sedang menandatangani perjanjian IPO.

Securities Commission 'yes' to Gas Malaysia IPO

Gas Malaysia counter also classified as Shariah-compliant security by Shariah Advisory Council

The Securities Commission (SC) has granted Gas Malaysia Bhd approval in principle to register its listing prospectus, which should enable the gas reticulator to proceed and meet with its second-quarter listing timeline plan.

Mitsui & Co Holdings Sdn Bhd, Petronas Gas Bhd and MMC-Skrapado (Holdings) Sdn Bhd. Gas Malaysia's shares for allocation by the Ministry of International Trade and Industry (MITI) were priced at RM2.20 a share, which would give the company a market value of about 16.500 shares.

Gas Malaysia sedia RM140 juta

KUALA LUMPUR 16 Mei - Gas Malaysia Bhd. (Gas Malaysia) akan mempromosikan dana sebanyak RM140 juta untuk projek memulakan jaringan paip gas dan satu projek tarai paip sedia ada. Projek tersebut melibatkan pemasangan saluran paip sepanjang 90 hingga 90 kilometer meliputi peneraian tiga kawasan baru dan memperbaiki saluran paip yang bersempit.

Gas Malaysia ketika ini mempunyai lebih 1,800 kilometer paip gas beroperasi. Senarai projek pembangunan baru akan melibatkan kawasan seperti di Terengganu, Pahang, Johor dan beberapa kawasan lain. Mengapakah jaringan awam petroleum (IPO) yang ditawarkan Gas Malaysia, Muhammad Noor berkata, syarikat dijangka meraih hampir RM734 juta hasil penjualan 30.525 juta saham.

"Kami optimis dengan pasaran berkenaan walaupun keadaan pasaran yang agak sepi. Kami mempunyai potensi yang besar untuk berkembang dan ini menjadi daya tarikan kepada pelabur," jelasnya. Senarainya itu, diaanya mengesahkan syarikat ini yang bakal diwujudkan tahun ini, Tengku Zafrul beritahu, ada empat buah syarikat bakal diwujudkan dengan tiga daripadanya di Popus Utama Bursa Malaysia. "Antaranya adalah, Fedra Global Venture Holdings Bhd. (FGV), E&S Bhd dan syarikat di bawah Khazanah," ujarnya.

Gas Malaysia berkelas dunia

KUALA LUMPUR 31 Julai - Gas Malaysia Bhd. adalah berkelas dunia di segi kecekapan serta setaraf jika tidak lebih baik daripada syarikat seangkatan yang sama, walaupun baru beroperasi dalam keadaan hampir monopoli tetapi pada pelaksanaan

segi kewangan dan boleh mengambil kesempatan dari perantaraan pasaran tenaga gas asli di Malaysia apabila import gas asli ocean dimulakan pada separuh kedua tahun ini.

"Sungguh pun begitu, kami mempercayai bahawa kebanyakan projek jangka sederhana sudah diambangi.

Meterai MoU dengan IEV

GAS Malaysia Bhd bekerjasama dengan IEV Energy 5dn Bhd, anak syarikat dapitron gas asli di Singapura, IEV Holdings Ltd untuk mengembangkan pasaran gas asli ocean (LNG).



Meterai MoU dengan IEV Energy 5dn Bhd.

Gas Malaysia hampir ke Pasaran Utama

Perjanjian pembelian baru syarikat gas Malaysia. Gas Malaysia Bhd, syarikat yang akan memulakan IPO, menawarkan 333.840 juta saham kepada pelabur. IPO ini akan membolehkan syarikat ini memperoleh dana untuk memulakan projek-projek infrastruktur gas yang bernilai RM140 juta.

Gas Malaysia Bhd, syarikat yang akan memulakan IPO, menawarkan 333.840 juta saham kepada pelabur. IPO ini akan membolehkan syarikat ini memperoleh dana untuk memulakan projek-projek infrastruktur gas yang bernilai RM140 juta.

Gas Malaysia's IPO oversubscribed 22 times

PETALING JAYA: The retail tranche of Gas Malaysia Bhd's initial public offering (IPO) has been oversubscribed by 21.64 times. The company, enroute to a listing on the Main Market of Bursa Malaysia on June 11, received a total of 44,561 applications for 581.4 million shares for its public tranche of 25.7 million shares.

80% of gas taken up

Gas Malaysia: Additional volume to be delivered via extended pipeline. The principal adviser underwriter for the IPO Bhd. The other joint underwriter for the IPO Bhd and Kena.

Gas Malaysia Bhd, syarikat yang akan memulakan IPO, menawarkan 333.840 juta saham kepada pelabur. IPO ini akan membolehkan syarikat ini memperoleh dana untuk memulakan projek-projek infrastruktur gas yang bernilai RM140 juta.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' HAMZAH BIN BAKAR
Non-Independent Non-Executive Director
Chairman

DATUK MUHAMAD NOOR BIN HAMID
Non-Independent Executive Director
Managing Director

DATUK HAJI HASNI BIN HARUN
Non-Independent Non-Executive Director

SHAZALI BIN DATO' HAJI SHAHRANI
Non-Independent Non-Executive Director

TADAAKI MAEDA
Non-Independent Non-Executive Director

SAMSUDIN BIN MISKON
Non-Independent Non-Executive Director

TAN LYE CHONG
Independent Non-Executive Director

DATUK PUTEH RUKIAH BINTI ABD. MAJID
Independent Non-Executive Director

**DATUK SYED ABU BAKAR BIN
S MOHSIN ALMOHDZAR**
Independent Non-Executive Director

ROSTHMAN BIN IBRAHIM
Alternate Director to
Shazali bin Dato' Haji Shahrani
Non-Independent Non-Executive
Alternate Director

AIDA AZIZA BINTI MOHD JAMALUDIN
Alternate Director to
Samsudin bin Miskon
Non-Independent Non-Executive
Alternate Director

ATSUNORI TAKEUCHI
Alternate Director to
Tadaaki Maeda
Non-Independent Non-Executive
Alternate Director

TSUNEAKI NAKAMURA
Alternate Director to
Tadaaki Maeda
Non-Independent Non-Executive
Alternate Director

AUDIT COMMITTEE

TAN LYE CHONG (Chairman)
DATUK HAJI HASNI BIN HARUN
DATUK PUTEH RUKIAH BINTI ABD. MAJID

REMUNERATION COMMITTEE

DATO' HAMZAH BIN BAKAR (Chairman)
DATUK HAJI HASNI BIN HARUN
SAMSUDIN BIN MISKON

NOMINATION COMMITTEE

**DATUK SYED ABU BAKAR BIN
S MOHSIN ALMOHDZAR** (Chairman)
DATUK HAJI HASNI BIN HARUN
DATUK PUTEH RUKIAH BINTI ABD. MAJID

RISK AND COMPLIANCE COMMITTEE

TADAAKI MAEDA (Chairman)
DATUK MUHAMAD NOOR BIN HAMID
SAMSUDIN BIN MISKON

COMPANY SECRETARIES

ZAINUL ABIDIN BIN HAJI AHMAD
(LS 0008854)
YANTI IRWANI BINTI ABU HASSAN
(MACS 01349)

INVESTOR RELATIONS

ZAINUL ABIDIN BIN HAJI AHMAD
Email address: investor@gasmalaysia.com

REGISTERED OFFICE

No. 5, Jalan Serendah 26/17
Seksyen 26
40000 Shah Alam
Selangor Darul Ehsan
Malaysia
Tel: (603) 51923000
Fax: (603) 51926766/6749

Website address: www.gasmalaysia.com
Email address: webmaster@gasmalaysia.com

AUDITORS AND REPORTING ACCOUNTANTS

Messrs PricewaterhouseCoopers
(Chartered Accountants)
Level 10, 1 Sentral
Jalan Travers
Kuala Lumpur Sentral
50706 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Tel: (603) 21731188
Fax: (603) 21731288

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel: (603) 78418000
Fax: (603) 78418151/52

PRINCIPAL PLACE OF BUSINESS

No. 5, Jalan Serendah 26/17
Seksyen 26, Peti Surat 7901
40732 Shah Alam
Selangor Darul Ehsan
Malaysia
Tel: (603) 51923000
Fax: (603) 51926766/6749
Website address: www.gasmalaysia.com
Email address: webmaster@gasmalaysia.com

PRINCIPAL BANKERS

Malayan Banking Berhad
Seksyen 20 Shah Alam
No. 19 & 21, Jalan Singa 20/C
40000 Shah Alam
Selangor Darul Ehsan
Malaysia
Tel: (603) 50320808

STOCK EXCHANGE LISTING

Main Board
Bursa Malaysia Securities Berhad

DIVIDEND SERVICE PROVIDER

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel: (603) 78418000
Fax: (603) 78418151/52



FINANCIAL CALENDAR

ANNUAL GENERAL MEETING
15 May 2013

ENTITLEMENT TO 2012 FINAL DIVIDEND
29 May 2013*

PAYMENT OF 2012 FINAL DIVIDEND
26 June 2013*

Financial year ending 31 December 2012 Announcement of results:

1st quarter - 7 June 2012
2nd quarter - 8 August 2012
3rd quarter - 7 November 2012
4th quarter - 19 February 2013

* These dates are subject to change

FIVE YEAR FINANCIAL SUMMARY

For The Financial Year Ended 31 December

	2008	2009	2010	2011	2012
MMBTU MILLION					
Sales Volume	111.8	107.5	117.8	124.9	127.6
RM MILLION					
Revenue	1,879.6	1,753.1	1,807.5	2,000.2	2,125.3
Profit Before Zakat and Tax	356.5	325.9	388.4	294.7	214.1
Profit After Zakat and Tax	269.3	243.1	298.3	229.2	162.8
Total Assets	1,409.3	1,432.7	1,616.0	1,474.4	1,513.5
Shareholders' Funds	987.1	1,042.5	1,167.6	1,009.5	1,008.4
Total Liabilities	422.2	390.2	448.5	465.0	505.1
Paid-up Capital	642.0	642.0	642.0	642.0	642.0

For The Financial Year Ended 31 December

PROFIT AS % REVENUE					
Profit Before Zakat and Tax	19%	19%	21%	15%	10%
Profit After Zakat and Tax	14%	14%	17%	11%	8%
Earnings Per Share (RM)	419.5*	378.7*	464.6*	356.9*	0.13#
Net Tangible Assets Per Share (RM)	1,537.6*	1,623.9*	1,818.6*	1,572.4*	0.79#
MANPOWER STATUS					
Manpower (Number)	346	357	359	358	364
RM MILLION					
Revenue Per Employee	5.432	4.911	5.035	5.587	5.839
Profit Before Zakat and Tax Per Employee	1.030	0.913	1.082	0.823	0.588
Profit After Zakat and Tax Per Employee	0.778	0.681	0.831	0.640	0.447

Note:

* Based on paid-up capital of 642,000 shares at RM1,000 per share

Based on paid-up capital of 1,284,000,000 shares at RM0.50 per share



Revenue
RM2,125.3
Million

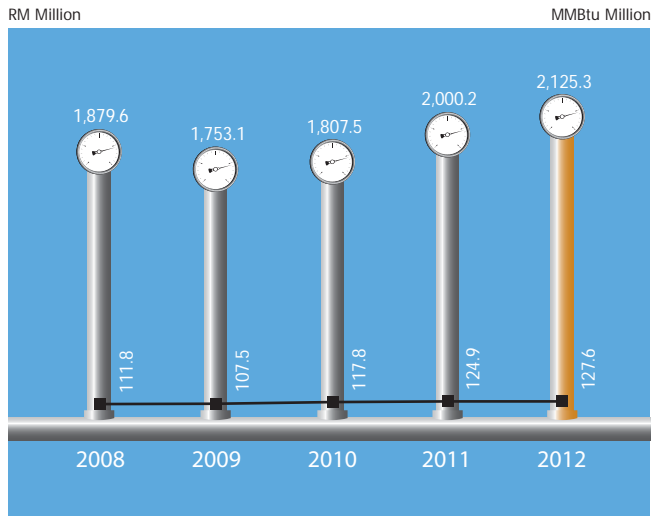
Profit Before Zakat and Tax
RM214.1
Million

**Total
Assets**
RM1,513.5
Million

**Shareholders'
Funds**
RM1,008.4
Million

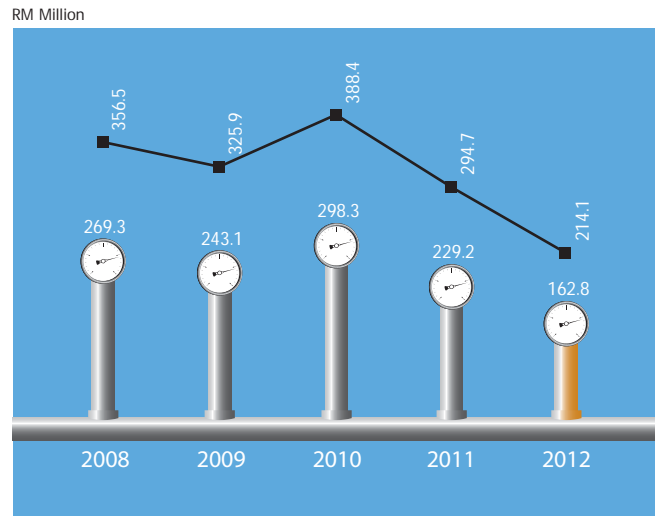
FIVE YEAR FINANCIAL SUMMARY (Continued)

SALES VOLUME & REVENUE



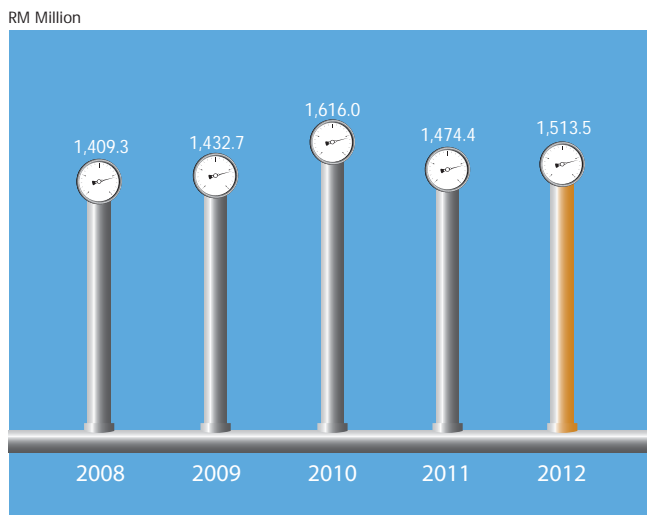
■ SALES VOLUME
🕒 REVENUE

PROFIT



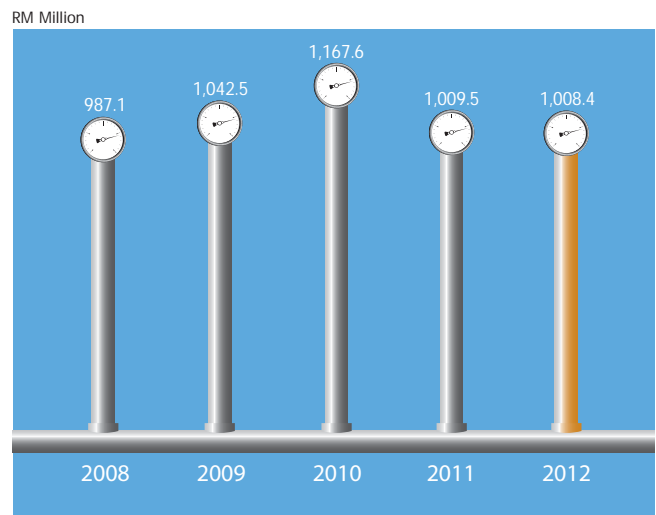
■ PROFIT BEFORE ZAKAT AND TAX
🕒 PROFIT AFTER ZAKAT AND TAX

TOTAL ASSETS



🕒 TOTAL ASSETS

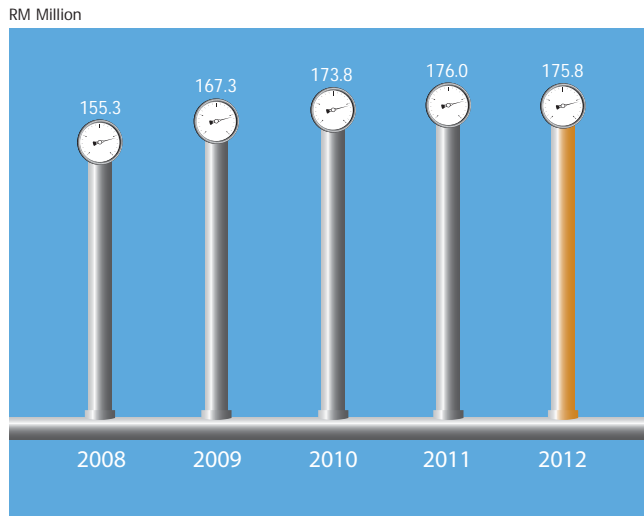
SHAREHOLDERS' FUNDS



🕒 SHAREHOLDERS' FUNDS

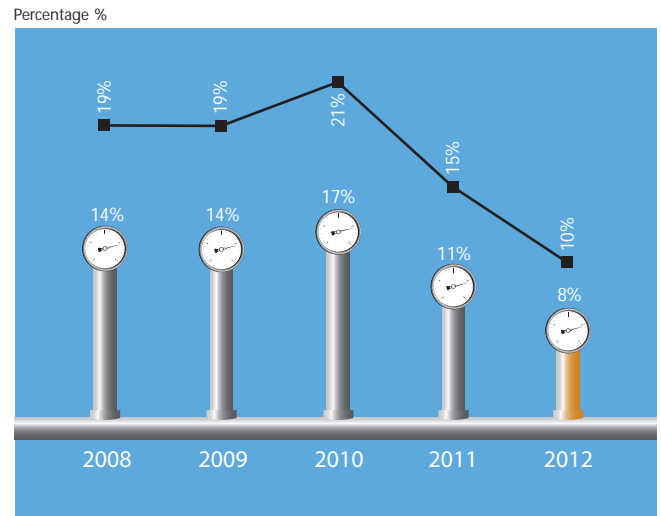


LONG TERM LIABILITIES



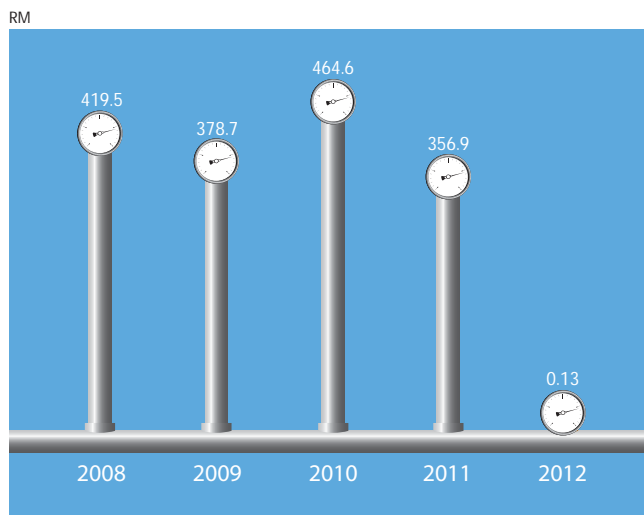
🕒 LONG TERM LIABILITIES

PROFIT AS % REVENUE



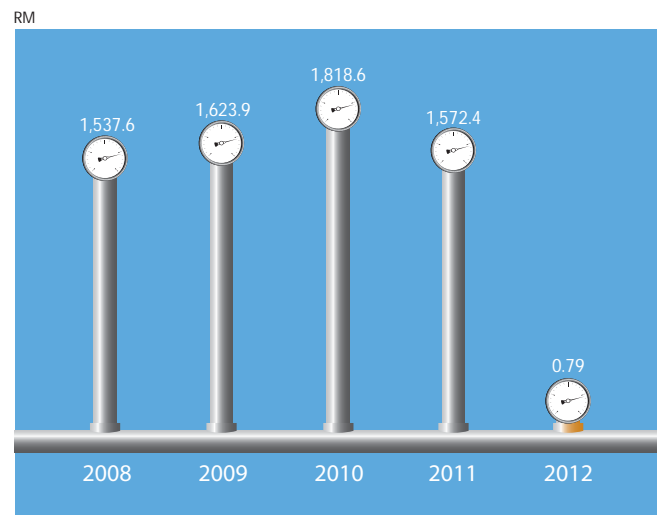
■ PROFIT BEFORE ZAKAT AND TAX
🕒 PROFIT AFTER ZAKAT AND TAX

EARNINGS PER SHARE*



🕒 EARNINGS PER SHARE*

NET TANGIBLE ASSETS PER SHARE*



🕒 NET TANGIBLE ASSETS PER SHARE*

* FY2008 - 2011 is based on paid-up capital of 642,000 shares at RM1,000 per share
FY2012 is based on paid-up capital of 1,284,000,000 shares at RM0.50 per share

CHAIRMAN'S MESSAGE

Dear Shareholders,

On behalf of the Board of Directors of Gas Malaysia Berhad ("GMB"), I am pleased to present to you our annual report for the financial year ended 31 December 2012 ("FY2012"). This is our inaugural annual report as a public-listed company.

GMB has grown from strength to strength since commencing operations 21 years ago. Over the years, we have significantly expanded our gas pipeline network across the Peninsula, and grown our customer base considerably. We now service 709 industrial customers and 34,185 residential and commercial with our network of pipeline that covers over 1,800km.

The Group achieved yet another significant milestone in its 20th year of operation, as we made a strong debut on the Main Market of Bursa Malaysia on 11 June 2012. Our initial public offering ("IPO") of 333.8 million shares at RM2.20 per share drew strong support from both retail and institutional investors with an oversubscription rate of 21.6 times, and marked its first day of trading strongly, closing at RM2.42 with over 87 million shares traded. The IPO is a critical part of GMB's future plan as it enhances our capability to raise capital. The listing has also provided an opportunity for the investing community to participate and share in the fruit of GMB's growth.





CHAIRMAN'S MESSAGE (Continued)

“As a service provider in the energy solutions market, we constantly aim to stay ahead of developments in the industry. Being at the forefront of providing alternative energy solutions, we recognise our impact and responsibilities.”

**FINANCIAL REVIEW**

Malaysia's economy grew by an admirable 5.6% in 2012 despite prolonged financial crisis in the West and a slowdown in the economy of China. The global slowdown has affected industries in Malaysia, particularly export driven sectors and has dampened energy consumption in Malaysia. Regardless of this, GMB still managed to record a 6.3% increase in revenue to RM2.1 billion in FY2012. This was driven primarily by a 2.2% increase in volume of natural gas sold at a higher average selling price following the upward revision in gas tariff in June 2011.

However, with the introduction of the new tariff, GMB's margin has been reduced. GMB's gross profit recorded a decline to RM238.4 million in FY2012, from RM322.4 million in FY2011. Gross profit margins were similarly compressed to 11.2% in FY2012, from 16.1% in FY2011. Consequently, net profit after zakat and tax declined 28.9% to RM162.8 million from RM229.2 million in FY2011.

DIVIDEND

In view of our performance, the Board has proposed a final cash dividend of 7.69 sen per ordinary share for FY2012, which together with the interim dividend of 5.0 sen per ordinary share paid in September 2012, brings the total dividend per ordinary share in respect of FY2012 to 12.69 sen. This amounts to total payment of approximately RM162.9 million, and is equivalent to a dividend payout ratio of about 100%, in line with the dividend policy for FY2012 as set out in our IPO prospectus.



CHAIRMAN'S MESSAGE (Continued)





YEAR IN REVIEW

In FY2012, as part of our effort to mitigate the impact of margin compression over the longer term, we channeled our resources towards the expansion of our pipeline network. We incurred a total of RM39.7 million in capital expenditure mainly to expand our network of pipeline which will enable us to reach new customers at several industrial areas, which will in turn lead to an increase our volume of gas sold going forward.

During the year, we signed a new Gas Supply Agreement ("GSA") with PETRONAS in February 2012, under which we were able to secure an increase in gas supplied by PETRONAS for the next 10 years. These developments came on the back of PETRONAS having successfully secured new sources of gas imports, effectively increasing total gas supply in addition to domestic sources.

GMB is committed towards developing human capital. As part of our mission to deliver natural gas safely, reliably and efficiently, we continued to invest in training and refresher courses for our staff to ensure their proficiency and skill in pipeline and delivering our product to customers. These training programmes were conducted in partnership with professionals from Tokyo Gas Co., Ltd, a strategic partner as well as substantial GMB shareholder.

In line with our commitment to ensuring the well-being of our employees, business partners and the general public, GMB adheres to a rigorous Health, Safety, Environmental and Quality ("HSEQ") Policy. Our HSEQ committee is thus responsible for ensuring that every reasonable and practicable step is taken to prevent and eliminate the risk of occupational injury and illness to personnel, damage to environment, and to enhance the quality of services.

GMB understands the need to give back to society as a responsible corporate citizen. We are mindful of the needs of underprivileged Malaysians who lack the basic necessities and educational opportunities. In light of this, we made social contributions amounting to RM7.1 million in FY2012, in support of public educational efforts and for the benefit of those who were significantly less well-off.

OUTLOOK

We are optimistic about our prospects for the year ahead. We are aware that a prolonged economic sluggishness in the West and in China could result in lower consumption of natural gas among key export-oriented Malaysian sectors. However, we are confident that our continued investments to connect our pipelines to new customers will generate new demand for our products, and the extensive use of natural gas in a broad range of Malaysian industries will mitigate any significant decline in demand for natural gas.

According to Bank Negara's estimates, Malaysia's Gross Domestic Product growth for 2013 is expected to be in the range of 4.5% to 5.5%, driven mainly by domestic demand and continued Economic Transformation Programme related investments. With the completion of the LNG re-gasification facility in Melaka, logistical constraints on gas supply have been largely reduced, and this, together with our recently signed GSA, will ensure ample gas supply for future growth.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to thank our shareholders, customers, suppliers and business partners for their strong support and belief in us at a time where we are embracing our new identity as a public-listed company. My deep appreciation is also extended to our regulators, Bursa Malaysia, and Securities Commission Malaysia, for their guidance towards a smooth listing.

I would also like to express my gratitude to our management and staff whose contribution to the Group has given me the confidence to build on our market position, and to take GMB to greater heights.

To my fellow Board members, thank you for your wise counsel over the years. Each of you has contributed to GMB's success in significant ways, and I look forward to growing the Company with you as we embrace the future together.

We remain committed to the continuing success of GMB, and are focused on delivering another profitable year marked by an increase in revenue whilst maintaining our commitment to safety and the environment, and to responsibly serve the needs of the people in Malaysia.

DATO' HAMZAH BIN BAKAR
Chairman

MANAGEMENT DISCUSSION & ANALYSIS

On behalf of the Management, I am pleased to report on the performance of GMB for the financial year ended 31 December 2012.

FINANCIAL REVIEW

The Group registered a 6.3% year-on-year increase in revenue to RM2.13 billion in FY2012, from RM2.00 billion in FY2011. This was a result of larger volumes of natural gas sold, at higher average selling prices as we recorded the full-year effect of the RM3.00 upward revision in gas tariff implemented in June 2011.

The tariff revision was the first of 10 planned tariff revisions scheduled to take place at six-monthly intervals from June 2011 to December 2015. On the back of this revision, the Group's buying price for natural gas was raised from RM11.05 to RM14.05 per MMBtu, and the selling price raised from RM15.00 to RM16.07.

The Group's gross profit fell to RM238.4 million in FY2012, from RM322.4 million in FY2011. Gross profit margin was thus similarly compressed to 11.2% in FY2012 from 16.1% in FY2011. Consequently, net profit after zakat and tax declined 28.9% to RM162.8 million from RM229.2 million in FY2011.

As at 31 December 2012, the Group's cash and cash equivalents stood at RM345.1 million, which was a 5.5% increase from RM327.0 million registered at the close of FY2011. Net asset per share was 78.5 sen, versus, 78.6 sen at the end of FY2011.





MANAGEMENT DISCUSSION & ANALYSIS (Continued)

OPERATIONS UPDATE

The year 2012 was not without challenges for GMB. Apart from margin compression due to the tariff revisions, we had to contend with a slowdown in manufacturing activities as exports from Malaysia declined on the back of lower demand from the European and US markets. Consequently, gas consumption amongst our existing customers also dropped across almost all market segments. Nevertheless, we were able to mitigate the situation through prudent cost management, intensifying our marketing effort and tapping on new opportunities that arose.

During the year, we added 17 new industrial customers and expanded our supply of gas to 7 existing industrial customers. On the other hand, we terminated gas supply to 12 industrial customers upon their cessation of operations. At the end of FY2012, GMB had 709 industrial customers which contributed 99% of total sales volume, while the remaining 1% was generated from customers in the commercial and residential sectors. Amongst our industrial customers, the key contributors came from the food, beverages & tobacco industry (27.2%), rubber industry (26.0%), basic and fabricated metal industry (11.9%), non-metallic mineral products industry (9.8%) and chemical products industry (7.5%).

The net increase in customers was well served when we secured from PETRONAS, an additional 110 million standard cubic feet per day ("MMScfd") of natural gas under a new Gas Supply Agreement that will expire on 31 December 2022. With the increase, the total volume of natural gas made available to GMB is now 492 MMScfd.

Along with the increase in gas supply, we extended our total length of pipelines by an additional 54.7km compared to only 18.3km in FY2011. Of the completed pipeline, 99% has been connected to our industrial customers while the remaining 1% has been committed for residential and commercial use.

In FY2012 the Group completed the necessary pipeline works to connect three new PETRONAS NGV stations with GMB's network, enabling natural gas to be supplied to the Malaysian transport market at a time where the Government is encouraging its use in commercial and passenger vehicles. As at December 2012, a total of 144 PETRONAS NGV stations have been connected to GMB's pipeline network.

In line with our vision to be an innovative energy solutions provider, we introduced the use of Combined Heat and Power ("CHP") to customers throughout 2012, and provided them with the necessary advice and services. Through CHP, customers can achieve up to 90% of overall efficiency. Hence, more of the energy contained in the natural gas can be utilized, thereby increasing overall energy efficiency and significantly reducing cost. Currently, 28 of our existing customers are using CHP in their operations.

As a Company that places high value on its employees, we invested in comprehensive Competency-Based Training programmes to enhance their knowledge and skill sets, along with leadership development programmes focused on ensuring that we have a good succession plan in place. As at 31 December 2012, GMB has clocked 466,679 safe man hours work without a 'Lost Workday Case'. We are on track to achieve 1,000,000 safe man hours work by the second half of 2014.

The Group also places a strong emphasis on the reliability of our gas supply to our customers. We maintain a 24-hour Operation Control Centre that provides supervisory control, as well as real-time data across the Malaysian Peninsula where our customers are located. Emergency response teams are also on standby round the clock to provide an immediate solution should possible interruptions to our customers arise. These efforts have enabled us to successfully fulfil our contractual supplies to customers with a reliability supply rate of 99.9%.

Continuous effective controls are also in place to ensure that the Group's mass balance is maintained at well below -2.0%, which is lower than that of most gas distribution companies around the world.

OUTLOOK

We expect demand for natural gas by the industrial sector to rise, driven by the growing number of manufacturing facilities which are using alternative sources of fuel and looking to switch to the use of natural gas. Along with this, the increase in foreign investments in new manufacturing plants in Malaysia should also augur well for the Group. On the back of PETRONAS having successfully secured new sources of gas import, and the completion of the LNG regasification facility in Melaka in early 2013, we are looking forward to extending our service to an enlarged base of customers.

We are committed to be a safe, efficient and reliable natural gas supplier in Malaysia. Going forward, GMB will expand its gas pipeline network further to cover industrial regions that we do not currently serve. We are optimistic about our prospects for 2013 and are constantly improving ourselves, innovating to improve the quality and reliability of our service, and expanding our network capabilities to meet the demands of tomorrow.

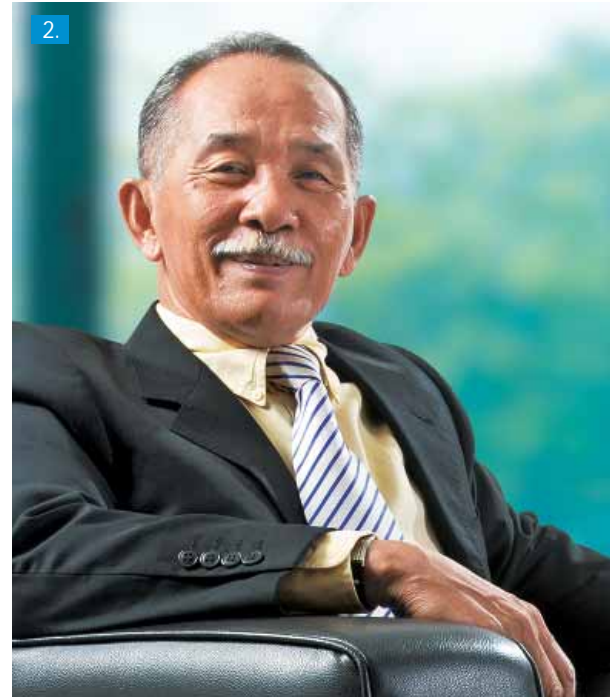
DATUK MUHAMAD NOOR BIN HAMID
Managing Director



BOARD OF DIRECTORS



1.



2.



3.

1. **DATO' HAMZAH BIN BAKAR**
Chairman
Non-Independent Non-Executive Director
2. **DATUK MUHAMAD NOOR BIN HAMID**
Managing Director
Non-Independent Executive Director
3. **DATUK HAJI HASNI BIN HARUN**
Non-Independent Non-Executive Director
4. **SAMSUDIN BIN MISKON**
Non-Independent Non-Executive Director

5. **SHAZALI BIN DATO' HAJI SHAHRANI**
Non-Independent Non-Executive Director
6. **TADAAKI MAEDA**
Non-Independent Non-Executive Director
7. **DATUK PUTEH RUKIAH BINTI ABD. MAJID**
Independent Non-Executive Director
8. **TAN LYE CHONG**
Independent Non-Executive Director
9. **DATUK SYED ABU BAKAR BIN S MOHSIN ALMOHDZAR**
Independent Non-Executive Director



BOARD OF DIRECTORS' PROFILES



from L to R :

DATO' HAMZAH BIN BAKAR
Chairman
Non-Independent Non-Executive Director

DATUK MUHAMAD NOOR BIN HAMID
Managing Director
Non-Independent Executive Director



DATO' HAMZAH BIN BAKAR

Chairman
Non-Independent Non-Executive Director

Dato' Hamzah bin Bakar, Malaysian, aged 69, was appointed as a board member on 17 January 2003 and subsequently appointed as our Non-Independent Chairman on 1 September 2004. He is also the Chairman of the Remuneration Committee of the Board.

Dato' Hamzah holds a BSc (Honours) degree in Economics from the Queens University of Belfast, United Kingdom and a Masters degree in Public Policy and Administration from the University of Wisconsin, United States of America. Prior to his retirement in 2000, he had served in PETRONAS for 20 years in various management positions, including corporate planning, KLCC project development and implementation, oil refining, marketing, planning and development of natural gas projects.

Dato' Hamzah had also served as an Executive Director on PETRONAS board. Before PETRONAS, Dato' Hamzah had served in the Economic Planning Unit (EPU) of the Prime Minister's Department in 12 years. Currently, he is on the board of SapuraKencana Petroleum Berhad, CIMB Group Holdings Berhad, CIMB Investment Bank Berhad and several unlisted companies.

Dato' Hamzah attended all six (6) Board meetings for the financial year ended 31 December 2012.

Dato' Hamzah does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He has no conviction for any offence over the past 10 years.

DATUK MUHAMAD NOOR BIN HAMID

Managing Director
Non-Independent Executive Director

Datuk Muhamad Noor bin Hamid, Malaysian, aged 62, and was appointed as a board member on 31 March 2006 and assume the position of Managing Director of GMB on 24 April 2006. He is also a member of Risk and Compliance Committee of the Board.

Datuk Muhamad Noor held numerous positions during his 20 years service in PETRONAS, including heading up the PGU II project team and Head of the PGU Pipeline Operations. He also worked in OGP Technical Services Sdn Bhd, a joint venture company between PETRONAS and Novacorp Corporation of Canada, where he was the General Manager of the Pipeline Division. His expertise has taken him to overseas assignments mainly in Sudan and Thailand. After leaving PETRONAS, Datuk Muhamad Noor was the Chief Operating Officer of Projass Engineering Sdn Bhd, a Class A Bumiputera construction company. He joined GMB in 2003 as the Chief Operating Officer and was appointed as Chief Executive Officer on 1 February 2004. On 24 April 2006, he was promoted to the position of Managing Director of GMB.

Datuk Muhamad Noor has more than 30 years of direct working experience in the oil and gas industry ranging from project planning and implementation, operation, consulting and contracting.

Datuk Muhamad Noor holds a Bachelor of Science (Honours) in Mechanical Engineering from Sunderland Polytechnic, England and Post Graduate Diploma in Gas Engineering from the Institute of Gas Technology in Chicago, Illinois, United States of America. He also attended the Management Program at the Wharton Business School of Management, University of Pennsylvania, United States of America.

Datuk Muhamad Noor attended all six (6) Board meetings for the financial year ended 31 December 2012.

Datuk Muhamad Noor does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has had no conviction for offence within the past 10 years.

BOARD OF DIRECTORS' PROFILES (Continued)

from L to R :

DATUK HAJI HASNI BIN HARUN
Non-Independent Non-Executive Director

SAMSUDIN BIN MISKON
Non-Independent Non-Executive Director



DATUK HAJI HASNI BIN HARUN

Non-Independent Non-Executive Director

Datuk Haji Hasni bin Harun, Malaysian, aged 55, was appointed as a board member on 11 April 2008. He is also a member of the Audit, Nomination and Remuneration Committees of the Board.

Datuk Haji Hasni is currently the Group Managing Director of MMC Corporation Berhad ("MMC"). He is a member of the Malaysian Institute of Accountants. He holds a Masters degree in Business Administration from United States International University San Diego, California and a Bachelor of Accounting (Honours) degree from University of Malaya.

Datuk Haji Hasni held several senior positions in the Accountant General's Office from 1980 to 1994. He was the Senior General Manager of the Investment Department at the Employees Provident Fund from 1994 to 2001, and the Managing Director of RHB Asset Management Sdn Bhd from 2001 until 2006. He then joined DRB-HICOM Berhad as Group Chief Financial Officer until December 2006. In January 2007, he joined MMC as the Group Chief Operating Officer. In March 2008, he was appointed as the Chief Executive Officer Malaysia, prior to his appointment as the Group Managing Director of MMC in May 2010.

Datuk Haji Hasni also sits on the boards of MMC, Zelan Berhad, Aliran Ihsan Resources Berhad, Malakoff Corporation Berhad, Johor Port Berhad, MMC Engineering Group Berhad and several private limited companies.

Datuk Haji Hasni attended four (4) out of six (6) Board meetings held for the financial year ended 31 December 2012.

Datuk Haji Hasni does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no conviction for offence within the past 10 years.

SAMSUDIN BIN MISKON

Non-Independent Non-Executive Director

Samsudin bin Miskon, Malaysian, aged 53, was appointed as a board member on 15 January 2009. He is also a member of Remuneration and Risk & Compliance Committees of the Board.

He graduated in Chemical Engineering from the University of Aston, United Kingdom in 1983. He obtained Masters of Science in Project Management from Reading University, United Kingdom in 1994.

In 2005, he attended the Advanced Management Program at Harvard Business School. He began his career with PETRONAS in 1983 as a process engineer. He held several positions in PETRONAS Group including serving as General Manager in the Plant Division of OGP Technical Services Sdn Bhd, as General Manager of Malaysia LNG Dua Sdn Bhd, and later as Senior General Manager of Malaysia LNG Sdn Bhd, managing the operations of the PETRONAS LNG Complex in Bintulu, Sarawak.

Prior to his current appointment, he was the Senior General Manager of Leadership and Capability Development Department of Human Resource Management Division in PETRONAS. He is the Managing Director/Chief Executive Officer of PETRONAS Gas Berhad ("PGB") since 2007. Encik Samsudin is also the Chairman of Kimanis Power Sdn Bhd, a subsidiary of PGB.

He attended five (5) out of six (6) Board meetings for the financial year ended 31 December 2012.

He does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He has no conviction for any offence over the past 10 years.

BOARD OF DIRECTORS' PROFILES (Continued)

from L to R :

SHAZALI BIN DATO' HAJI SHAHRANI
Non-Independent Non-Executive Director

TADAAKI MAEDA
Non-Independent Non-Executive Director



SHAZALI BIN DATO' HAJI SHAHRANI

Non-Independent Non-Executive Director

Shazali bin Dato' Haji Shahrani, Malaysian, aged 38, and was appointed as a board member on 13 August 2009.

Shazali is the Chairman for Shapadu Energy and Engineering Sdn Bhd. After completing his Diploma in Business Administration from Bond University, Australia in 1998, he joined the Group Corporate Office and served as an Audit Executive in Shapadu Energy and Engineering Sdn Bhd in January 1999.

A year later, he was transferred to the position of Procurement Executive and was then promoted as a Procurement Manager in March 2003 in Shapadu Energy and Engineering Sdn Bhd. His success in forging the growth of Shapadu Energy and Engineering Sdn Bhd as an important player in national oil and gas and petrochemical industry saw him being appointed as the General Manager in 2004. In the arena, he was acknowledged for his experience and vast knowledge and amongst his achievements for onshore and offshore contracts were the British Gas Explorations and Production India Limited, extension of PETRONAS Carigali Sdn Bhd's umbrella contracts, Petro Vietnam Petroleum Technical Services Company, Talisman Malaysia Limited, ExxonMobil Exploration and Production Malaysia Inc.

He was nominated to attend the Asean Senior Management Development Program organized by Harvard Business School Alumni Club of Malaysia in 2007 and subsequently was designated as the Chief Executive Officer of Shapadu Energy and Engineering Sdn Bhd and assumes greater responsibilities, primarily in strategic planning, business expansion and development, both local and international.

He attended five (5) out of six (6) Board meetings for the financial year ended 31 December 2012.

He does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He has no conviction for any offence over the past 10 years.

TADAAKI MAEDA

Non-Independent Non-Executive Director

Tadaaki Maeda, Japanese, aged 67, and was appointed as a board member on 15 April 2005. He also chairs the Risk and Compliance Committee of the Board.

He is currently an Advisor of Tokyo Gas Co., Ltd ("Tokyo Gas") and President of Tokyo Gas-Mitsui & Co Holdings Sdn Bhd. After he graduated from Graduate School of Engineering, the University of Tokyo, he joined Tokyo Gas in 1970. He was appointed in 2000 as Director and General Manager of Energy Sales and Service Planning Department of Tokyo Gas, and in 2002 as Senior Executive Officer and Chief Executive of Research & Development Division, where he directed the Tokyo Gas' Research & Development activities including development and commercialisation of fuel cells.

In 2004, he was appointed as a member of the board, Senior Executive Officer and Chief Executive of Energy Resources Division, where he headed Tokyo Gas' procurement of natural gas and LPG distributed to consumers in Tokyo Metropolitan Area. In 2006, he was appointed as a member of the board, Executive Vice President and Chief Executive of Strategic Planning Division of Tokyo Gas. In 2007, he was appointed as a member of the board, Executive Vice President and Chief Executive of Energy Production Division of Tokyo Gas, responsible for Environmental Affairs Department. In 2010, he was appointed as a member of the board, Vice Chairman of Tokyo Gas. In 2011, he was appointed to his current position in Tokyo Gas.

His activities are not limited in gas business. From 2000 to 2002, he served as Vice President of the Operations Research Society of Japan. From 2003, he has been in the position of Chairman of Sub-committee on Telecommunications and Broadcasting Policy, under Committee on Information & Telecommunication Policy of Nippon Keidanren (Japan Business Federation), and from September 2005 to 2007, he served as President of the Japan Institute of Energy. He is currently the Chairman of Japan Institute of Information Technology. He delivered an opening keynote speech at Gastech 2005 held in March in Bilbao, Spain, and participated in Asia Oil & Gas Conference 2005 held in June in Kuala Lumpur, Malaysia as a panelist of Natural Gas Session. He also delivered speeches and participated as a round table panelist on various occasions such as World Gas Conference and International Gas Union (IGU) Research Conference in Paris, France.

He attended four (4) out of six (6) Board of Directors' meetings for the financial year ended 31 December 2012, while his alternate then, Hiroshi Kishino (resigned as Alternate Director to Tadaaki Maeda on 2 April 2012) attended one (1) meeting and Tsuneaki Nakamura attended another one (1) meeting on his behalf.

He does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He has no conviction for any offence over the past 10 years.

BOARD OF DIRECTORS' PROFILES (Continued)

from L to R :

TAN LYE CHONG
Independent Non-Executive Director

DATUK PUTEH RUKIAH BINTI ABD. MAJID
Independent Non-Executive Director

**DATUK SYED ABU BAKAR BIN
S MOHSIN ALMOHDZAR**
Independent Non-Executive Director



DATUK PUTEH RUKIAH BINTI ABD. MAJID

Independent Non-Executive Director

Datuk Puteh Rukiah binti Abd Majid, Malaysian, aged 60, and was appointed as a board member on 16 August 2011. She is also a member of Audit and Nomination Committees of the Board.

Datuk Puteh Rukiah holds a Bachelor of Economics (Honours) degree from University of Malaya and a Master of Economics from Western Michigan University, United States of America.

Datuk Puteh Rukiah held various posts in the Government since 1976 and her various appointments included being the Deputy Undersecretary, Investment, Privatisation and Public Enterprise Division of the Ministry of Finance in year 2000, and subsequently, until 2006, served as Undersecretary, Investment and Privatisation and Minister of Finance Incorporated Division of the Ministry of Finance. From 2006 until March 2011, she was the Deputy Secretary General (Systems and Controls), at the Ministry of Finance.

Datuk Puteh Rukiah also sits on the boards of Bursa Malaysia Berhad, Pelaburan Hartanah Berhad and several unlisted companies.

Datuk Puteh Rukiah attended five (5) out of six (6) Board meetings for the financial year ended 31 December 2012.

Datuk Puteh Rukiah does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. She has no conviction for any offence over the past 10 years.

TAN LYE CHONG

Independent Non-Executive Director

Tan Lye Chong, Malaysian, aged 57, and was appointed as a board member on 16 August 2011. He is the Chairman of the Audit Committee of the Board.

He is currently practising as an Approved Company Auditor in DT & Co. Prior to that, he had served as a Partner and the Head of the Audit Division of an international accounting firm, BDO; and was with the firm for over 22 years until October 2010. He has more than 30 years of working experience; primarily in the accounting profession and has extensive experience in auditing, financial reporting and corporate finance.

He is a Fellow Member of the Association of Chartered Certified Accountants and is a member of the Malaysian Institute of Accountants. He is formerly a member of the Public Practice Committee of Malaysian Institute of Accountants from 2001 to 2008 and a former member of the Audit/Liquidator Licensing Interview Panel from 2006 to 2008.

For several years up to 29 February 2012, he had been a member of the Investigating Tribunal Panel of the Bar Council and on 29 February 2012, he was appointed as a member of the Disciplinary Committee Panel of the Bar Council.

He attended all six (6) Board meetings for the financial year ended 31 December 2012.

He does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He has no conviction for any offence over the past 10 years.

DATUK SYED ABU BAKAR BIN S MOHSIN ALMOHDZAR

Independent Non-Executive Director

Datuk Syed Abu Bakar bin S Mohsin Almohdzar, Malaysian, aged 62, was appointed as a board member on 16 August 2011. He is the Chairman of the Nomination Committee of the Board.

Datuk Syed Abu Bakar is currently the Managing Director of the World Islamic Economic Forum Foundation. He is also a Fellow member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants.

Datuk Syed Abu Bakar held various senior positions in public listed companies in Malaysia. He was formerly the Managing Director of Tradewinds (M) Bhd and Executive Vice President of Tradewinds Corporation Bhd. Presently, he is an independent Non-Executive Director of Padiberas Nasional Berhad and the Chairman of its Audit Committee. He is also the Independent and Non Executive Director of Allied Hotels Properties Inc and King George Financial Corp which are listed on TSX Venture Exchange in Canada.

Datuk Syed Abu Bakar attended five (5) out of six (6) Board meetings for the financial year ended 31 December 2012.

Datuk Syed Abu Bakar does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He has no conviction for any offence over the past 10 years.

BOARD OF DIRECTORS' PROFILES (Continued)**ATSUNORI TAKEUCHI**

Non-Independent Non-Executive
Alternate Director

Atsunori Takeuchi, Japanese, aged 46, and was appointed as an Alternate Director to Tadaaki Maeda on 20 April 2009.

He is currently the Chief Representative of Asia Pacific Regional Office (Kuala Lumpur) of Tokyo Gas Co., Ltd. ("Tokyo Gas") and a Director of Tokyo Gas-Mitsui & Co Holdings Sdn Bhd. After he graduated from the Economics Department of Keio University, he joined Tokyo Gas in 1990. During 2004 to 2005 academic year, he was engaged in his research project as Invited Scholar of Harvard University (Program on United States of America – Japan Relations) in the United States of America. He was appointed in 2007 as Deputy General Manager of Gas Resources Department in Tokyo Gas before assuming his current position in 2009.

He is currently the alternate member to Tadaaki Maeda.

He does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He has no conviction for any offence over the past 10 years.

TSUNEAKI NAKAMURA

Non-Independent Non-Executive
Alternate Director

Tsuneaki Nakamura, Japanese, aged 53, and was appointed as an Alternate Director to Tadaaki Maeda on 2 April 2012.

After he graduated from the Graduate School of Engineering, University of Tokyo, he joined Tokyo Gas Co., Ltd. ("Tokyo Gas") in 1984. In 2003, he was appointed as General Manager of Technology Research Institute of Tokyo Gas. During 2006 to 2009, he was seconded to the Institute of Applied Energy. Then in 2009, he was appointed as General Manager of Sodegaura LNG Terminal of Tokyo Gas. In 2012, he was appointed to his current position, the General Manager of Business Development Department in Tokyo Gas. He is also a Director of Tokyo Gas-Mitsui & Co Holdings Sdn Bhd and a member of the

board of Tokyo Gas International Holdings B.V., Tokyo Gas Australia Pty Ltd, MT Falcon Holdings Company, S.A.P.I. DE C.V. and Tokyo Gas Shale Investment Ltd.

He is currently the alternate member to Tadaaki Maeda. He has attended one (1) Board of Directors' meeting of the Company held during the financial year in place of his principal Director.

He does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He has no conviction for any offence over the past 10 years.

ROSTHMAN BIN IBRAHIM

Non-Independent Non-Executive
Alternate Director

Rosthman bin Ibrahim, Malaysian, aged 40, and was appointed as an Alternate Director to Shazali bin Dato' Haji Shahrani on 16 June 2011.

He is currently the Group Executive Director of Shapadu Corporation Sdn Bhd. He holds a Bachelor of Science in Management (Finance) degree from Case Western Reserve University, Cleveland Ohio, United States of America and Diploma in Business Studies from MARA Institute of Technology (now known as University Technology MARA).

He first started his career with Chung Khiaw Bank (M) Bhd in March 1996 as a Corporate Banking Officer. He then moved to Business Focus Sdn Bhd as a Corporate Finance Manager in August 1996. In 1999, he joined Pengurusan Danaharta Nasional Berhad as an Executive responsible for the acquisition and restructuring of non-performing loan from Bank Bumiputra Malaysia Berhad. He later joined Bostonweb Academy Sdn Bhd in 2004 as Chief Financial Officer. In September 2006, he was appointed as an Independent Non-Executive Director of ARK Resources Berhad where he is also now the Chairman of Audit Committee. In November 2008, he joined Crowe Horwath Advisory Sdn Bhd as a Director. In February 2010, he moved to Shapadu Corporation Sdn Bhd till now. In March 2010, he was appointed as an Independent Non-Executive Director and Chairman of Vastalux Energy Berhad.

He does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He has no conviction for any offence over the past 10 years.

AIDA AZIZA BINTI MOHD JAMALUDIN

Non-Independent Non-Executive
Alternate Director

Aida Aziza binti Mohd Jamaludin, Malaysian, aged 39, graduated with a Bachelor of Accounting and Finance from the University of Lancaster. She is also a Fellow of the Association of Chartered Certified Accountant of United Kingdom. She was appointed as an Alternate Director to Samsudin bin Miskon on 20 February 2013.

She began her career with PETRONAS in October 1996 as an executive in the Holding Company Budget Department and in the ensuing years, has held various positions in the PETRONAS Group, including serving as the General Manager for the Finance and Accounts Services Department, prior to her current appointment. She is also a Director of Kimanis O&M Sdn. Bhd., a subsidiary of PGB.

She has acquired more than 16 years of experience in accounting and finance related assignments. She has led several Financial Reporting Standard ("FRS") and Malaysian Financial Reporting Standard ("MFRS") implementations for PETRONAS Group of Companies. She has also led the implementation of the SAP ECC6.0 for PETRONAS Holding Company.

She is currently the General Manager of Finance Division, PETRONAS Gas Berhad and responsible to lead and drive the production of statutory and management reporting, taxation and financial services for PETRONAS Gas Berhad and its subsidiaries.

She does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. She has no conviction for any offence over the past 10 years.



MANAGEMENT



from L to R :

AHMAD HASHIMI BIN ABDUL MANAP
Senior General Manager
Operations and Maintenance

DATUK MUHAMAD NOOR BIN HAMID
Managing Director

SHHRIR BIN SHARIFF
Chief Operating Officer



from L to R :

MOHAMED SOPHIE BIN MOHAMED RASHIDI
Chief Financial Officer

MOHD NISHARUDDIN BIN MOHD NOOR
General Manager
Technical Services

MOHAMAD FARID BIN GHAZALI
General Manager
Marketing

MANAGEMENT (Continued)

from L to R :

ZAINUL ABIDIN BIN HAJI AHMAD
Company Secretary

RAJA ISKANDAR BIN RAJA MUKHTARUDDIN
General Manager
Human Resource & Administration

JEKRIA BIN IBRAHIM
Senior Manager
Health, Safety, Environment & Quality

MOHD DAHARIE BIN CHE DIN
Senior Manager
Procurement & Contracts



MANAGEMENT PROFILES

AHMAD HASHIMI BIN ABDUL MANAP

Senior General Manager
Operations and Maintenance

Ahmad Hashimi bin Abdul Manap is the Senior General Manager of the Operations & Maintenance Department. He graduated in the USA with a degree Bachelor of Science in Civil Engineering in 1986. In 2004, he attended the Advanced Management Program at Wharton Business School, USA. His career began in 1986 when he joined a local consulting firm as a Structural/Civil Engineer to perform and review structural design for building complexes which include residential, commercial and schools. Later he joined MMC Engineering Sdn Bhd in 1989 as a Pipeline Engineer for the Peninsular Gas Utilization Project (PGUP) Stage II. Between the period of 1991 and 1992, he was part of the team that undertook the feasibility study for the implementation of the Natural Gas Distribution System (NGDS) in Peninsular Malaysia for the joint venture between MMC-Shapadu, PETRONAS and Tokyo Gas-Mitsui.

In 1992, he joined Gas Malaysia Sdn Bhd as Manager, Engineering and Design to oversee and review the preparation of specifications, tender documents, drawings and pre-qualification of contractors. In 1993, he was reassigned as Manager, Technical and Operations, Central Regional Office to manage project construction and maintenance of gas pipeline and facilities. He was promoted in 1997 to Deputy General Manager of Technical and Operations Department. In 2000, he was promoted to General Manager and later in 2007 as the Senior General Manager for our of Operations & Maintenance Department, to oversee and manage the gas distribution facilities in Peninsular Malaysia.

SHAHRIR BIN SHARIFF

Chief Operating Officer

Shahrir bin Shariff, is the Chief Operating Officer. He has over 23 years of experience mainly in project related development works. He started his career as an auditor with one of the big accounting firm in London and later in Kuala Lumpur.

In 1992, Shahrir joined Petronas and over the next 7 years was involved in the development of KLCC and later Putrajaya; on the corporate and business development side. He subsequently joined GIIG Holdings Sdn Bhd and was the COO of one of the companies involved in the proposed take over of the Bakun hydroelectric project and the setting up of an aluminum smelter project in Sarawak. In his current position, Shahrir was instrumental in the start-up and development of the Jazan Economic City Project; a new industrial city in the Kingdom of Saudi Arabia.

Shahrir was admitted to the membership of the Institute of Chartered Accountants in England & Wales upon completing his articleship in London in 1990. Prior to that, he attained his Bachelor of Science in Economics and Accountancy degree in 1985 at The City University, London. He is a member of the Malaysian Institute of Accountants.

MOHD NISHARUDDIN BIN MOHD NOOR

General Manager
Technical Services

Mohd Nisharuddin bin Mohd Noor is the General Manager in our Technical Services Department since 2011. He graduated from Syracuse University, New York, United States of America with a Bachelor of Science in Mechanical Engineering degree in 1987. He completed the Management Development Program from Asian Institute of Management, Manila, Philippines in 2007. He holds a Certificate of Competency as the Gas Engineering Supervisor issued by Suruhanjaya Tenaga. He started his career when he joined Malaysia Shipyard and Engineering Sdn Bhd as a Graduate Trainee in 1987, where he was involved in the fabrication of process piping for the offshore oil production platform project.

In 1988, he joined Perbadanan Kilang Felda as a Mill Engineer and assumed a role as an Assistant Mill Manager, where he primarily focused in the daily operation of palm oil mill to process fresh fruit bunches to produce crude palm oil. In the same year, he joined Esso Malaysia Berhad as an Operations Engineer and he was primarily responsible for providing engineering an maintenance support to the fuel terminals and the implementation of projects. He joined GMB on 6 January 1994 as an Engineer, Engineering and Design in Technical & Operations Department. He rose through the ranks of GMB and was appointed as the Manager, Engineering & Construction in Technical Services Department on 15 December 2000. On 1 January 2008, he was appointed as the Senior Manager, Technical and on 1 January 2011, he was appointed to his current position. As the General Manager, Technical Services, he is primarily responsible for executing management policies and guidelines, managing the overall planning, development and execution of the capital projects, and implementing the strategic efforts of strengthening the delivery system and improving the reliability of the NGDS.

MANAGEMENT PROFILES (Continued)**MOHAMED SOPHIE BIN
MOHAMED RASHIDI**

Chief Financial Officer

Mohamed Sophie bin Mohamed Rashidi is the Chief Financial Officer. He graduated with a Masters in Business Administration from Universiti Kebangsaan Malaysia in 2000. He obtained an Advance Diploma in Accounting from MARA Institute of Technology (now known as University Teknologi MARA) in 1993.

He is a member of Malaysian Institute of Accountants since 1993. He started his career with Hanafiah Raslan & Mohamad as an Audit Senior in 1983. In 1990, he joined Golden Hope Plantations Berhad as an Internal Audit Executive. Then in 1994, he joined CIMB Securities Sdn Bhd as an Executive, Institutional Business and a year later, he moved to Lang Education Sdn Bhd, a subsidiary of Land & General Berhad as an Accountant before he joined Dewina Food Services Sdn Bhd in 1998.

He joined GMB as a Finance Manager in 1999 and was transferred to MMC in 2003. In the same year, he was promoted to General Manager of Finance. Subsequently in 2008, he was transferred back to GMB.

**MOHAMAD FARID BIN
GHAZALI**General Manager
Marketing

Mohamad Farid bin Ghazali is the General Manager for our Marketing Department since 2011. He graduated from Fairleigh Dickinson University, New Jersey, United States of America with a Bachelor of Science degree in Mechanical Engineering in 1988. He completed the Management Development Program from Asian Institute of Management, Manila, Philippines in 2009. He holds a Certificate of Competency as the Gas Engineering Supervisor issued by the Energy Commission.

He started his career as a Service Executive with Tractors Malaysia Sdn Bhd in 1988, where he was involved in the service operations and offshore maintenance contract. In 1992, he joined GMB as Technical Support Engineer in our Marketing Department. He was subsequently promoted to Assistant Manager of Technical Support in 1995. In 1997, he was promoted again as Industrial Sales Manager to oversee planning and implementation of natural gas sales activities for industrial market.

In 2011, he was appointed to his current position and is responsible for implementing the marketing objectives and plans of our Company.

**ZAINUL ABIDIN BIN
HAJI AHMAD**

Company Secretary

Zainul Abidin bin Ahmad, is the Company Secretary of GMB. He oversee our Legal & Secretarial Department since 2011. He completed his Diploma in Business Studies from MARA Institute of Technology (now known as University Teknologi MARA), thereafter he obtained Bachelor of Laws, LL.B (Hons) degree from International Islamic University, Malaysia (IIUM) in 1990. In the same year, he was called to the Malaysian Bar as an Advocate & Solicitor.

He began his career as a Legal Assistant practising in litigation and corporate matters. He later joined Maju Holdings Sdn Bhd as a Company Secretary for four (4) years overseeing the group corporate secretarial matters before he joined a public listed company, as Manager, Legal & Secretarial Department where he was involved in corporate exercises, asset financing and joint venture. Prior to joining GMB, he was a Company Secretary and Head of Legal Department with Amanah Raya Berhad for nine (9) years where he was responsible for overall corporate secretarial duties and legal matters.



RAJA ISKANDAR BIN RAJA MUKHTARUDDIN

General Manager
Human Resource & Administration

Raja Iskandar bin Raja Mukhtaruddin is the General Manager for our Human Resource & Administration since 2012. He graduated with a Bachelor of Science degree in Administration, majoring in Management in 1987 from California State University, Sacramento, United States of America. In 2009, he completed the Management Development Program from Asian Institute of Management, Philippines. He began his working life in 1988, when he joined Mobil Oil Corporation (M) Sdn Bhd as Sales Representative under their Graduate Program. He later joined Malaysia Tourism Promotion Board ("MTPB") in 1990 and was later made the Assistant Director for the MTPB Office in London, United Kingdom in 1992.

In 1997, he joined GMB as Assistant Manager in our Residential & Commercial Sales Section. He was subsequently promoted to Manager of Marketing Support & Communications in 2000 to oversee the department's administration and planning as well as implementing advertising and promotional activities of natural gas. In 2001, he was assigned a new responsibility as Industrial Sales Manager for GMB's Northern Regional Office, opening up new natural gas industrial market in the northern states. In 2005, he assumed the post of Industrial Sales Manager for Southern Regional Office.

He was made a Department Head of our Human Resource Department in 2007 where he was responsible for the overall function of human resource management of the company ranging from manpower planning, compensation and benefits as well as training and development.

JEKRIA BIN IBRAHIM

Senior Manager
Healthy, Safety, Environment & Quality

Jekria bin Ibrahim is the Senior Manager in our Health, Safety, Environmental & Quality Department since 2012. He graduated with an International Diploma in Occupational Safety & Hygiene from Edith Cowan University, Perth, Australia in 1998. He started his career as safety promoter for Sabah Shipyard Sdn Bhd in 1981. In 1987, he joined ASEAN Bintulu Fertilizer Sdn Bhd as Safety Foreman. Then, in 1992, he joined Shapadu Energy & Engineering Sdn Bhd as Technical/Safety Trainer. In 1995, he joined Amoco Chemical (M) Sdn Bhd as Safety Officer. In 1999, he joined GMB as Manager.

As the Head of the HSEQ Department, his main tasks are to initiate, formulate and implement the HSEQ Management Systems and plans within the organisation and proactively act as the expert resources for HSEQ matters. This is to ensure the organisation properly abides to the regulations and statutory requirements related to health, safety and environment.

MOHD DAHARIE BIN CHE DIN

Senior Manager
Procurement & Contract

Mohd Daharie bin Hj Che Din is the Senior Manager in our Procurement & Contracts Department since 2012. He graduated with a Bachelor's Degree in Quantity Surveying from Glasgow Caledonian University, Glasgow, Scotland in 1995. He obtained his Diploma in Quantity Surveying from MARA Institute of Technology (now known as University Teknologi MARA) in 1991.

He started his career in 1990 when he joined Yusof and Hoe Associates Jurukur Bahan as a trainee Assistant Quantity Surveyor as part of Industrial Training program. In 1991, he joined Jurukur Bahan Perdana as Assistant Quantity Surveyor before furthering his studies at Glasgow Caledonian University. Upon his graduation, he joined RM Associates as Quantity Surveyor in 1995.

In 1997, he joined GMB as Contract Executive and was subsequently promoted to Senior Contract Executive in 2000, Assistant Manager in 2002, Acting Manager in 2007 and Manager of Procurement & Contracts in 2011. As head of department, he was responsible for the Procurement Sections, Contracts Section and Warehouse Section.

CORPORATE SOCIAL RESPONSIBILITIES

Gas Malaysia's commitment to Corporate Social Responsibility ("CSR") focuses on sustainability and good governance. The Group has put in efforts to include stakeholders in all business activities to maximise its positive impact on society and perform greater accountability.



Gas Malaysia's staff preparing old PC to be donated.

- **Corporate giving**

GMB is mindful of the needs of underprivileged Malaysians who lack the basic necessities and educational opportunities. In light of this, we made social contributions through Company funds in support of public educational efforts and for the benefit of those who were significantly less well-off.



Support from GMB to an organization that provides free food.

- **Staff fundraising**

The Company allows staff to raise money for an agreed company-wide cause as well as for individual staff members' causes. Such activities increase staff retention and help with team building. As with volunteering, a well-planned giving policy maximises the impact on staff, community and organisation.

- **Payroll giving**

Payroll giving is a way for our employees to make regular payments to charity directly from their pay. Donations given from their pay is tax deductible, thus maximising the benefits for staff and the intended charity.

- **Gifts in kind**

Gifts in kind make a huge difference to charitable organisations. It is also part of our environmental drive to donate useable items rather than disposing it.



- **Workforce diversity**

We appreciate diversity by demonstrably valuing and respecting employees, clients and the community from all identity groups. This is done through setting up network groups and accommodating religious and non-religious practices such as diets, prayers and holidays.



Long Service Award recipient.

- **Work life balance**

GMB ensures that our staff's social, physical and psychological health is facilitated through workplace harmony and providing facilities and programmes that improve productivity and creativity.



Gas Malaysia's gymnasium

- **Supplier diversity**

The Company ensures that supply chains are managed in an open and transparent manner, so that all types of potential suppliers have an opportunity to compete for work and contracts.

- **Ethical procurement**

Ethical procurement is achieved in Gas Malaysia by making purchasing decisions that, at a minimum, do not negatively impact the environment or society and, at a maximum, make a positive impact. We do this in a manner which takes into account the best cost and quality available.



Gas Malaysia's tender counter.

- **Energy consumption**

Energy consumption improved by installing energy saving equipment which reduced our electricity bill by a further 26%.

- **Health & Safety at work**

We are committed to ensure that all employees work in a safe and healthy environment. Our Health, Safety & Environmental and Quality ("HSEQ") Policy is communicated to all employees and is made available to any interested parties.

CORPORATE EVENTS

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February
2012

INFORMATION
MEETING & LONG
SERVICE AWARD



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February
2012

SIGNING OF
GAS SUPPLY
AGREEMENT
WITH
PETRONAS



21

March
2012

INITIATION OF
MENTOR - MENTEE
PROGRAMME WITH
DEWINA FOOD
INDUSTRIES AND
"DOSH"





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May
2012
GAS MALAYSIA'S
PROSPECTUS
LAUNCH



11

June
2012
LISTING
CEREMONY
AT BURSA
MALAYSIA



November
& December
2012

NEW GAS
SUPPLY
AGREEMENT
BRIEFING TO
CUSTOMERS

SPORTS CLUB & RECREATIONS

March, May,
July &
December
2012
MINI GOLF
TOURNAMENTS



31

March
2012
ATV ADVENTURE,
KEMENSAH



06

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2012
BADMINTON
TOURNAMENT





18
April
2012
WHITewater
RAFTING &
WATERFALL
ABSEILING



24
April
2012
VOLLEYBALL
TOURNAMENT



12
May
2012
BOWLING
COMPETITION

SPORTS CLUB & RECREATIONS (Continued)

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June
2012
EMBROIDERY
WORKSHOP



29

June
2012
FARDHU
AIN CLASS



15

September
2012
20TH
ANNIVERSARY
DINNER
CELEBRATION





22
September
2012
TIOMAN
ISLAND TRIP



20
October
2012
BAKING
CLASS



November &
December
2012
SWIMMING
LESSON

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

The Board of Directors (the "Board") of GAS MALAYSIA BERHAD (the "Company" or "GMB") recognises the importance of sound corporate governance practice in enhancing shareholders' value through building a sustainable business. In discharging its duties and responsibilities of managing the business and affairs of the Group, the Board has implemented and sought to maintain high standards of corporate governance at all levels within the Group to ensure the sustainability of the Group's business and operations.

This Statement outlines the key aspects of how the Company has applied and taken into account the Principles enumerated under the Malaysian Code of Corporate Governance 2012 ("MCCG 2012") during the financial year ended 2012. Where there are gaps in the Company's observation of any of the Recommendations of MCCG 2012, these are disclosed herein with explanations.

A. Roles and responsibilities

The Board is constantly mindful of safeguarding the interest of the Group's customer, investors and all other stakeholders in discharging its stewardship.

Board Charter and Board Committees

The Board acknowledges the important role it plays in charting the strategic direction, development and control of the Group. The roles and responsibilities of the Board are clearly set out in the Board Charter. The Financial Authority Limit approved by the Board further details the authorisation of expenditure within the Group. The following are principal responsibilities of the Board as set out in its Board Charter:

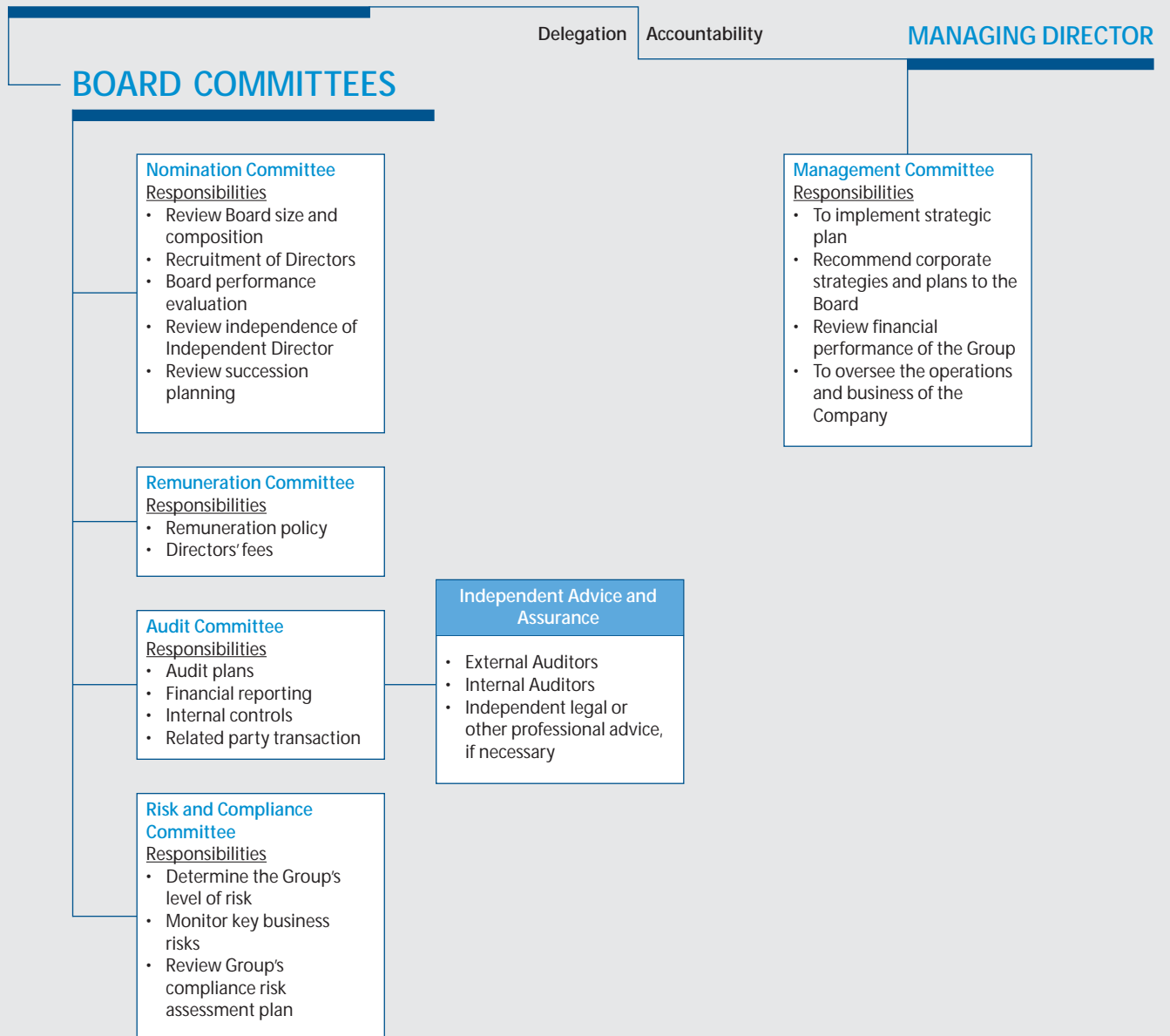
- Reviewing and adopting strategic plans for the Group;

- Overseeing the conduct of the Group's businesses to evaluate whether the businesses are properly managed;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Succession planning, including appointing, training, fixing the compensation of, and where appropriate, replacing key management;
- Developing and implementing an investor relations program or shareholders' communications policy for the Company;
- Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives, and guidelines;
- Monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
- Ensuring that the Company's financial statements are true and fair and conform with the accounting standards;
- Monitoring and reviewing policies and procedures relating to occupational health and safety and compliance with relevant laws and regulations; and
- Ensuring that the Company adheres to high standards of ethics and corporate behaviour.



To facilitate effective management, the Board has delegated certain of its functions to various Board Committees. The following diagram provides an overview of the corporate governance framework of the Company:

BOARD OF DIRECTORS



CORPORATE GOVERNANCE STATEMENT (Continued)

Each Board Committee operates in accordance with the written terms of reference approved by the Board. The Board reviews the terms of reference of the committees from time to time and appoints the Chairman and members of each committee.

The implementation of the Company's strategic plan is delegated to the Management by the Board. The Management takes into account all appropriate considerations in establishing the strategic plan through discussions during Management Committee meetings held bi-monthly, comprising of the Managing Director, Chief Financial Officer, Chief Operating Officer, Senior General Manager Operations and Maintenance, General Manager Technical Services, General Manager Marketing and Company Secretary. The Strategic/Business Plan is then deliberated and approved by the Board.

The Board receives a quarterly update by the Management on the status of implementation of the strategic plan during the Board of Directors meetings. Board papers relating to any Management proposal are circulated five (5) days before the meeting providing adequate time for the Board to review.

The Management also circulates Monthly Progress Report to the Board Members every month.

The Board assesses the performance of the Management through performance of the financial results, customers' feedback and sales revenue of the Group.

Succession planning and talent development

The Company has a management development program wherein candidates with potential are identified and sent for training from time to time. Some have been sent for training for Advanced Management Program at Wharton Business School, University of Pennsylvania, USA; and in Asian Institute of Management, Manila, Philippines. In addition, the Company has in early years sent some for training in Tokyo Gas Co., Ltd, a major indirect shareholder of the Company and biggest gas company in Japan. All senior management positions are reviewed by the Board via the Nomination Committee to assess their capabilities and thereafter if suitable, recommended to the Board for approval.

Code of Ethics

The Company's Code of Ethics for Directors and employees continue to govern the standards of ethics and good

conduct expected from Directors and employees. The Code of Ethics is formulated to enhance the standards of corporate governance and corporate behavior with the intention of achieving the following aims:

- To establish a standard of ethical behavior for Directors, Senior Management and employees of the Group based on trustworthiness and values that can be accepted, are held or upheld by any one person; and
- To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administering a company.

All employees are briefed and provided with a copy of the Code of Conduct on the commencement of their employment in the course of a new employee induction program.

Sustainability

The Board recognises the importance of sustainability and its increasing significance in the business. The Company has internal guidelines and requirements to adhere to its environmental, social and governance responsibilities in line with its mission to provide the cleanest, safest, cost effective and reliable energy solutions to the nation.

The Company has established a Corporate Social Responsibility Policy and Guidelines which focuses on contribution to nation building, at the same time making a difference to the community and having a positive impact on the lives of people. The strategy is built on the four pillars of Education, Community, Environment and Sports.

As part of its compliance with the conditions under its Gas Utility Licence ("GUL"), the Company submits monthly and quarterly reports to the Energy Commission ("EC"), outlining issues relating to operating and maintaining the gas distribution systems and customer service. Under the terms of the GUL, various Codes and Statements of Performance have been submitted to the EC and are updated and modified on a continuous basis in line with market changes and international best practices.

The Company's commitment to health, safety and environment is shared by all employees throughout GMB and has been incorporated into their work environment. This is clearly evidenced through the achievements of MS ISO 9001:2008, MS ISO 14001:2004 and OHSAS 18001:2008 certifications for its health, safety, environment and quality management systems. The Company's Health, Safety, Environment & Quality ("HSEQ") Policy is available in the Company's website (<http://www.gasmalaysia.com>).



Further details on the Company's Corporate Social and Responsibilities activities for the year under review are disclosed in the Corporate Social and Responsibilities Statement on pages 44 and 45 of this Annual Report.

Supply and Access to Information

To ensure effective functioning of the Board, Directors are given access to information through the following means:

- Management may be invited to the Board and Board Committees' meetings to report or present areas within their responsibility to ensure the Board is able to effectively discharge its responsibilities;
- Information provided to the Board and Board Committees are compiled into reports via the Board and Board Committee papers circulated to Directors five (5) days prior to the respective Board meetings, to enable the Board to make informed decisions and to deal with matters arising from such meetings;
- Directors have ready and unrestricted access to the advice and services of the Company Secretaries; and
- Directors may obtain independent professional advice at the Company's expense in furtherance of their duties, where this is deemed necessary, after consultation with the Chairman and other Board members.

Company Secretary

The Company Secretary plays an advisory role to the Board in relation to the Company's constitution, the Board's policies and procedures, and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretary is suitably qualified, competent and capable of carrying out the duties required and has attended training and seminars conducted by The Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") to keep abreast with the relevant updates on statutory and regulatory requirements such as Post Listing Requirements and updates on the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Related Party Transactions and Corporate Disclosure Guide.

The Company Secretary also serves notice to the Directors and Principal Officers to notify them of closed periods for trading in the Company's shares, in accordance with

Chapter 14 of the Main Market Listing Requirements of Bursa Securities. Deliberations during the Board and Board Committees' meetings were properly minuted and documented by the Company Secretary.

B. Strengthen composition

The Board currently has nine (9) Directors, comprising a Non-Independent Non-Executive Chairman, one (1) Executive Director, four (4) Non-Independent Non-Executive Directors and three (3) Independent Non-Executive Directors. One third (1/3) of the Board comprises of Independent Non-Executive Directors, in compliance with Paragraph 15.02(1) of the Main Market Listing Requirements of Bursa Securities.

The profile of each Directors is set out on pages 26 to 36 of this Annual Report.

Nomination Committee

The Company's Nomination Committee ("NC") comprised of three (3) Members, all of whom are Non-Executive Directors, with a majority being Independent. The current NC Chairman is independent and able to contribute effectively to the NC in view of his wide and vast experience in the industry.

During the financial year ended 31 December 2012, one (1) NC meeting was held and the attendance is as follows:

No.	Name of Committee Members	Number of meetings attended/held
1.	Datuk Syed Abu Bakar bin S Mohsin Almohdzar (Chairman, Independent Non-Executive Director)	1/1
2.	Datuk Haji Hasni bin Harun (Member, Non-Independent Non-Executive Director)	1/1
3.	Datuk Puteh Rukiah binti Abd. Majid (Member, Independent Non-Executive Director)	1/1

CORPORATE GOVERNANCE STATEMENT (Continued)

The NC makes recommendations to the Board suitable candidates for appointment as Board members, member of Board Committees and Chief Executive Officer/Executive Director of the Company and its subsidiaries based on the following evaluation criteria:

- Skills, knowledge, expertise and experience;
- Professionalism;
- Integrity; and
- In the case of candidates for the position of Independent Non-Executive Directors, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.

Under the Board Charter, it is provided that the NC will consider and recommend a policy on the tenure of the Directors of the Company and its subsidiaries. It is further provided that the Chairman of the Company is given the mandate to finalise and recommend nominee Directors to the respective boards of subsidiaries in the Group.

The NC will arrange for the induction of any new Directors appointed to the Board to enable them to have a full understanding of the nature of the business, current issues within the Company and corporate strategies as well as the structure and management of the Company.

The Board has reviewed and assessed the size of Board, required mix of skills, experience, performance and contribution of Directors; effectiveness of the Board as a whole; independence of Independent Directors and training courses required by the Directors, and is satisfied with the current composition and performance of the Board.

The Board is committed to provide fair and equal opportunities and nurturing diversity within the Group. The evaluation of the suitability of candidates is based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company. The NC will however continue to ensure that suitable women candidates are sought and considered as part of its recruitment exercise. Currently the Board has a female Independent Non-Executive Director on Board.

Directors' Training

All Directors have completed the Mandatory Accreditation Program as prescribed by Bursa Securities. The Board fully supports the need for its members to further enhance

their skills and knowledge on relevant new laws and regulations and changing commercial risks to keep abreast with the developments in the economy, industry, technology and the changing business environment within which the Group operates. Throughout their period in office, the Directors are continually updated on the Group's business and the regulatory requirements.

During the financial year, the Board members have attended the following:

Directors	Title of Training
Dato' Hamzah bin Bakar	<ul style="list-style-type: none"> • 25th World Gas Conference, Malaysian Gas Association
Datuk Muhamad Noor bin Hamid	<ul style="list-style-type: none"> • National Energy Security Conference, Energy Commission • 25th World Gas Conference, Malaysian Gas Association • Mandatory Accreditation Programme for Directors of Public Listed Companies, Bursatra Sdn Bhd
Datuk Haji Hasni bin Harun	<ul style="list-style-type: none"> • Updates on Bursa Malaysia Listing Requirements, MAICSA • Malaysian Code on Corporate Governance, MAICSA • Integrated Policies for Environmental Resilience and Sustainability, Yayasan Tun Ismail Mohamed Ali • MIA Conference 2012-Innovative Society: Sustaining Business Success, MIA
Shazali bin Dato' Haji Shahrani	<ul style="list-style-type: none"> • Mandatory Accreditation Programme for Directors of Public Listed Companies, Bursatra Sdn Bhd
Rosthman bin Ibrahim (Alternate Director to Shazali bin Dato' Haji Shahrani)	<ul style="list-style-type: none"> • Related Party Transactions, Secretaries Inc Sdn Bhd



Directors	Title of Training
Tadaaki Maeda	<ul style="list-style-type: none"> Mandatory Accreditation Programme for Directors of Public Listed Companies, Bursatra Sdn Bhd
Tsuneaki Nakamura (Alternate Director to Tadaaki Maeda)	<ul style="list-style-type: none"> Mandatory Accreditation Programme for Directors of Public Listed Companies, Bursatra Sdn Bhd
Atsunori Takeuchi (Alternate Director to Tadaaki Maeda)	<ul style="list-style-type: none"> Mandatory Accreditation Programme for Directors of Public Listed Companies, Bursatra Sdn Bhd
Samsudin bin Miskon	<ul style="list-style-type: none"> GSCM Forum 2012 (themed Integrity - 'Insider Threat'), GSCM, PETRONAS National Energy Security Conference, Suruhanjaya Tenaga 25th World Gas Conference, Malaysian Gas Association 4th National Energy Forum, Malaysian Gas Association PGB Technical Capability Forum, PETRONAS Gas Berhad PGB Managers Forum 2012, PETRONAS Gas Berhad E&P Capability Exchange 2012, PETRONAS Carigali Sdn Bhd PGB Risk Management Forum 2012 Mandatory Accreditation Programme for Directors of Public Listed Companies, Bursatra Sdn Bhd
Aida Aziza Binti Mohd Jamaludin (Alternate Director to Samsudin bin Miskon)	<ul style="list-style-type: none"> Mandatory Accreditation Programme for Directors of Public Listed Companies, Bursatra Sdn Bhd

Directors	Title of Training
Tan Lye Chong	<ul style="list-style-type: none"> National Tax Conference 2012, Chartered Tax Institute of Malaysia Mandatory Accreditation Programme for Directors of Public Listed Companies, Bursatra Sdn Bhd 2013 Budget Seminar, Chartered Tax Institute of Malaysia Getting Ready for MFRS/IFRS 2013
Datuk Puteh Rukiah Binti Abd. Majid	<ul style="list-style-type: none"> Role of the Audit Committee in Assuring Audit Quality Corporate Governance (CG) Blueprint and Malaysian Code on CG (MCCG) 2012 The MCCG 2012: The Implication and Challenges to Public Listed Companies Directors' Duties, Defences, Bursa Malaysia and Judicial Review Competition Law: How It May Impact the Way We Do Business Professionalism in Directorship Programme (MACD): What Does It Take To Be An Effective Corporate Director?
Datuk Syed Abu Bakar bin S Mohsin Almohdzar	<ul style="list-style-type: none"> 8th World Islamic Economic Forum, Johor Bahru

CORPORATE GOVERNANCE STATEMENT (Continued)*Remuneration Committee*

The Remuneration Committee ("RC") comprises three (3) Members, in which majority are Non-Executive Directors. The members of the RC are as follows:

1. Dato' Hamzah bin Bakar (Chairman, Non-Independent Non-Executive Director; appointed on 19 August 2011);
2. Datuk Haji Hasni bin Harun (Member, Non-Independent Non-Executive Director; appointed on 19 August 2011); and
3. Samsudin bin Miskon (Member, Non-Independent Non-Executive Director; appointed on 19 August 2011).

The RC is responsible for annually reviewing and recommending to the Board the remuneration of the Directors (including Managing Director and Executive Director) and Senior Management of the Group in all its forms. The remuneration for the Managing Director of the Company is benchmarked against the remuneration survey by an external consultant whereas the Directors' fees are benchmarked against the market. The final determination of remuneration and fees is a matter for the Board as a whole. The Directors concerned play no part in the decision of their own remuneration but may attend the RC meeting at the invitation of the Chairman of the RC, if their presence is deemed required. The Company's Articles of Association provide that any payment of Directors' fees should be approved at a general meeting.

During the financial year ended 31 December 2012, three (3) RC meetings were held and the attendance is as follows:

No.	Name of Committee Members	Number of meetings attended/held
1.	Dato' Hamzah bin Bakar (Chairman, Non-Independent Non-Executive Director)	3/3
2.	Datuk Haji Hasni bin Harun (Member, Non-Independent Non-Executive Director)	3/3
3.	Samsudin bin Miskon (Member, Non-Independent Non-Executive Director)	2/3

The RC has reviewed and recommended the remuneration for the Managing Director of the Company and further recommended to the Board the Directors' fees. The Directors' fees are subject to shareholders' approval at the Company's forthcoming Annual General Meeting pursuant to the Articles of Association of the Company.

Details of remuneration of Directors of the Company for the financial year ended 31 December 2012 are as follows:

	Executive RM'000	Non-Executive RM'000
Directors' Fees	-	558
Salaries & Bonuses	1,136	-
Defined Contribution Plan	156	-
Other Benefits	74	327
Total	1,366	885

The number of directors of the Company in each remuneration band is as follows:

	Executive	Non-Executive
RM50,001 – RM100,000	-	4
RM100,001 – RM150,000	-	3
RM150,001 – RM200,000	-	1
RM1,350,001 – RM1,400,000	1	-
Total	1	8

C. Reinforce Board independence

The Board recognises the importance of independence and objectivity in its decision making process in line with the recommendations under the MCGG 2012. The Board further acknowledged all the Board members are responsible to act in the best interest of all shareholders of the Company.

The positions of Chairman and Managing Director are held by two different individuals. The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board while the Managing Director is a Non-Independent Executive Director, who manages the business and operations of the Group and implements



the Board's decisions. The distinct and separate roles of the Chairman and Managing Director, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.

The Independent Directors play a pivotal role in corporate accountability and provide unbiased views and impartiality to the Board's deliberations and decision-making process. In addition, the Non-Executive Directors ensure that matters and issues brought to the Board are given due consideration, fully discussed and examined, taking into account the interest of all stakeholders in the Group.

Since the listing of the Company on Bursa Securities on 11 June 2012, the independence of the three (3) Independent Non-Executive Directors have been reviewed by the NC and considered as independent as they met the definition of an independent director in the Main Market Listing Requirements of Bursa Securities.

The Non-Executive Chairman of the Board, Dato' Hamzah bin Bakar, although not an Independent Director, provides strong leadership and objective judgement with regard to ensuring the adequacy and effectiveness of the Board's governance process. The Board is of the view that the separation of the offices of the Chairman and the Managing Director together with the Independent Directors, provide further safeguards that there is a balance of power and authority on the Board to ensure independent judgement in the best interest of the Company and effective stewardship of the Company in terms of strategies and business performance. The current size and composition of the Board is at its optimum level and is functioning effectively.

D. Fostering commitment

The Board endeavours to meet at least four (4) times a year, at quarterly intervals which are scheduled well in advance at the commencement of the financial year to help facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened where necessary to deal with urgent and important matters that require attention of the Board. Agenda of meetings together with the board papers are normally given at least five (5) days prior to meetings for the Directors to study and evaluate the matters to be discussed.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities which is evidenced by the satisfactory attendance record of the Directors at Board meetings. The Board members are required to notify the Board prior to their acceptance of new directorships in other companies through a formal letter which will then be circulated to the Board.

The Board met six (6) times during the financial year under review. The details of Directors' attendance are set out as follows:

No.	Name of Directors	Number of Board meetings attended/ held during the Director's term in office
1.	Dato' Hamzah bin Bakar (Non-Independent Non-Executive Chairman)	6/6
2.	Datuk Muhamad Noor bin Hamid (Managing Director)	6/6
3.	Shazali bin Dato' Haji Shahrani (Non-Independent Non-Executive Director)	5/6
	Rosthman bin Ibrahim (Alternate Director to Shazali bin Dato' Haji Shahrani)	N/A
4.	Datuk Haji Hasni bin Harun (Non-Independent Non-Executive Director)	4/6
5.	Samsudin bin Miskon (Non-Independent Non-Executive Director)	5/6
	Aida Aziza binti Mohd Jamaludin (appointed as Alternate Director to Samsudin bin Miskon on 20 February 2012)	N/A
	Karima binti Mohd Noor (appointed and resigned as Alternate Director to Samsudin bin Miskon on 1 August 2011 and 20 February 2012 respectively)	N/A

CORPORATE GOVERNANCE STATEMENT (Continued)

No.	Name of Directors	Number of Board meetings attended/ held during the Director's term in office
6.	Datuk Puteh Rukiah binti Abd. Majid (Independent Non-Executive Director)	5/6
7.	Datuk Syed Abu Bakar S Mohsin Almohdzar (Independent Non-Executive Director)	5/6
8.	Tan Lye Chong (Independent Non-Executive Director)	6/6
	Tadaaki Maeda (Non-Independent Non-Executive Director)	4/6
	Atsunori Takeuchi (Alternate Director to Tadaaki Maeda)	N/A
9.	Tsuneaki Nakamura (appointed as Alternate Director to Tadaaki Maeda on 2 April 2012)	1/4
	Hiroshi Kishino (appointed and resigned as Alternate Director to Tadaaki Maeda on 17 April 2009 and 2 April 2012 respectively)	1/2

The Board recognises the importance of continuing training and education to its members to ensure they are equipped with the necessary skills and knowledge to meet the challenges of the business and a budget is allocated for such purpose. Consequently, the Directors are committed to devote sufficient time to update their knowledge and enhance their skills by attending trainings, details of which are set out in pages 56 and 57 of this Statement.

E. Uphold integrity in financial reporting

The Board upholds integrity in financial reporting by ensuring that shareholders are provided with reliable information of the Company's financial performance, its position and future prospects, in the Annual Audited Financial Statements and quarterly financial reports.

The Audit Committee ("AC") is entrusted with the responsibility of assisting the Board in dealing with matters relating to the Company's internal and external audit functions, financial statements and internal accounting and control systems, matters that may significantly impact the financial condition or affairs of the business and to ensure that the financial statements of the Company comply with the applicable financial reporting standards in Malaysia.

The AC comprises of three (3) members of whom all are Non-Executive Directors and majority is Independent Non-Executive Directors. The composition of the AC, including its roles and responsibilities are set out on pages 69 to 72 under AC Report of this Annual Report.

The composition of the AC is as follows:

1. Tan Lye Chong (Chairman, Independent Non-Executive Director; appointed on 19 August 2011);
2. Datuk Haji Hasni bin Harun (Member, Non-Independent Non-Executive Director; appointed on 11 April 2008); and
3. Datuk Puteh Rukiah binti Abd. Majid (Member, Independent Non-Executive Director; appointed on 19 August 2011).

The AC Chairman, Tan Lye Chong, is a Fellow member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants. Members of the AC, all whom have vast accounting and/or financial related experience, meet on a quarterly basis or as and when additional meetings are required, to review the integrity and reliability of the Group's financial statements in the presence of the external auditors, prior to recommending them for the Board's approval and issuance to the public.



To ensure independence, the AC members have met with the External Auditors twice without the presence of the Management during the financial year to discuss issues arising from any audit exercises or other matters, which the External Auditors may wish to raise. The External Auditors have also given a written assurance to the AC to confirm that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

The Board has outsourced the independent internal audit function to Messrs. Ernst & Young that reports directly to the AC. The AC has also met with the Internal Auditors twice without the presence of the Management during the financial year. The key activities covered by the internal audit function during the financial year under review is provided in the Audit Committee Report of the Company as set out on pages 69 to 72 of this Annual Report.

During the year, the Internal Auditors have carried out a corporate governance review to identify gaps in complying with the recommendations and guidelines under MCCG 2012 which was tabled to the Board.

F. Recognise and manage risks

The Board understands the importance in identifying and dealing with relevant risks in the business decision making process, and has established the Risk and Compliance Committee ("RCC") which comprises of three (3) Board members where the Chairman is a Non-Executive Director.

The composition of the RCC is as follows:

1. Tadaaki Maeda (Chairman, Non-Independent Non-Executive Director; appointed on 7 November 2012);
2. Datuk Muhamad Noor bin Hamid (Member, Executive Director; appointed on 7 November 2012); and
3. Samsudin bin Miskon (Member, Non-Independent Non-Executive Director; appointed on 7 November 2012).

The key features of the risk and compliance management framework are set out in the Statement on Risk Management and Internal Control of the Company as set out on pages 63 to 67 of this Annual Report.

The RCC also oversees the risk of occupational injury and health illness to personnel and damage to environment to ensure compliance with HSEQ Policy.

G. Timely and high quality disclosure

The Company's website has a dedicated section which provides investors with detailed information on the Group's business, commitments and latest developments.

To ensure comprehensive, accurate and timely disclosures, the Company has put in place the following initiatives in the Company's website (<http://www.gasmalaysia.com>):

- maintaining an investor relations platform;
- updating all announcements made to Bursa Securities;
- updating the latest news, highlights and press releases of GMB;
- providing an online enquiries/feedback feature for investors;
- providing corporate information to the current shareholders, potential investors and stakeholders; and
- uploading the Annual Report of GMB.

Internally, the Company has identified persons authorised and responsible for approving, verifying and disclosing material information to shareholders and stakeholders to ensure compliance with the Main Market Listing Requirements of Bursa Securities. The Company has also in place a Corporate Disclosure Policy to enable the Company to communicate effectively with its shareholders, prospective investors, stakeholders and public generally with the intention of giving them a clear picture of the Group's performance and operations.

H. Strengthen relationship between company and shareholders

The Company aims to ensure that the shareholders and investors are kept informed of all major corporate developments, financial performance and other relevant information by promptly disseminating such information to shareholders and investors via announcements to Bursa Securities, which is in line with Bursa Securities' objectives of ensuring transparency and good corporate governance practices, through dialogue with analysts and the media.

CORPORATE GOVERNANCE STATEMENT (Continued)

The Management communicates with the institutional shareholders regularly. Minority shareholders may communicate with the Company through the Company's website (<http://www.gasmalaysia.com>).

The Notice of AGM will be circulated at least twenty-one (21) days before the date of the meeting to enable shareholders sufficient time to peruse the Annual Report and papers supporting the resolutions proposed.

In the forthcoming AGM, shareholders will be given the opportunity to ask questions regarding resolutions being proposed before putting the resolutions to vote as well as matters relating to the Group's operations in general. The Board encourages participation at general meetings and will generally carry out resolutions by show of hand, except for Related Party Transaction (wherein poll will be conducted) and unless otherwise demanded by shareholders in accordance with the Articles of Association of the Company.

While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, the Company is mindful of the legal and regulatory framework governing the release of material and price sensitive information.

This Corporate Governance Statement is made in accordance with the resolution of Board of Directors' dated 1 April 2013.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Board of directors of listed companies are required under the provision of Bursa Malaysia Securities Berhad's Main Market Listing Requirements, paragraph 15.26(b), to produce a statement on the state of Gas Malaysia Berhad ("GMB") Group of Companies' ("Group") Risk Management and Internal Control in their Annual Report.

INTRODUCTION

Acknowledging the importance of maintaining a sound risk and compliance management system and internal control throughout the Group, GMB's Board of Directors are fully committed in achieving the Group's objectives. These include measures and continuous monitoring of control activities to ensure that the Group's assets are well protected, relevant laws, regulations and requirements are adhered and complied to, shareholders' value are enhanced and their investments are safeguarded.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM DESCRIPTION

Working together with the management, internal auditors and external auditors, the Board identified and assessed the risks faced by the Group and continuously take measures to strengthen the internal control system of the Group and ensuring that the objectives set are achieved. However, these controls are designed to provide reasonable, but not absolute assurance against the risk of occurrence of material errors, fraud or losses. Summarised below is a description of the key elements of Group's risk management, internal control and business continuity practices.

A) RISK MANAGEMENT

1) GROUP'S RISK AND COMPLIANCE MANAGEMENT FRAMEWORK

The Group has its own risk and compliance management framework which is being monitored and reviewed to ensure that the current control systems remain effective at all times and able to reduce the impact of risks. For good governance, the management has established an on-going process for identifying, evaluating and managing any significant risks faced by the Group and be aware of the events taking place throughout and around the Group which might impact the well-being of the Group, its employees, assets, profits and also its stakeholders.

2) REPORTING STRUCTURE

The management of risks is an integral part of the Group's management process and hence, the process for managing risks is therefore embedded into the operational processes of the Group. The reporting structure is as follows:



Note 1:

RISK AND COMPLIANCE MANAGEMENT COMMITTEE ("RCMC")

For the purpose of having an effective monitoring of risk and compliance throughout the Group, the RCMC was set up. The objectives of this committee are:

- a) To oversee enterprise risk management activities in order to ensure procedures are in place and key risk areas are identified and addressed.
- b) To oversee compliance of legal requirements in terms of license terms and listing requirements.

The committee is chaired by a candidate appointed by the Managing Director and the committee member comprises all Head of Departments ("HODs"). The HOD are responsible for risk and compliance management in the day-to-day operations and are expected to manage and control the identified risks

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

and compliance issues. They also need to ensure that the risk and compliance policies and procedures are aligned and integrated to the business strategies and plans. Both these risk and compliance related matters shall be reported to the RCMC twice yearly. Subsequently, the RCMC will table it to the Risk and Compliance Committee ("RCC").

Note 2:

RISK AND COMPLIANCE COMMITTEE

In order to ensure that good corporate governance is an integral part of the Group's business dealings and culture, the RCC was set up. The RCC comprises at least three Board members including the Chairman, who is a non-executive Director. This committee, which reports to the Board, is required to determine the Group's level of risk and also assess and monitor key business risks to safeguard shareholders' investments and Group's assets.

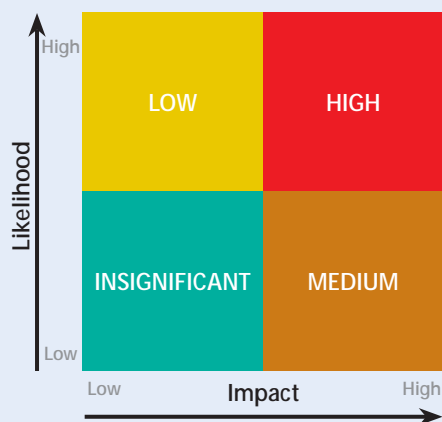
Scope, duties and responsibilities of RCC are as follows:

- a) To provide regular and timely reporting and update the Board on key risk management issues.
- b) To ensure an effective implementation of risk treatment policy and procedures.
- c) To ensure that short and long term risk management strategy, framework and methodology have been implemented and consistently applied by the Group.
- d) To review management's assessment of risk at least twice a year and to update the Board in this regard.
- e) To ensure that the management have proper supervision and compliance over financial and non-financial matters including auditing financial reporting, disclosures to investors, overall compliance programs, policies and procedures, significant legal or regulatory compliance exposure and material reports or inquiries from government or regulatory authorities.
- f) To review the Group's risk and compliance assessment plan.

RCC is expected to present its report to the Board of Directors twice a year, so that the Board is aware of the major risks within the Group and able to ensure prompt actions are taken by the management to mitigate the risks.

3) RISK IDENTIFICATION PROCESS AND ANALYSIS

The risk identification starts with the appointed risks coordinators in each department to identify the risks which may impact the Group's objectives, including economic, reputation and compliance objectives. It is measured in terms of likelihood and impacts of occurrence. The goal is to identify, evaluate and respond appropriately to risks identified so that the Group is protected from loss, uncertainty and lost opportunity.



The risks identified by the risk coordinators will then be mapped to the risk register. The compiled risks will be communicated to their respective HOD. Subsequently, only the top risks identified will be brought to the Risk and Compliance Management Committee.

4) BUSINESS CONTINUITY PLAN

As part of the business continuity plan, the Group has in place the Emergency and Crisis Management Plan ("ECMP"). The ECMP adopted by GMB has been designed to meet the Group's goals of minimising the effect of any incident on our people, business partners, local community and environment. It is essential in ensuring that the crucial business functions are able to perform even in an emergency situation.



ECMP is made up of two major components, the Emergency Management (“EM”) and Crisis Management (“CM”). EM is a program to control the consequences of a physical incident within a business unit. It incorporates both the operations response to the triggering emergency and the supporting staff functions such as law, insurance, public affairs and human resources.

The terms emergency here is defined as an abnormal event which disrupts the normal routine of the organisation and present an immediate threat to the Group’s well-being.

CM on the other hand, underlines strategy and actions undertaken to protect corporate assets from an actual or potential threat posed by a catastrophic incident, a non-physical event, or a series of negative developments that escalate to crisis proportions. It relies on a balanced assessment of potential impact on Group’s operations, image and liability. Its goal is to manage those impacts so as to expedite business recovery.



In ensuring that the plans remain relevant, they will be continuously reviewed, tested and audited so that adequate resources are readily available to allow GMB to meet the challenges posed by any incident.

In order to support the above, the Group also has its:

a) Emergency Response Plan (“ERP”)

ERP forms part of the Group’s commitment towards responding effectively to all emergencies that affect the Group’s facilities. An immediate and effective response is accomplished through planning for emergency situations, maintaining resources capable of dealing with emergencies and training to respond to emergencies. The goal is to minimise consequences of an emergency by minimising risk to the public and employees, protecting property and limiting damage to the environment.

The ERP outlines procedures vital to an immediate and effective emergency response. It deals with actions to be taken by personnel to provide on-site response to an emergency. These procedures will ensure employees are safe, the public is protected and environmental disturbance is minimised. Due to the unpredictable nature of emergencies, most procedures are presented as general guidelines rather than rigid rules.

b) Computer Disaster Recovery Centre (“CDRC”)

A disaster recovery is a coordinated process of restoring systems, data and infrastructure required to support key on-going business operations during a disaster. For this purpose, the Group has set up its own CDRC, where critical servers for the Group’s IT operations are replicated outside the main operation buildings. This centre also hosts backup Operation Control Room (OCR), which has a similar function as the main OCR at Head Office.

c) Health, Safety, Environmental and Quality (“HSEQ”) Policy

HSEQ Policy outlined the commitment to employees, business partners and the public. Every reasonable and practicable steps identified will be taken and monitored by the HSEQ committee to prevent and eliminate the risk of occupational injury and health illness to personnel, damage to environment and to enhance the quality of services.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

B) KEY ELEMENTS OF INTERNAL CONTROL SYSTEM (“ICS”)

Below are the other key elements of the Group's internal control system:

1) GOVERNANCE AND CONTROL ENVIRONMENT

- Delegations of responsibilities are clearly defined for Board and the management. This is achieved by proper documentation of authorisation procedures and line of accountability for proper authorisation, approval and control procedures within the Board and management. For this purpose, Financial Authority frameworks are in place to ensure that proper approvals are obtained for all transactions. Major tenders, acquisitions and disposals and other significant transactions are approved by the Board.
- Continuous update of Standard Operating Procedures based on the latest development in the Group to ensure that it will be relevant at all times. This SOP documented the internal control procedures and encompassed established guidelines in achieving its specific objectives depending on respective processes.

- ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 accreditations for operational processes.

2) RISK ASSESSMENT

Regular discussions held with heads of each department on any current significant issues impacting the Group. Not only this ensures quality decisions are made but it also encourages team work in solving all major issues.

3) CONTROL ACTIVITIES

A budgeting process where budgets and business plan for five years are prepared and tabled to the Board for approval.

4) INFORMATION AND COMMUNICATION

The implementation of Enterprise Resource Planning System facilitated the smooth flow of information between critical business functions inside the Group thus increasing the quality of control and efficiency of operations.

5) MONITORING

- The appointed internal auditor conducted its review on internal controls of the Group and will advise the management on areas for improvements. The findings will then be reported to the Audit Committee, which acts on behalf of the Board, for consideration on their effectiveness and sufficiency for the Group's operations.
- Monthly performances against budget and the previous corresponding period are tabled to the management during the monthly Management Committee meetings before it is presented to the Audit Committee and Board of Directors on a quarterly basis. This enables continuous performance monitoring and any issues mitigating budget achievement can be addressed early and effectively.



C) KEY ELEMENTS OF INTERNAL CONTROL SYSTEM (“ICS”)

The Board and management is fully aware that the ever changing risks faced by the Group requires continuous reviewing process, enhancement and improvement of the existing internal control system from time to time. This is crucial so that adequate level of internal control is maintained in ensuring that the all potential impacts from occurrence of the identified risks can be mitigated or reduced.



RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM EFFECTIVENESS

The Board reviews the effectiveness of the risk management and internal control systems through the following monitoring and assessment mechanisms:

- The Board utilizes the Group's actual versus planned performance and other key financial and operational performance indicators as a gauge to determine if the underlying risk management and internal control systems continue to be effective.
- On a quarterly basis, management updates the Board on the Group's performance against plans and developments both internally and externally for discussion. Specific transactions, projects or opportunities are also discussed with the Board when required. This allows the Board to determine if new risks have arisen and need to address or action plans and internal controls need to be enhanced to improve results.
- Based on the reviews carried out by the outsourced internal audit function, internal control weaknesses identified are addressed as appropriate. The results of the reviews are discussed by the Audit Committee with follow-up monitoring being undertaken by the management and outsourced internal audit function.
- Risk management activities and risk registers will be reported to the Board at least twice yearly to provide an overview of the Group's key risks and how they are being addressed.

COMMENTARY ON THE ADEQUACY AND EFFECTIVENESS

The risk management and internal control systems described above have been in place and up to the date of the approval of this statement for inclusion in the annual report. For the financial year under review, the Board is of the opinion that the system of internal controls and risk management processes are adequate and sound to provide reasonable assurance in safeguarding shareholders' investments, the Group's assets and other stakeholders' interests as well as in addressing key risks impacting the business operations of Group. There was no major internal control weakness identified that may result in any material loss or uncertainty that would require disclosure in this annual report.

CONCLUSION

For the financial year under review, based on inquiry, information and assurances provided by the Managing Director and Chief Financial Officer, the Board believes that the Group's system of internal control is in place and sufficient to provide reasonable assurance that risks faced by the Group is under control and has not resulted in any material loss.

This Statement on Internal Control has been prepared in line with the Listing Requirements of Bursa Malaysia Securities Berhad and guided by the Statement on Risk Management and Internal Control Guidance for Directors of Listed Issuers. This Statement is made in accordance with a resolution of the Board of Directors' dated 20 March 2013.

REVIEW BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement of Risk Management and Internal Control in accordance with the requirement of Recommended Practice Guide 5, Guidance for Auditors on the Review of Directors' Statement on Internal Control ("RPG 5") issued by the Malaysian Institute of Accountants. RPG 5 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on external auditor's review, nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control to be included in the annual report is inconsistent with their understanding of the process the Board of Directors has adopted in the review of the adequacy and effectiveness of the risk management and internal control systems of the Group.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act, 1965 ("Act") to prepare the financial statements for the financial year ended 31 December 2012 which have been made out in accordance with applicable Malaysian Financial Reporting Standards (MFRSs), International Financial Reporting Standards and the requirements of the Act in Malaysia and the Main Market Listing Requirements of Bursa Securities.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of financial position of the Group and the Company as at 31 December 2012, and of the financial performance and cash flows of the Group and the Company for the financial year ended 31 December 2012.

In preparing the financial statements, the Directors have:

- adopted suitable and appropriate accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensured the adoption of applicable approved accounting standards; and
- prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company kept proper accounting records which disclose with reasonable accuracy the financial position of the Group and the Company in accordance with the Act. The Directors are also responsible for taking such steps to ensure that proper internal controls are in place to safeguard the assets of the Group and the Company, and to detect and prevent fraud and other irregularities.

This statement is made in accordance with the resolution of Board of Directors' dated 20 March 2013.



AUDIT COMMITTEE REPORT



from L to R :

DATUK PUTEH RUKIAH BINTI ABD. MAJID
Member

TAN LYE CHONG
Chairman

DATUK HAJI HASNI BIN HARUN
Member

The present composition of the Audit Committee ("AC") is as follows:

1. Tan Lye Chong (Chairman, Independent Non-Executive Director; appointed on 19 August 2011);
2. Datuk Haji Hasni bin Harun (Member, Non-Independent Non-Executive Director; appointed on 11 April 2008); and
3. Datuk Puteh Rukiah binti Abd. Majid (Member, Independent Non-Executive Director; appointed on 19 August 2011).

As at the reporting date, the composition of the AC complied with the Main Market Listing Requirements of Bursa Securities.

AUDIT COMMITTEE REPORT (Continued)**AC Meetings**

During the financial year ended 31 December 2012, four (4) AC meetings (including Special AC meeting) were held and the attendance is as follows:

No.	Name of Committee Members	Number of meetings attended/held
1.	Tan Lye Chong (Chairman, Independent Non-Executive Director)	4/4
2.	Datuk Haji Hasni bin Harun (Member, Non-Independent Non-Executive Director)	3/4
3.	Datuk Puteh Rukiah binti Abd. Majid (Member, Independent Non-Executive Director)	4/4

The meetings were appropriately structured through the use of agendas which were distributed to members with sufficient notification.

TERMS OF REFERENCE**Purpose**

The primary objectives of the AC are as follows:

- Assist the Board in fulfilling its statutory and fiduciary responsibilities in examining and monitoring the Company and its subsidiaries' (the "Group") management of business, financial risk processes, accounting and financial reporting practices;
- Determine the adequacy and effectiveness of the administrative, operational and internal accounting controls of the Group and to ensure that the Group is operating in accordance with the prescribed procedures, code of conduct and applicable legal and regulatory requirements;
- Serve as an independent and objective party from management in the review of the financial information of the Company and the Group presented by management for the distribution to shareholders and the general public;
- Provide direction and oversight over the Internal and External Auditors of the Company to ensure their independence from Management; and
- Evaluate the quality of audits conducted by the Internal and External Auditors of the Company and the Group.

Membership

The AC of the Company shall comprise at least three (3) members, a majority of whom shall be Independent Directors and shall all be Non-Executive Directors, and at least one (1) member must be a member of the Malaysian Institute of Accountants, or if he is not, then he must comply with paragraph 15.09(1)(c)(ii) of the Main Market Listing Requirement of Bursa Securities. The Chairman of the AC shall be an Independent Non-Executive Director elected by the AC from amongst its members. No Alternate Director can be appointed as a member of the AC.

In the event of any vacancy which results in non-compliance with the requirements above, the Board shall within three (3) months of the event date appoint such number of new members as may be required.

The AC shall have no executive powers.

Authority

The AC, wherever necessary and reasonable, for the performance of its duties shall be in accordance with the procedures determined by the Board be granted the following:

- Authority to investigate any matter within its terms of reference;
- Resources to perform its duties and responsibilities;
- Full and unrestricted access to any information pertaining to the Company and the Group;
- Direct communication channels to the Internal Auditors and External Auditors and person(s) carrying out the internal audit function or activity, if any;
- Be able to obtain, at the expense of the Company, external legal or other independent professional advice if it considers necessary; and
- Be able to convene meetings with the External Auditors without the attendance of the executive members of the Group, whenever deemed necessary.



Meetings and Minutes

Meetings shall be held at least four (4) times a year or more frequently as circumstances dictate. Additional meetings shall be scheduled as considered necessary by the AC and the Chairman. The AC may establish any procedure from time to time to govern its meetings, keeping of minutes and its administration.

The Committee may request other Directors, members of Management, Internal Auditors and External Auditors, as applicable, to participate in the AC meeting, where necessary. The Internal Auditors or External Auditors may at any time request a meeting with the AC, with or without the presence of the Management.

The AC shall meet at least twice a year with the Internal Auditors and External Auditors without the presence of the Executive Directors and the Management of the Company. The quorum for AC meeting shall be two (2) members present and both of whom must be Independent Non-Executive Directors.

The Company Secretary shall be the Secretary of the AC. AC meeting agendas shall be the responsibility of the Chairman with input from the AC members. The Chairman may request the Management to participate in this process. Written materials including information requested by the AC from the Management, Internal Auditors and External Auditors shall be received together with the agenda for the meetings.

Key Functions and Duties

The key functions and duties of the AC shall include the following:

- Consider the appointment and re-appointment of External Auditors, the audit fee and any questions of resignation or dismissal, and enquire into the independence, resources and competency of the External Auditors in performing their work;
- Discuss the nature and scope of audit and any significant problems that may be foreseen with the External Auditors before the audit commences and ensure that the audit is carried out effectively and efficiently for the Company and the Group;
- Discuss the impact of any proposed changes in accounting policies on future financial statements with the Management and External Auditors;
- Review the quarterly interim financial information and year-end financial statements before submission to the Board for approval;
- Discuss problems and reservations arising from the interim and final audits, and any other matters that the External Auditors may wish to discuss (in the absence of Management where necessary);
- Review the External Auditors' management letter and management's response, and monitor the implementation of any recommendation thereon;
- Review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- Review the internal audit programme and ensure effective co-ordination between the Internal Auditors and External Auditors;
- Review any appraisal or assessment of the performance of members of the internal audit function, if applicable;
- Approve any appointment or termination of senior staff members of the internal audit function, if applicable;
- Take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning, if applicable;
- Consider the key findings of Internal Audit review and management's response, and monitor the implementation of any recommendations made thereon;
- Keep under review the effectiveness of internal control systems;
- Review any related party transactions that may arise within the Company or the Group;
- Report promptly to Bursa Securities on matters reported by AC to the Board which have not been satisfactorily resolved, resulting in a breach of listing requirements;
- Review procedures established by Management for compliance with any regulatory or other external reporting requirements, by-laws and regulations related to the Group's operations;
- Review any non-audit services, if any, provided by the External Auditors to ensure that the nature and extent of such services will not compromise the independence and objectivity of the External Auditors; and
- Carry out such other assignments as defined by the Board.

AUDIT COMMITTEE REPORT (Continued)**Summary of Activities of the AC**

The activities of the AC during the financial year ended 31 December 2012 encompassed the following:

- Reviewed the quarterly results and audited financial statements with the External Auditors before recommending to the Board for its approval and subsequent release of the results to Bursa Securities;
 - Evaluated and appointed the Internal Auditors, to ensure that the Internal Auditors have the competency and resources to undertake the assignment;
 - Reviewed the Internal Audit Plan with the Internal Auditors to ensure adequacy of coverage on key risks areas;
 - Reviewed the internal audit findings and recommendations with the Internal Auditors to ensure that the Management addresses and resolves the issues highlighted;
 - Reviewed the Audit Planning Memorandum with the External Auditors;
 - Reviewed the results and issues arising from the audit and their resolutions with the External Auditors, to ensure that all material issue are appropriately dealt with;
 - Met with the Internal Auditors and External Auditors without the presence of the Executive Directors and Management;
 - Reviewed the Recurrent Related Party Transactions entered into by the Group to ensure compliance with the Main Market Listing Requirements of Bursa Securities; and
 - Reviewed the independence of the External Auditors.
- Reviewed of the Company's compliance with Bursa Securities post-listing requirements and the Energy Commission;
 - Reviewed the effectiveness of the existing internal control systems of the Group based on key risk area covered;
 - Provision of recommendations, if any, to improve the control policies and procedures;
 - Assessment of the efficiency and effectiveness of certain business processes; and
 - Reviewed risk and controls associated with processes audited, to identify potential improvement opportunities.

Internal Audit reports are reported periodically together with the Management's response and proposed action plans to the AC to enable an evaluation of the adequacy and effectiveness of the group's internal control system.

The total costs incurred for the internal audit function of the Group in respect of the financial year ended 31 December 2012 amounted to RM135,550.00.

AC Training and Education

The AC members have attended the relevant development and training programmes. Please refer to pages 56 and 57 of the Corporate Governance Statement in the Annual Report for further information.

This AC Report is made in accordance with the resolution of Board of Directors' dated 20 March 2013.

Internal Audit Function

The Company has outsourced its internal audit function to an independent internal audit service provider, i.e. Messrs. Ernst & Young, to carry out the Internal Audit services and reports directly to the AC for the financial year ended 31 December 2012.

During the financial year, the activities carried out by the internal audit are:

- Internal audit works carried out in accordance with the approved Internal Audit Plan;
- Gap analysis in respect of the Company's compliance with the Malaysian Code on Corporate Governance 2012;



ADDITIONAL COMPLIANCE INFORMATION

CONVICTIONS FOR OFFENCES

None of the directors has been convicted for offences within the past 10 years other than traffic offences, if any.

UTILISATION OF PROCEEDS

No proceeds were raised by the Company from any corporate proposal.

SHARE BUYBACKS

During the financial year, there were no share buybacks by the Company.

OPTIONS OR CONVERTIBLE SECURITIES

During the financial year, no options, warrants or convertible securities were issued by the Company.

DEPOSITORY RECEIPT PROGRAMME

During the financial year, the Company did not sponsor any Depository Receipt programme.

IMPOSITIONS OF MATERIAL SANCTIONS/PENALTIES

There were no material sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies.

NON-AUDIT FEES

There is no non-audit fees incurred during the financial year.

PROFIT ESTIMATE, FORECAST OR PROJECTION

The Company did not make any release on the profit estimate, forecast or projection for the financial year.

PROFIT GUARANTEE

During the year, there was no profit guarantee give by the Company.

VARIATION IN RESULTS

There is no variation of 10% or more between the result for financial year and the unaudited result.

MATERIAL CONTRACT

Save as disclosed below, there were no material contracts between the Company and its subsidiaries involving directors' and major shareholders' interest either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year:

Gas Supply Agreement ("Agreement") between Petroliam Nasional Berhad ("PETRONAS") and GMB dated 23 February 2012.

This Agreement is for supply of natural gas of up to 534,143 gigajoule per day (which equivalent to approximately 492 MMScfd) for the period commencing from 1 January 2013 until 31 December 2022 on a step-up basis with the option to extend for another five (5) years, subject to terms and conditions to be mutually agreed by both parties.

This Agreement is replacing the existing Gas Supply Agreement which was expired on 31 December 2012.

PETRONAS is the holder of One (1) Redeemable Preference Share of RM0.50 in GMB and PETRONAS holds 60.66% equity interests in PETRONAS Gas Berhad, the substantial shareholder of GMB.

CONTRACTS RELATING TO LOAN

There were no contracts relating to loans by the Company involving directors and major shareholders.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the forthcoming Annual General Meeting to be held on 15 May 2013, the Company intends to seek shareholders' general mandate in respect of the following:

1. Proposed Shareholders' ratification for Recurrent Related Party Transactions of a Revenue or Trading Nature during the ratification period; and
2. Proposed Shareholders' mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature from the date of the forthcoming Annual General Meeting up to the conclusion of the next Annual General Meeting.

The details of the general mandate to be sought will be furnished in the Circular to Shareholders dated 24 April 2013 sent together with this annual report.



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DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

The Directors have pleasure in presenting their report with the audited financial statements of the Group and Company for the financial year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The principal activities of the Company are selling, marketing and promotion of natural gas to the industrial, commercial and residential sectors as well as construct and operate the Natural Gas Distribution System in Peninsular Malaysia. The principal activities of the subsidiaries are selling of liquefied petroleum gas ("LPG") via a reticulation system and property holding.

There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

FINANCIAL RESULTS

	GROUP	COMPANY
	RM'000	RM'000
Net profit for the financial year	162,828	162,017

DIVIDENDS

The dividends paid or declared by the Company since 31 December 2011 are as follows:

In respect of the financial year ended 31 December 2011:

	RM'000
Final dividend paid on 30 April 2012: 7.76 sen per ordinary share, single-tier*	99,670

* Adjusted retrospectively to show the effect of the subdivision of shares as per Note 30(b).

In respect of the financial year ended 31 December 2012:

	RM'000
Interim special dividend paid on 12 September 2012: 5.00 sen per ordinary share, single-tier	64,200

The Directors now recommend the payment of a final single-tier dividend of 7.69 sen per share on the 1,284,000,000 ordinary shares amounting to RM98,739,600 which is subject to the approval of the members at the forthcoming Annual General Meeting of the Company, will be determined thereon.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

DIRECTORS

The Directors who have held office during the period since the date of the last report are as follows:

Dato' Hamzah bin Bakar, Chairman	
Datuk Muhamad Noor bin Hamid	
Datuk Haji Hasni bin Harun	
Samsudin bin Miskon	(Alternate Aida Aziza binti Mohd Jamaludin – appointed with effect from 20 February 2013) (Alternate Karima binti Mohd Noor – resigned with effect from 20 February 2013)
Shazali bin Dato' Haji Shahrani	(Alternate Rosthman bin Ibrahim)
Tadaaki Maeda	(Alternate Atsunori Takeuchi) (Alternate Tsuneaki Nakamura – appointed with effect from 2 April 2012) (Alternate Hiroshi Kishino – resigned with effect from 2 April 2012)
Datuk Puteh Rukiah binti Abd. Majid	
Datuk Syed Abu Bakar bin S Mohsin Almohdzar	
Tan Lye Chong	

At the forthcoming Annual General Meeting ("AGM") of the Company, Tadaaki Maeda and Datuk Muhamad Noor bin Hamid who retire pursuant to Article 95(2) of the Company's Articles of Association, and being eligible, offers themselves for re-election as Director.

Dato' Hamzah bin Bakar who retires pursuant to Article 95(2) of the Company's Articles of Association, has informed that he does not wish to seek re-election as Director. He shall accordingly retire at the conclusion of the forthcoming AGM.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than disclosed in the Directors' interests in shares.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than the Directors' remuneration as disclosed in Note 9 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

SHARE CAPITAL

On 23 April 2012, Petronas Gas Berhad ("PGB"), a shareholder, acquired one (1) ordinary share of RM1,000 in the Company carrying special rights and powers as set out in the Memorandum and Articles of Association ("Special Share") from Petroliam Nasional Berhad ("PETRONAS") for a cash consideration of RM4,400 which was arrived at on a willing buyer-willing seller basis. Upon transfer of the Special Share to PGB, the special rights and powers which were attached to the Special Share were removed on 23 April 2012 via termination of the Joint Venture Agreement entered into between the shareholders of the Company, MMC-Shapadu (Holdings) Sendirian Berhad, Tokyo Gas-Mitsui & Co Holdings Sdn. Bhd. and PETRONAS on 30 March 1992 (as supplemented and amended). PGB was made a party to the Joint Venture Agreement via the supplemental agreement dated 28 February 2007 ("the Joint Venture Agreement") and amendments to the Memorandum and Articles of Association of the Company ("the Articles").

Correspondingly, on 23 April 2012, the Company completed the subdivision of every one ordinary share of RM1,000 each into 2,000 ordinary shares of RM0.50 each. The authorised share capital of RM1,000,000,000 which comprised of 1,000,000 ordinary shares of RM1,000 each were subdivided into 1,999,999,900 ordinary shares of RM0.50 each and 100 preference shares of RM0.50 each. The issued and fully paid share capital of RM642,000,000 which comprised of 642,000 ordinary shares of RM1,000 each were subdivided into 1,248,000,000 ordinary shares of RM0.50 each.

On the same date as above, the Company issued one (1) Special Right Redeemable Preference Share ("RPS") at an issue price of RM0.50 to PETRONAS and adopted the special rights attached to the RPS via amendments to the Articles for cash.

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)**DIRECTORS' INTERESTS IN SHARES**

The Directors in office at the end of the financial year who have interests in the shares of the Company and of its related corporations (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company pursuant to Section 134(12)(c) of the Companies Act, 1965) other than wholly owned subsidiaries as recorded in the Register of Directors' Shareholdings are as follows:

Directors with direct interest in the Company	Number of ordinary shares of RM0.50 each in the Company			
	Balance at 1.1.2012 / Date of appointment	Bought	Sold	Balance at 31.12.2012
Dato' Hamzah bin Bakar	0	120,000	0	120,000
Datuk Haji Hasni bin Harun	0	120,000	(120,000)	0
Datuk Muhamad Noor bin Hamid	0	350,000	0	350,000
Samsudin bin Miskon	0	120,000	0	120,000
Shazali bin Dato' Haji Shahrani	0	120,000	0	120,000
Tadaaki Maeda	0	120,000	0	120,000
Datuk Puteh Rukiah binti Abd. Majid	0	50,000	(20,000)	30,000
Datuk Syed Abu Bakar bin S Mohsin Almohdzar	0	50,000	0	50,000
Tan Lye Chong	0	50,000	0	50,000

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the statements of comprehensive income and statements of financial position of the Group and the Company were made out, the Directors took reasonable steps:

- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts and
- to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and Company inadequate to any substantial extent; or
- which would render the values attributed to current assets in the financial statements of the Group and Company misleading; or
- which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or Company to meet their obligations when they fall due.



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

At this date of this report, there does not exist:

- (a) any charge on the assets of the Group or Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group or Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or Company for the financial year in which this report is made.

HOLDING COMPANIES

From the period since the date of the last report to the completion of the listing exercise on 11 June 2012 as per disclosed in Note 30(c), the Company was a subsidiary of MMC Shapadu (Holdings) Sendirian Berhad, a company incorporated in Malaysia. The immediate holding company was MMC Corporation Berhad, a public listed company incorporated in Malaysia. The ultimate holding controlling party was Indra Cita Sdn. Bhd., a company incorporated in Malaysia. Upon completion of the listing exercise, MMC has become the indirect substantial shareholder.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 20 March 2013.

DATO' HAMZAH BIN BAKAR
CHAIRMAN

TAN LYE CHONG
DIRECTOR

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Dato' Hamzah bin Bakar and Tan Lye Chong, the Directors of Gas Malaysia Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 84 to 124 are drawn up so as to give a true and fair view of the financial position of the Group and Company as at 31 December 2012 and of the financial performance and cash flows of the Group and Company for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965.

The supplementary information set out in Note 31 on page 125 to the financial statements have been compiled in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board of Directors in accordance with their resolution dated 20 March 2013.

DATO' HAMZAH BIN BAKAR
CHAIRMAN

TAN LYE CHONG
DIRECTOR



STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Mohamed Sophie bin Mohamed Rashidi, the officer primarily responsible for the financial management of Gas Malaysia Berhad, do solemnly and sincerely declare that the financial statements set out on pages 84 to 124 and the supplementary disclosure on page 125 are, in my opinion, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

MOHAMED SOPHIE BIN MOHAMED RASHIDI

Subscribed and solemnly declared by the abovenamed Mohamed Sophie bin Mohamed Rashidi at Kuala Lumpur in Malaysia on 20 March 2013, before me.

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GAS MA LAYSIA BERHAD

(Incorporated in Malaysia)

(Company No. 240409 T)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Gas Malaysia Berhad on pages 84 to 124, which comprise the statements of financial position as at 31 December 2012 of the Group and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on notes 1 to 30.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and the Company as of 31 December 2012 and of their financial performance and cash flows for the financial year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GAS MA LAYSIA BERHAD (CONTINUED)

(Incorporated in Malaysia)
(Company No. 240409 T)

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 31 on page 125 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

YEE WAI YIN
(No. 2081/08/14 (J))
Chartered Accountant

Kuala Lumpur
20 March 2013

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Note	GROUP		COMPANY	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue	5	2,125,294	2,000,170	2,099,592	1,976,553
Cost of sales	6	(1,886,865)	(1,677,749)	(1,864,168)	(1,658,026)
Gross profit		238,429	322,421	235,424	318,527
Administration expenses	6	(32,859)	(38,048)	(31,019)	(36,283)
Other operating income		608	622	565	25,829
Profit from operations	7	206,178	284,995	204,970	308,073
Finance costs	10	(322)	(252)	(187)	(144)
Finance income		8,198	9,987	8,147	9,850
Profit before zakat and taxation		214,054	294,730	212,930	317,779
Zakat		(3,500)	0	(3,500)	0
Tax expense	11	(47,726)	(65,576)	(47,413)	(68,904)
Net profit/Total comprehensive income for the financial year		162,828	229,154	162,017	248,875
Attributable to:					
Owners of the Parent		162,828	229,154	162,017	248,875
Earnings per ordinary share attributable to the equity holders of the Company:					
- Basic and diluted earnings per share (RM)	12	0.13	0.18*		
Dividends per ordinary share (sen)	24	12.69	16.06*	12.69	16.06*

* Adjusted retrospectively to show the effect of the subdivision of shares.



STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012

		GROUP			COMPANY		
	Note	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
NON-CURRENT ASSETS							
Property, plant and equipment	13	923,235	929,078	938,088	920,440	926,118	935,169
Investment in subsidiaries	14	0	0	0	10,005	10,005	5
Amounts due from subsidiaries	15	0	0	0	16,780	16,337	5,392
Prepaid lease payments	16	18,433	18,836	19,238	14,016	14,365	14,713
Deferred taxation	22	3,081	3,358	0	0	0	0
		944,749	951,272	957,326	961,241	966,825	955,279
CURRENT ASSETS							
Trade and other receivables	17	223,593	196,150	180,704	219,407	193,019	177,741
Amounts due from subsidiaries	15	0	0	0	328	2,471	236
Cash and cash equivalents	18	345,138	327,004	477,996	337,533	320,679	472,916
		568,731	523,154	658,700	557,268	516,169	650,893
Total assets		1,513,480	1,474,426	1,616,026	1,518,509	1,482,994	1,606,172
EQUITY AND LIABILITIES							
Share capital	19	642,000	642,000	642,000	642,000	642,000	642,000
Retained profits	20	366,412	367,454	525,550	383,983	385,836	524,211
Total equity		1,008,412	1,009,454	1,167,550	1,025,983	1,027,836	1,166,211
NON-CURRENT LIABILITIES							
Redeemable preference share	21	0*	0	0	0*	0	0
Deferred taxation	22	175,830	176,047	173,807	175,830	176,047	173,807
		175,830	176,047	173,807	175,830	176,047	173,807
CURRENT LIABILITIES							
Trade and other payables	23	321,791	275,457	254,982	309,253	265,650	246,467
Taxation		7,447	13,468	19,687	7,443	13,461	19,687
		329,238	288,925	274,669	316,696	279,111	266,154
Total liabilities		505,068	464,972	448,476	492,526	455,158	439,961
Total equity and liabilities		1,513,480	1,474,426	1,616,026	1,518,509	1,482,994	1,606,172

* Denotes RM0.50

The notes on pages 89 to 124 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

		Share capital	Retained profits	Total
		RM'000	RM'000	RM'000
GROUP				
At 1 January 2012		642,000	367,454	1,009,454
Net profit for the financial year		0	162,828	162,828
Transactions with owners:				
Dividend: financial year ended 31 December 2012	24	0	(64,200)	(64,200)
Dividend: financial year ended 31 December 2011	24	0	(99,670)	(99,670)
Total transactions with owners		0	(163,870)	(163,870)
At 31 December 2012		642,000	366,412	1,008,412
At 1 January 2011		642,000	525,550	1,167,550
Net profit for the financial year		0	229,154	229,154
Transactions with owners:				
Dividend: financial year ended 31 December 2011	24	0	(106,569)	(106,569)
Dividend: financial year ended 31 December 2010		0	(280,681)	(280,681)
Total transactions with owners		0	(387,250)	(387,250)
At 31 December 2011		642,000	367,454	1,009,454

The notes on pages 89 to 124 form an integral part of these financial statements.



COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

		Share capital	Retained profits	Total
		RM'000	RM'000	RM'000
COMPANY				
At 1 January 2012		642,000	385,836	1,027,836
Net profit for the financial year		0	162,017	162,017
Transactions with owners:				
Dividend: financial year ended 31 December 2012	24	0	(64,200)	(64,200)
Dividend: financial year ended 31 December 2011	24	0	(99,670)	(99,670)
Total transactions with owners		0	(163,870)	(163,870)
At 31 December 2012		642,000	383,983	1,025,983
COMPANY				
At 1 January 2011		642,000	524,211	1,166,211
Net profit for the financial year		0	248,875	248,875
Transactions with owners:				
Dividend: financial year ended 31 December 2011	24	0	(106,569)	(106,569)
Dividend: financial year ended 31 December 2010		0	(280,681)	(280,681)
Total transactions with owners		0	(387,250)	(387,250)
At 31 December 2011		642,000	385,836	1,027,836

The notes on pages 89 to 124 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Note	GROUP		COMPANY	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
OPERATING ACTIVITIES					
Profit before zakat and taxation		214,054	294,730	212,930	317,779
Adjustments for:					
Depreciation		45,563	44,394	45,305	44,127
Gain on disposal of property, plant and equipment		(44)	(1)	(44)	(1)
Reversal of impairment loss on investment cost in a subsidiary		0	0	0	(10,000)
Amortisation of prepaid lease payments		403	402	349	348
Finance income		(8,198)	(9,987)	(8,147)	(9,850)
		251,778	329,538	250,393	342,403
Changes in working capital:					
Receivables		(27,443)	(15,446)	(24,688)	(28,458)
Payables		46,334	20,475	43,603	19,183
Cash generated from operations		270,669	334,567	269,308	333,128
Zakat paid		(3,500)	0	(3,500)	0
Net income tax paid		(53,687)	(72,913)	(53,648)	(72,890)
Net cash generated from operating activities		213,482	261,654	212,160	260,238
INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		46	1	46	1
Purchase of property, plant and equipment		(39,722)	(35,384)	(39,629)	(35,076)
Finance income		8,198	9,987	8,147	9,850
Net cash used in investing activities		(31,478)	(25,396)	(31,436)	(25,225)
FINANCING ACTIVITY					
Dividends paid		(163,870)	(387,250)	(163,870)	(387,250)
Net cash used in financing activity		(163,870)	(387,250)	(163,870)	(387,250)
NET CHANGE IN CASH AND CASH EQUIVALENTS		18,134	(150,992)	16,854	(152,237)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		327,004	477,996	320,679	472,916
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	18	345,138	327,004	337,533	320,679

The notes on pages 89 to 124 form an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2012

1 GENERAL INFORMATION

The principal activities of the Company are selling, marketing and promotion of natural gas to the industrial, commercial and residential sectors as well as construct and operate the Natural Gas Distribution System in Peninsular Malaysia. The principal activities of the subsidiaries are selling of liquefied petroleum gas (“LPG”) via a reticulation system and property holding.

There have been no significant changes in the nature of these principal activities of the Group and of the Company during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The address of the registered office and the principal place of business of the Company is 5, Jalan Serendah 26/17, Seksyen 26, 40732 Shah Alam, Selangor Darul Ehsan.

The financial statements are expressed in thousands of Ringgit Malaysia unless otherwise stated.

From the period since the date of the last report to the completion of the listing exercise on 11 June 2012 as per disclosed in Note 30(c), the Company was a subsidiary of MMC Shapadu (Holdings) Sendirian Berhad, a company incorporated in Malaysia. The immediate holding company was MMC Corporation Berhad, a public listed company incorporated in Malaysia. The ultimate holding controlling party was Indra Cita Sdn. Bhd., a company incorporated in Malaysia. Upon completion of the listing exercise, MMC has become the indirect substantial shareholder.

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 20 March 2013.

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s activities expose it to a variety of financial risks, including profit rate risk, credit risk and liquidity risk. The Group’s overall financial risk management objective is to ensure that the Group creates value for its shareholders. Financial risk management is carried out through risk reviews, internal control systems, an insurance programme and adherence to Group financial risk management policies.

(a) Profit rate risk

The Group’s and Company’s income and operating cash flows are substantially independent of changes in market profit rates. The profit rates exposure arises from the Group’s and Company’s deposits is not material to the operations of the Group and Company.

(b) Credit risk

The Group seeks to invest cash assets safely and profitably. Credit risk arises from cash and cash equivalents and deposit with financial institutions, as well as credit exposures to customers, including outstanding receivables balances. Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. Credit evaluations are performed on customers, assessing the credit quality of the customers, taking into account its financial positions, past experience and other factors. Collection risk is minimised as there is a requirement for a 2 month financial guarantee imposed on its customers. A credit review committee meets regularly and closely monitors the trade receivables. Fixed deposits are placed only with established banks or financial institutions.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)**2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****(c) Liquidity risk (continued)**

The table below analyses the Group and Company's non-derivative financial liabilities into relevant maturity groupings based on remaining period at the reporting date to the maturity date. The amounts disclosed in the table are contractual undiscounted cash flow:

	Less than 3 months	Between 4 months to 1 year	Total
At 31 December 2012:			
GROUP (RM'000)			
Trade and other payables	321,067	724	321,791
COMPANY (RM'000)			
Trade and other payables	308,529	724	309,253
Financial guarantee contracts	650	3,900	4,550
At 31 December 2011:			
GROUP (RM'000)			
Trade and other payables	275,316	141	275,457
COMPANY (RM'000)			
Trade and other payables	265,509	141	265,650
Financial guarantee contracts	650	3,360	4,010

(d) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern while seeking to maximise benefits to shareholders and other stakeholders. Capital is equity as shown in the consolidated statement of financial position.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditure and projected strategic investment opportunities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders. The Group targets a dividend ratio of not less than 75% of profit after tax.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements.

(a) Basis of preparation and transition from FRS to MFRS

The financial statements of the Group and Company have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation and transition from FRS to MFRS (continued)

The financial statements of the Group and Company for the financial year ended 31 December 2012 are the first set of financial statements prepared in accordance with the MFRS, including MFRS 1 'First-time adoption of MFRS'. The Group and Company have consistently applied the same accounting policies in its opening MFRS statement of financial position at 1 January 2011 (transition date) and throughout all years presented, as if these policies had always been in effect. MFRS 1 provides the option to apply MFRS 3 'Business combinations' prospectively for business combination that occurred from the transition date or from a designated date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date or a designated date prior to the transition date. The Group elected to apply MFRS 3 prospectively to business combinations that occurred after 1 January 2011. Business combinations that occurred prior to 1 January 2011 have not been restated. The Group has also applied MFRS 127 'Consolidated and separate financial statements' from the same date. MFRS estimates as at transition date are consistent with the estimates as at the same date made in conformity with FRS. Note 4 disclose the impact of the transition to MFRS on the Group and Company's reported financial position, financial performance and cash flows.

The financial statements have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Group and Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3(v).

- (i) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and Company and are effective

- Malaysian Financial Reporting Standards ("MFRS")

The Company has adopted the new IFRS-compliant framework, MFRS. MFRS 1 "First-time adoption of MFRS" provides for certain optional exemptions and certain mandatory exceptions for first-time MFRS adopters. The effect of the adoption of MFRS1 is disclosed in Note 4.

The transition from FRS to MFRS has not had a material impact on the financial performance and financial position of the Group and the Company.

- (ii) Standards early adopted by the Group and Company

There were no standards early adopted by the Group and Company.

- (iii) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and Company but not yet effective

Financial year beginning on/after 1 January 2013

- MFRS 10 "Consolidated financial statements" (effective from 1 January 2013) changes the definition of control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. It establishes control as the basis for determining which entities are consolidated in the consolidated financial statements and sets out the accounting requirements for the preparation of consolidated financial statements. It replaces all the guidance on control and consolidation in MFRS 127 "Consolidated and separate financial statements" and IC Interpretation 112 "Consolidation – special purpose entities".

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(a) Basis of preparation and transition from FRS to MFRS (continued)**

- (iii) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and Company but not yet effective (continued)

Financial year beginning on/after 1 January 2013 (continued)

- MFRS 13 “Fair value measurement” (effective from 1 January 2013) aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across MFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The enhanced disclosure requirements are similar to those in MFRS 7 “Financial instruments: Disclosures”, but apply to all assets and liabilities measured at fair value, not just financial ones.
- The revised MFRS 127 “Separate financial statements” (effective from 1 January 2013) includes the provisions on separate financial statements that are left after the control provisions of MFRS 127 have been included in the new MFRS 10.
- Amendment to MFRS 101 “Presentation of items of other comprehensive income” (effective from 1 July 2012) requires entities to separate items presented in ‘other comprehensive income’ (OCI) in the statement of comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. The amendments do not address which items are presented in OCI.
- Amendment to MFRS 119 “Employee benefits” (effective from 1 January 2013) makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. Actuarial gains and losses will no longer be deferred using the corridor approach. MFRS 119 shall be withdrawn on application of this amendment.
- Amendment to MFRS 7 “Financial instruments: Disclosures” (effective from 1 January 2013) requires more extensive disclosures focusing on quantitative information about recognised financial instruments that are offset in the statement of financial position and those that are subject to master netting or similar arrangements irrespective of whether they are offset.

Financial year beginning on/after 1 January 2014

- Amendment to MFRS 132 “Financial instruments: Presentation” (effective from 1 January 2014) does not change the current offsetting model in MFRS 132. It clarifies the meaning of ‘currently has a legally enforceable right of set-off’ that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria.

Financial year beginning on/after 1 January 2015

- MFRS 9 “Financial instruments - classification and measurement of financial assets and financial liabilities” (effective from 1 January 2015) replaces the multiple classification and measurement models in MFRS 139 with a single model that has only two classification categories: amortised cost and fair value. The basis of classification depends on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The accounting and presentation for financial liabilities and for de-recognising financial instruments has been relocated from MFRS 139, without change, except for financial liabilities that are designated at fair value through profit or loss (“FVTPL”). Entities with financial liabilities designated at FVTPL recognise changes in the fair value due to changes in the liability’s credit risk directly in other comprehensive income (OCI). There is no subsequent recycling of the amounts in OCI to profit or loss, but accumulated gains or losses may be transferred within equity.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation and transition from FRS to MFRS (continued)

- (iii) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and Company but not yet effective (continued)

Financial year beginning on/after 1 January 2015 (continued)

The guidance in MFRS 139 on impairment of financial assets and hedge accounting continues to apply.

MFRS 7 requires disclosures on transition from MFRS 139 to MFRS 9.

The adoption of the above standards when they become effective are not expected to have a material impact on the Group's and the Company's financial statements.

(b) Consolidation

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Property, plant and equipment

Freehold land and capital work-in-progress are stated at cost. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(c) Property, plant and equipment (continued)**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. Refer to accounting policy Note 3(e) on impairment of non-financial assets.

Gains and losses on disposals are determined by comparing net proceeds with carrying amount and are included in profit from operations.

(d) Depreciation

Freehold land is not depreciated as it has an infinite life. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

Other property, plant and equipment are depreciated on the straight-line method to allocate the cost to their residual values over their estimated useful lives, summarised as follows:

Buildings	50 years
Motor vehicles	5 years
Office and gas equipment	3 to 5 years
Furniture and fittings	5 years
Office renovation	3 years
Pipelines system	30 years

Residual values, useful lives and the depreciation method of property, plant and equipment are reviewed and adjusted if appropriate, at the end of each reporting period.

(e) Impairment of non-financial asset

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

(f) Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances, deposit held at call with banks and other financial institutions, other short term and highly liquid investments with original maturities of 3 months or less which have an insignificant risk of changes in value.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Investments

Investments in subsidiaries are shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Amount due from subsidiary which repayment is not expected within the next 12 months is stated at cost less accumulated impairment losses if it is the intention of the Company to treat the amount as a long term source of capital to the subsidiary.

On disposal of an investment, the difference between net disposal proceed and its carrying amount is charged/credited to the profit or loss.

(h) Trade and other receivables

Trade receivables are amounts due from customers for sale of gas, tolling fee and contributions receivable from customers in respect of construction of pipelines performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective profit rate method, less provision for impairment.

(i) Share capital

(i) Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

(ii) Dividend distribution

Distributions to holders of an equity instrument is debited directly to equity, net of any related income tax benefit and the corresponding liability is recognised in the period in which the dividends are approved.

(j) Trade payables

Trade payables are obligations to pay for natural gas and LPG that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective profit rate method.

(k) Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption value is recognised in profit or loss over the period of the borrowings using the effective profit rate method.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(k) Borrowings and borrowing costs (continued)**

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(l) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and Company operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(m) Prepaid lease payments

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases are recognised in the profit or loss on the straight-line basis over the lease periods. Lease incentives received are recognised in profit or loss as an integral part of the total lease payments made.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on the straight-line basis over the lease period of 20 to 99 years.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional currency and the Group's presentation currency.

(o) Revenue recognition

Revenue comprises the fair value of the consideration received and receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of goods and services tax, returns, rebates and discounts after eliminating sales within the Group.

The Group and the Company recognise revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's and the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group and the Company base their estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Sale of natural gas and LPG

Revenue from sale of gas represents gas consumption by customers and is measured at the fair value of consideration received and receivable from customers during the financial year.

(ii) Tolling fee

Tolling fee represents fee received from Petroliam Nasional Berhad for the transportation of gas to Petronas NGV Sdn. Bhd. stations and Gas District Cooling (M) Sdn. Bhd. stations.

(iii) Finance income

Finance income is recognised in the profit or loss as it accrues, taking into account the effective yield on the asset.

(iv) Cash contribution for pipelines construction

The Group and Company recognises cash contribution from customers in respect of construction of pipelines as revenue when the pipelines are connected to customers.

(p) Accounting for zakat

The Group and Company recognises its obligations towards the payment of zakat on business. Zakat for the current period is recognised as and when the Group has a current zakat obligation as a result of a zakat assessment. The amount of zakat expense shall be assessed when a company has been in operation for at least 12 months, i.e. for the period known as "haul".

Zakat rates enacted or substantively enacted by the end of each reporting period are used to determine the zakat expense. The rate of zakat on business as determined by zakat authority under Pusat Pungutan Zakat Majlis Agama Islam Selangor for 2012 is 2.5% of the zakat base. The zakat base of the Group is determined based on the profit after tax of eligible companies within the Group after deducting certain non-operating income and expenses. Zakat on business is calculated by multiplying the zakat rate with zakat base. The amount of zakat assessed is recognised as an expense in the year in which it is incurred.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(q) Contingent liabilities**

The Group does not recognise a contingent liability, but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

(r) Financial instruments**(i) Financial assets****(a) Classification**

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group and Company's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position (Notes 3(h) and 3(f)).

(b) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group and Company commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

(c) Subsequent measurement – gains and losses

Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective profit rate method.

Changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, profit rate and dividend income are recognised in profit or loss in the period in which the changes arise.

The exchange differences on monetary assets are recognised in profit or loss, whereas exchange differences on non-monetary assets are recognised in other comprehensive income as part of fair value change.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial instruments (continued)

(i) Financial assets (continued)

(d) Subsequent measurement – impairment of financial assets

Assets carried at amortised cost

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in profit or principal payments; or
- the Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider; or
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; or
- disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 1. adverse changes in the payment status of borrowers in the portfolio; and
 2. national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group and the Company first assess whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective profit rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If loans and receivables has a variable profit rate, the discount rate for measuring any impairment loss is the current effective profit rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

(e) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(r) Financial instruments (continued)****(ii) Financial liability**

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

(iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(iv) Financial guarantee contract

Financial guarantee contracts are contracts that require the Group or Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with MFRS 137 "Provisions, contingent liabilities and contingent assets" and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where financial guarantees in relation to loans or payables of subsidiaries are provided by the Company for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of investment in subsidiaries.

(s) Employee benefits**(i) Short-term employee benefits**

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where is a past practice that has created a constructive obligation.

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Post-employment benefits**Defined contribution plans**

The Group's contributions to defined contribution plans are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted EPS is determined by adjusting the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares which comprise share options granted to employees, if any.

(u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Management Committee that makes strategic decisions.

(v) Critical accounting estimates and judgments

Estimates and judgments are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

The depreciation policy of the pipelines system adopted by the Directors is on the basis that the Group and the Company will continue to obtain their supply of gas to sell and the gas supply license will be renewed on expiry.

(ii) Critical judgment in applying accounting policies

The Directors have applied judgment in applying the revenue recognition policy based on the Group's business model and its relationships and contracts with its customers. The judgment includes assessment of the obligation that the Group has in dealing with its customers, in which the Group is responsible for securing and expanding its customer base and bears the credit risks. The Directors have also taken into account the terms of business which the Group has with its gas suppliers where the title and ownership of the gas shall be transferred to the Group after delivery to the Group's pipeline. The Directors, having considered the above factors, are of the view that the revenue is recognised from the sale of gas.

(iii) Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. This involves judgment regarding the future financial performance of a subsidiary in which the deferred tax asset has been recognised.

The key assumptions used in the forecasting of future taxable profits for the purpose of deferred tax asset recognition of a subsidiary are as follows:

- (a) Sales growth for 2013 to 2017 ranges 4% to 9% per annum.
- (b) Retail customers represent over 82% of total revenue.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)**4 TRANSITION FROM FRS TO MFRS**

MFRS 1 requires an entity to reconcile equity, total comprehensive income and cash flows for prior years. However, the transition from FRS to MFRS have had no effect on the previously reported equity, total comprehensive income and cash flows of the Group and the Company and thus, no reconciliation of equity, total comprehensive income and statement of cash flows are needed.

5 REVENUE

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Sale of natural gas	2,063,160	1,962,221	2,063,160	1,962,221
Sale of LPG	25,702	23,617	0	0
Tolling fee	15,513	14,332	15,513	14,332
Cash contribution for pipelines construction	20,919	0	20,919	0
	2,125,294	2,000,170	2,099,592	1,976,553

6 EXPENSES BY NATURE

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cost of natural gas	1,790,617	1,606,509	1,790,617	1,606,509
Cost of LPG	21,390	18,484	0	0
Staff costs (Note 8)	35,346	33,615	33,423	31,818
Depreciation	45,563	44,394	45,305	44,127
Gas license fee	1,319	1,266	1,302	1,266
Listing expenses	0	4,100	0	4,100
Other expenses	25,489	7,429*	24,540	6,489*
	1,919,724	1,715,797	1,895,187	1,694,309

Staff costs (technical service salaries and bonuses) amounting to RM5,606,000 (2011: RM5,983,000) incurred in construction of pipelines have been capitalised in the construction of the pipelines.

* Included in prior financial year's other expense is a reversal for an accrual of liability amounting to RM25 million in relation to the supply of gas to a new location following a reassessment by the Directors to the Group's and Company's obligation to pay.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)

7 PROFIT FROM OPERATIONS

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit from operations is arrived at after crediting:				
Gain on disposal of property, plant and equipment	44	1	44	1
Finance income	8,198	9,987	8,147	9,850
Rental income	114	1	112	1
Reversal of impairment loss on investment cost in a subsidiary	0	0	0	10,000
Reversal of impairment loss on amount due from a subsidiary	0	0	0	15,303
Write back of impairment of trade receivables	21	710	1	637
and after charging:				
Auditors' remuneration:				
- statutory audit	142	85	117	60
- other audit related services	114	468	113	468
Amortisation of prepaid lease payments	403	402	349	348
Impairment of trade receivables	20	29	0	3
Rental of equipment	67	51	60	44
Rental of premises	635	672	584	557

8 STAFF COSTS

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Wages, bonuses and salaries	32,104	31,495	30,560	30,030
Defined contribution plan - contributions	3,674	3,451	3,489	3,290
Other employee benefits	5,174	4,652	4,980	4,481
	40,952	39,598	39,029	37,801

Staff costs include the remuneration of Executive and Non-Executive Directors (Note 9).

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)**9 DIRECTORS' REMUNERATION**

The aggregate amount of emoluments received by Directors of the Company during the financial year is as follows:

Directors of the Company

	GROUP AND COMPANY	
	2012 RM'000	2011 RM'000
Executive and Non-Executive Directors:		
- Salaries and bonuses	1,136	1,183
- Directors' fees	558	471
- Defined contribution plan - contributions	156	143
- Other benefits	401	271
	2,251	2,068

10 FINANCE COSTS

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Bank guarantee fee	30	36	30	36
Bank charges	292	216	157	108
	322	252	187	144

11 TAX EXPENSE

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Current taxation:				
- current financial year	49,911	64,764	49,883	64,734
- (over)/under accrual in prior financial year	(2,245)	1,930	(2,253)	1,930
	47,666	66,694	47,630	66,664
Deferred taxation (Note 22)	60	(1,118)	(217)	2,240
	47,726	65,576	47,413	68,904



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)

11 TAX EXPENSE (CONTINUED)

A reconciliation of income tax expense applicable to profit before taxation and after zakat at the statutory income tax rate to income tax expense of the Group and the Company is as follows:

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit before taxation and after zakat	210,554	294,730	209,430	317,779
Tax calculated at the Malaysian income tax rate of 25% (2011: 25%)	52,638	73,683	52,357	79,445
Tax effects of:				
Income not subject to tax	(5,235)	(6,250)	(5,230)	(12,576)
Expenses not deductible for tax	626	2,302	596	2,284
Recognition of previously unutilised tax losses	0	(3,433)	0	0
Utilisation of unabsorbed capital allowances	0	(464)	0	0
Over accrual in prior financial year	(303)	(262)	(310)	(249)
Tax expense	47,726	65,576	47,413	68,904

12 EARNINGS PER SHARE

Basic earnings per ordinary share and diluted earnings per share are calculated by dividing the net profit for the financial year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	GROUP	
	2012	2011
Net profit for the financial year attributable to equity holder of the Company (RM'000)	162,828	229,154
Weighted average number of ordinary shares ('000)	1,284,000	1,284,000*
Basic earnings per share (RM)	0.13	0.18*
Diluted earnings per share (RM)	0.13	0.18*

* Adjusted retrospectively to show the effect of the subdivision of shares as per Note 30(b).

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2012 (CONTINUED)**13 PROPERTY, PLANT AND EQUIPMENT**

	Freehold land	Buildings	Motor vehicles	Office and gas equipment	Furniture and fittings	Office renovation	Pipelines system	Capital work-in- progress	Total
GROUP	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost									
At 1 January 2012	2,162	19,531	5,832	44,845	1,703	11,771	1,213,670	42,302	1,341,816
Additions	150	0	211	711	96	705	1,204	36,645	39,722
Disposals	0	0	(195)	(171)	0	0	0	0	(366)
Reclassifications	0	0	0	1,298	0	199	15,905	(17,402)	0
At 31 December 2012	2,312	19,531	5,848	46,683	1,799	12,675	1,230,779	61,545	1,381,172
Accumulated depreciation									
At 1 January 2012	0	5,080	3,494	37,913	1,576	11,290	353,385	0	412,738
Charge for the financial year	0	447	1,028	2,240	48	427	41,373	0	45,563
Disposals	0	0	(195)	(169)	0	0	0	0	(364)
At 31 December 2012	0	5,527	4,327	39,984	1,624	11,717	394,758	0	457,937
Net book value									
At 31 December 2012	2,312	14,004	1,521	6,699	175	958	836,021	61,545	923,235



NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2012 (CONTINUED)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP	Freehold land	Buildings	Motor vehicles	Office and gas equipment	Furniture and fittings	Office renovation	Pipelines system	Capital work-in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost									
At 1 January 2011	24	17,298	5,133	39,694	1,587	11,351	1,152,547	79,113	1,306,747
Additions	2,138	2,233	699	991	119	420	1,495	27,289	35,384
Disposals	0	0	0	(312)	(3)	0	0	0	(315)
Reclassifications	0	0	0	4,472	0	0	59,628	(64,100)	0
At 31 December 2011	2,162	19,531	5,832	44,845	1,703	11,771	1,213,670	42,302	1,341,816
Accumulated depreciation									
At 1 January 2011	0	4,651	2,560	36,148	1,566	11,006	312,728	0	368,659
Charge for the financial year	0	429	934	2,077	13	284	40,657	0	44,394
Disposals	0	0	0	(312)	(3)	0	0	0	(315)
At 31 December 2011	0	5,080	3,494	37,913	1,576	11,290	353,385	0	412,738
Net book value									
At 31 December 2011	2,162	14,451	2,338	6,932	127	481	860,285	42,302	929,078

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2012 (CONTINUED)**13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Freehold land	Buildings	Motor vehicles	Office and gas equipment	Furniture and fittings	Office renovation	Pipelines system	Capital work-in-progress	Total
COMPANY	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost									
At 1 January 2012	2,162	19,531	5,720	43,070	1,568	11,435	1,209,937	42,302	1,335,725
Additions	150	0	211	711	96	705	1,111	36,645	39,629
Disposals	0	0	(195)	(150)	0	0	0	0	(345)
Reclassifications	0	0	0	1,298	0	199	15,905	(17,402)	0
At 31 December 2012	2,312	19,531	5,736	44,929	1,664	12,339	1,226,953	61,545	1,375,009
Accumulated depreciation									
At 1 January 2012	0	5,080	3,382	36,167	1,441	10,954	352,583	0	409,607
Charge for the financial year	0	447	1,028	2,239	48	427	41,116	0	45,305
Disposals	0	0	(195)	(148)	0	0	0	0	(343)
At 31 December 2012	0	5,527	4,215	38,258	1,489	11,381	393,699	0	454,569
Net book value									
At 31 December 2012	2,312	14,004*	1,521	6,671	175	958	833,254	61,545	920,440

* Includes leasehold building with a net book value of RM7,075,942 which resides on leasehold land owned by a subsidiary company.



NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2012 (CONTINUED)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

COMPANY	Freehold land	Buildings	Motor vehicles	Office and gas equipment	Furniture and fittings	Office renovation	Pipelines system	Capital work-in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost									
At 1 January 2011	24	17,298	5,021	37,932	1,452	11,015	1,149,097	79,113	1,300,952
Additions	2,138	2,233	699	966	119	420	1,212	27,289	35,076
Disposals	0	0	0	(300)	(3)	0	0	0	(303)
Reclassifications	0	0	0	4,472	0	0	59,628	(64,100)	0
At 31 December 2011	2,162	19,531	5,720	43,070	1,568	11,435	1,209,937	42,302	1,335,725
Accumulated depreciation									
At 1 January 2011	0	4,651	2,448	34,410	1,431	10,670	312,173	0	365,783
Charge for the financial year	0	429	934	2,057	13	284	40,410	0	44,127
Disposals	0	0	0	(300)	(3)	0	0	0	(303)
At 31 December 2011	0	5,080	3,382	36,167	1,441	10,954	352,583	0	409,607
Net book value									
At 31 December 2011	2,162	14,451*	2,338	6,903	127	481	857,354	42,302	926,118

* Includes leasehold building with a net book value of RM7,273,882 which resides on leasehold land owned by a subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)

14 INVESTMENT IN SUBSIDIARIES

	COMPANY		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Unquoted shares, at cost	10,005	10,005	10,005
Impairment loss on investment	0	0	(10,000)
	10,005	10,005	5

Details of the subsidiaries are as follows:

Name of company	Principal activities	Country of incorporation	Group's effective interest		
			31.12.2012 %	31.12.2011 %	1.1.2011 %
Gas Malaysia (LPG) Sdn. Bhd.	Selling of liquefied petroleum gas via a reticulation system	Malaysia	100	100	100
Pelantar Teknik (M) Sdn. Bhd.	Property holding	Malaysia	100	100	100

Movement on the impairment loss on investment in a subsidiary are as follows:

	COMPANY	
	31.12.2012 RM'000	31.12.2011 RM'000
At beginning of reporting period	0	10,000
Reversal of impairment loss	0	(10,000)
At end of reporting period	0	0

The reversal of impairment loss in prior financial year relates to the investment in Gas Malaysia (LPG) Sdn. Bhd. which has been able to register sustainable profits following a change in its business model with a greater emphasis given to higher profit margin customers. On that basis, the Directors have reassessed the condition that had given rise to the impairment and is of the opinion that the impairment is no longer required.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)

15 AMOUNTS DUE FROM SUBSIDIARIES

	COMPANY		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Amounts due from subsidiaries	17,108	18,808	20,931
Impairment loss on amount due from a subsidiary	0	0	(15,303)
	17,108	18,808	5,628
Less: non-current portion	(16,780)	(16,337)	(5,392)
Current portion	328	2,471	236

The amount due from Gas Malaysia (LPG) Sdn. Bhd. of RM11,477,000 (31.12.2011: RM13,178,000, 1.1.2011: RM15,303,000) is unsecured and the non-current portion is based on the expected period of repayment by the subsidiary.

The amount due from Pelantar Teknik Sdn. Bhd. of RM5,631,000 (31.12.2011: RM5,630,000, 1.1.2011: RM5,628,000) is unsecured, profit rate free and does not have a fixed term of repayments. Repayment is, however, not expected within the next twelve months as it is the intention of the Company to treat this amount as a long term source of capital to the subsidiary.

Movement on the impairment loss on amount due from a subsidiary is as follows:

	COMPANY	
	31.12.2012 RM'000	31.12.2011 RM'000
At beginning of reporting period	0	15,303
Reversal of impairment of amount due from a subsidiary	0	(15,303)
At end of reporting period	0	0

The reversal of impairment loss in prior financial year is supported by repayments made by the subsidiary. Based on the collection trend and improved financial position of the subsidiary, the Directors have assessed the amount due from the subsidiary to be recoverable.

16 PREPAID LEASE PAYMENTS

	GROUP		COMPANY	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
At beginning of reporting period	18,836	19,238	14,365	14,713
Amortisation for the financial year	(403)	(402)	(349)	(348)
At end of reporting period	18,433	18,836	14,016	14,365

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)

17 TRADE AND OTHER RECEIVABLES

	GROUP			COMPANY		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Trade receivables	220,718	193,874	178,729	217,371	191,433	176,300
Impairment loss on trade receivables	(37)	(44)	(725)	(17)	(18)	(652)
	220,681	193,830	178,004	217,354	191,415	175,648
Other receivables, deposits and prepayments	2,912	2,320	2,700	2,053	1,604	2,093
	223,593	196,150	180,704	219,407	193,019	177,741

Credit term of trade receivables is 30 days (31.12.2011: 30 days, 1.1.2011: 30 days).

As at 31 December 2012, trade receivables of RM28,380,000 (31.12.2011: RM15,848,000, 1.1.2011: RM18,388,000) for the Group and of RM27,260,000 (31.12.2011: RM15,145,000, 1.1.2011: RM17,803,000) for the Company were past due but not impaired. These relate to a number of independent customers for whom there is no history of default. The aging analysis of these trade receivables (excluding other receivables, deposits and prepayments) is as follows:

	GROUP			COMPANY		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Neither past due nor impaired	192,301	177,982	159,616	190,094	176,270	157,845
Past due but not impaired:						
Up to 2 months (overdue)	21,756	15,838	18,355	20,795	15,137	17,791
Over 2 months (overdue)	6,624	10	33	6,465	8	12
Impaired	37	44	725	17	18	652
	220,718	193,874	178,729	217,371	191,433	176,300

As at 31 December 2012, trade receivables amounting to RM37,000 (31.12.2011: RM44,000, 1.1.2011: RM725,000) for the Group and RM17,000 (31.12.2011: RM18,000, 1.1.2011: RM652,000) for the Company were impaired and provided for. The individually impaired receivables mainly related to customers, which have defaulted in payment.

Trade receivables that are neither past due nor impaired mainly relate to industrial users, which are nationally dispersed and covers a spectrum of industries with a variety of end markets and have high credit worthiness. As described in Note 2(b), the Group requires the customers to pledge a bank guarantee as collateral. Due to these factors, the Group's historical experience shows that the impairment loss on trade receivables has been adequate.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)

17 TRADE AND OTHER RECEIVABLES (CONTINUED)

Movements on the impairment loss on trade receivables are as follows:

	GROUP		COMPANY	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
At beginning of reporting period	44	725	18	652
Impairment of trade receivables during the financial year	20	29	0	3
Write back of impairment of trade receivables	(21)	(710)	(1)	(637)
Trade receivables written off during the financial year	(6)	0	0	0
At end of reporting period	37	44	17	18

18 CASH AND CASH EQUIVALENTS

	GROUP			COMPANY		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Deposits are placed with:						
Licensed banks	209,835	191,000	379,290	202,655	191,000	379,290
Other financial institutions	106,868	101,025	65,375	106,868	94,925	60,375
Cash and bank balances	316,703 28,435	292,025 34,979	444,665 33,331	309,523 28,010	285,925 34,754	439,665 33,251
	345,138	327,004	477,996	337,533	320,679	472,916

The weighted average profit rates per annum of deposits placed with licensed banks and other financial institutions that were effective as at the end of the reporting period are as follows:

	GROUP			COMPANY		
	31.12.2012 % per annum	31.12.2011 % per annum	1.1.2011 % per annum	31.12.2012 % per annum	31.12.2011 % per annum	1.1.2011 % per annum
Deposits placed with:						
Licensed banks	3.23	3.26	2.77	3.23	3.26	2.77
Other financial institutions	3.42	3.41	2.92	3.42	3.41	2.92

Deposits placed with licensed banks and other financial institutions of the Group and Company have an average maturity period of 27 days (31.12.2011: 27 days, 1.1.2011: 26 days). Bank balances are deposits held at call with licensed banks.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)

19 SHARE CAPITAL

	GROUP AND COMPANY		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Authorised:			
1,999,999,900 (31.12.2011/1.1.2011: 1,000,000) ordinary shares of RM0.50 (31.12.2011/1.1.2011: RM1,000) each	1,000,000	1,000,000	1,000,000
100 (31.12.2011/1.1.2011: nil) preference shares of RM0.50 each	0*	0	0
	1,000,000	1,000,000	1,000,000
Issued and fully paid:			
1,284,000,000 (31.12.2011/1.1.2011: 641,999) ordinary shares of RM0.50 (31.12.2011/1.1.2011: RM1,000) each	642,000	641,999	641,999
Nil (31.12.2011/1.1.2011: one (1)) Special Share# of RM1,000 each	0	1	1
	642,000	642,000	642,000

* Denotes RM50

Special Share – One (1) ordinary share of RM1,000 of the Company (prior to the subdivision of 642,000 ordinary shares of RM1,000 each in the Company into 1,284,000,000 shares of RM0.50 each) carrying special rights and powers as set out in the Memorandum and Articles of Association of the Company (“the Articles”) which have since been removed via termination of the Joint Venture Agreement and amendments to the Articles.

The movement in share capital is disclosed in Note 30(b).

20 RETAINED PROFITS

Under the single-tier tax system which came into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of shareholders.

21 REDEEMABLE PREFERENCE SHARE

On 23 April 2012, GMB issued one Special Rights Redeemable Preference Share (“RPS”) at an issue price of RM0.50 to Petroliam Nasional Berhad (“Special Shareholder” or “PETRONAS”) and adopted the special rights attached to the RPS via amendments to the Memorandum and Articles of Association of the Company (“Articles”).

Salient points of the RPS stated in the Articles are:

- The holder of the RPS or any holder acting on behalf of the Special Shareholder shall have the same rights as ordinary shareholders with regard to receiving notices of general meetings, reports and audited financial statements of the Company but shall carry no right to vote nor any other rights at any such meeting save and except where the right to vote is expressly provided in the Articles and/or the Bursa Malaysia Securities Berhad Listing Requirements (“the Listing Requirements”);



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)

21 REDEEMABLE PREFERENCE SHARE (CONTINUED)

Salient points of the RPS stated in the Articles are: (continued)

- b) The Special Shareholder shall have the right to vote at any meeting convened in each of the following circumstances as provided for under the Listing Requirements:
 - (i) when the dividend or part of the dividend on the share is in arrears for more than six (6) months, if applicable;
 - (ii) on a proposal to reduce the Company's share capital;
 - (iii) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
 - (iv) on a proposal that affects rights attached to the RPS;
 - (v) on a proposal to wind-up the Company; and
 - (vi) during the winding-up of the Company.

A resolution in writing signed by or on behalf of the Special Shareholder, for this purpose, be treated as a resolution duly passed by the Special Shareholder in respect of the matters stated above;

- c) The Special Shareholder shall have no right to appoint or nominate any Directors;
- d) The RPS shall confer no right to dividend;
- e) The RPS is not transferable and is to be held by PETRONAS. Notwithstanding this, the RPS may be transferred to an entity wholly-owned by the Government of Malaysia;
- f) The Special Shareholder may, subject to the requirement of the Companies Act, 1965, require the Company to redeem the RPS at par at any time by serving written notice upon the Company and delivering the relevant share certificate;
- g) In a distribution of capital in a winding-up of the Company, the Special Shareholder shall be entitled to repayment of the capital paid-up on the RPS in priority to any other members. Save as otherwise provided in the Articles, the RPS shall confer no other rights to participate in the capital or profits of the Company;
- h) In the Articles, the provisions relating to the general meetings, votes of members, notices of meeting and the appointment of proxy(ies) shall, unless expressly provided to the contrary, apply *mutatis mutandis*, in respect of the Special Shareholder where applicable; and
- i) Each of the following matters may only be effected with the consent in writing of the Special Shareholder:
 - (i) The amendment, or removal, or alteration of the effect of all or any of the following Articles:
 - (a) The definitions of RPS and Special Shareholder; and
 - (b) The rights of the RPS and Special Shareholder;
 - (ii) The voluntary winding-up, liquidation or dissolution of the Company;
 - (iii) The creation of a new category of shares in the Company;
 - (iv) Any proposal to reduce the share capital of the Company;

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)**21 REDEEMABLE PREFERENCE SHARE (CONTINUED)**

Salient points of the RPS stated in the Articles are: (continued)

- i) Each of the following matters may only be effected with the consent in writing of the Special Shareholder: (continued)
 - (v) A sale or disposal of the Company's assets where any of the percentage ratios of such transaction is 25% or more, such percentage ratios are to be calculated in accordance with the definition of "percentage ratios" as defined in the Listing Requirement;
 - (vi) Any acquisition of assets by the Company where any of the percentage ratios of such transaction is 25% or more, such percentage ratios are to be calculated in accordance with the definition of "present ratios" as defined in the Listing Requirements;
 - (vii) The change in nature of business and principal activities of the Company; and
 - (viii) The suspension of the whole of the Company's operation.

22 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	GROUP			COMPANY		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Deferred tax assets:						
- Deferred tax assets to be recovered after more than 12 months	(3,068)	(3,345)	0	0	0	0
- Deferred tax assets to be recovered within 12 months	(13)	(13)	0	0	0	0
	(3,081)	(3,358)	0	0	0	0
Deferred tax liabilities:						
- Deferred tax liabilities to be recovered after more than 12 months	175,830	176,047	173,807	175,830	176,047	173,807
Deferred tax liabilities (net)	172,749	172,689	173,807	175,830	176,047	173,807



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)

22 DEFERRED TAXATION (CONTINUED)

	GROUP			COMPANY		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
At beginning of reporting period	172,689	173,807		176,047	173,807	
Charged/(credited) to profit or loss (Note 11):						
- Unutilised tax losses	0	(3,433)		0	0	
- Property, plant and equipment	(44)	4,507		(321)	4,419	
- Accrual for bonus	104	(2,192)		104	(2,179)	
	60	(1,118)		(217)	2,240	
At end of reporting period	172,749	172,689		175,830	176,047	
Subject to income tax:						
Deferred tax assets (before offsetting)						
- Unutilised tax losses	3,433	3,433	0	0	0	0
- Property, plant and equipment	229	534	400	0	0	0
- Accrual for bonus	2,088	2,192	0	2,075	2,179	0
	5,750	6,159	400	2,075	2,179	0
Offsetting	(2,669)	(2,801)	(400)	(2,075)	(2,179)	0
Deferred tax assets (after offsetting)	3,081	3,358	0	0	0	0
Deferred tax liabilities (before offsetting)						
- Property, plant and equipment	178,499	178,848	174,207	177,905	178,226	173,807
Offsetting	(2,669)	(2,801)	(400)	(2,075)	(2,179)	0
Deferred tax liabilities (after offsetting)	175,830	176,047	173,807	175,830	176,047	173,807

Subject to agreement by tax authorities, the amount of deductible temporary difference and unutilised tax losses (all of which have no expiry date) for which no deferred tax assets have been recognised in the statement of financial position are as follows:

	GROUP		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Deductible temporary difference	0	0	1,838
Unutilised tax losses	0	0	13,729

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)

23 TRADE AND OTHER PAYABLES

	GROUP			COMPANY		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Trade payables	240,008	203,235	170,603	235,724	200,232	167,645
Other payables	4,784	2,578	1,703	3,807	1,877	1,703
Amount due to immediate holding company	0	10	29	0	10	29
Customers' deposits	65,435	53,673	46,195	58,158	47,570	41,083
Accruals	11,564	15,961	36,452	11,564	15,961	36,007
	321,791	275,457	254,982	309,253	265,650	246,467

Credit terms of trade payables granted to the Group and Company vary from 30 to 45 days (31.12.2011 and 1.1.2012: 30 to 45 days).

24 DIVIDENDS

	GROUP AND COMPANY	
	2012 RM'000	2011 RM'000
Special interim dividend of 5.00 sen (2011: 8.30 sen*) per ordinary share, single-tier	64,200	106,569
Proposed dividends:		
Final dividend of 7.69 sen (2011: 7.76 sen*) per ordinary share, single-tier	98,740	99,670
	162,940	206,239

* Adjusted retrospectively to show the effect of the subdivision of shares as per Note 30(b).

At the forthcoming Annual General Meeting, the proposed final dividend in respect of the financial year ended 31 December 2012 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by shareholders would be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2013.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)

25 CAPITAL COMMITMENTS

	GROUP AND COMPANY	
	2012 RM'000	2011 RM'000
In respect of purchase of property, plant and equipment: Authorised by the Board:		
Not contracted for	91,549	58,009
Contracted but not provided for in the financial statements	47,687	16,638

26 CONTINGENT LIABILITIES

	GROUP AND COMPANY	
	2012 RM'000	2011 RM'000
Bank guarantee (unsecured)	0	1,081

Bank guarantees for the Group and Company in prior financial year, were in respect of guarantees extended to third parties for the construction of pipelines by sub-contractors for which the liabilities have not been accrued for.

27 SIGNIFICANT RELATED PARTIES DISCLOSURES

The following transactions were carried out with related parties in addition to related parties disclosures mentioned elsewhere in the financial statements:

Related parties with which the Group and the Company transacted with and their relationship with the Group and the Company are as follows:

Related parties	Relationship	Country of incorporation
Indra Cita Sdn. Bhd.	Controlling party of MMC	Malaysia
MMC Corporation Berhad ("MMC")#	Indirect substantial shareholder	Malaysia
Recycle Energy Sdn. Bhd. ("RESB")^	Subsidiary of MMC	Malaysia
Petronas Gas Berhad ("PGB")	Shareholder with significant influence over the Group	Malaysia
Petronas Dagangan Berhad ("PDB")	Fellow subsidiary of a shareholder with significant influence over the Group	Malaysia
Central Sugar Refinery Sdn. Bhd. ("CSR")	A subsidiary of Tradewinds (Malaysia) Berhad, a related company to controlling party of MMC	Malaysia

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)

27 SIGNIFICANT RELATED PARTIES DISCLOSURES (CONTINUED)

Related parties with which the Group and the Company transacted with and their relationship with the Group and the Company are as follows: (continued)

Related parties	Relationship	Country of incorporation
Petroleum Nasional Berhad (PETRONAS)*	Holding company of a shareholder with significant influence over the Group	Malaysia
Gula Padang Terap Sdn. Bhd.	A subsidiary of Tradewinds (Malaysia) Berhad, a related company to controlling party of MMC	Malaysia
Johor Port Berhad ("Johor Port")	Subsidiary of MMC	Malaysia
Tradewinds International Insurance Brokers Sdn. Bhd. ("Tradewinds Insurance Broker")	A subsidiary of Tradewinds Corporation Berhad, a related company to controlling party of MMC	Malaysia
Tradewinds Travel Services Sdn. Bhd. ("Tradewinds Travel")	A subsidiary of Tradewinds Corporation Berhad, a related company to controlling party of MMC	Malaysia
Edaran Otomobil Nasional Berhad ("EON")	A subsidiary of DRB-Hicom Berhad, a related company to controlling party of MMC	Malaysia
Pos Malaysia Berhad ("Pos Malaysia")	A subsidiary of DRB-Hicom Berhad, a related company to controlling party of MMC	Malaysia

^ A related company from 1 January 2012 to 24 May 2012 (the date it ceased to be a subsidiary of MMC).

* PETRONAS owns 1 RPS in the Company. The rights of this RPS state that any variation to the matters within the Articles shall be effective only with written consent of the holder of the RPS as per disclosed in Note 21.

MMC Corporation Berhad ceased to be the holding company upon the completion of the listing exercise on 11 June 2012. Upon completion of the listing exercise, MMC has become the indirect substantial shareholder.

(a) Sales and purchases of goods and services

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Non-trade expenses payable to MMC**	81	59	81	59
Gas sales to:				
RESB***	0	146^^	0	146^^
CSR***	41,424	35,007	41,424	35,007
Cash contribution received from Gula Padang Terap Sdn. Bhd.**	6,000	0	6,000	0
Purchase of LPG from PDB**	21,390	18,484	0	0



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)

27 SIGNIFICANT RELATED PARTIES DISCLOSURES (CONTINUED)

(a) Sales and purchases of goods and services (continued)

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Purchase of natural gas from PETRONAS***	1,790,617	1,606,509	1,790,617	1,606,509
Tolling fee income earned from PETRONAS**	15,513	14,332	15,513	14,332
Wayleaves fee to Johor Port**	4	4	4	4
Rental fee on leased land payable to PGB**	25	25	25	25
Rental fee on lease of gas district station payable to PDB**	1	1	1	1
Provision for brokerage in relation to third party insurance from Tradewinds Insurance Broker**	70	70	70	70
Purchase of airline tickets from Tradewinds Travel**	5	30	5	30
Provision for repair and purchase of motor vehicle from EON**	243	615	243	615
Provision for postage services from Pos Malaysia**	40	35	40	35

^^ RESB was disposed of by MMC on 24 May 2011. Transaction with RESB disclosed in the financial statements taken place up to the date of disposal.

** The transactions have been entered into the normal course of business and have been established under negotiated terms agreed by both parties.

*** The transactions have been entered into based on regulated prices in Peninsular Malaysia which are set by Energy Commission of Malaysia.

(b) Key management compensation

	GROUP AND COMPANY	
	2012 RM'000	2011 RM'000
- Salaries and bonuses	3,718	3,092
- Director's fees	558	471
- Defined contribution plan - contributions	524	399
- Other benefits	879	529
	5,679	4,491

Key management compensation includes remuneration of Directors (Executive and Non-Executive) and senior management of the Group and Company.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)**28 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

The carrying amounts of all financial assets and liabilities of the Group and the Company at the end of the reporting period approximated their fair values.

29 SEGMENT REPORTING

The chief operating decision-maker, which consists of members of the Management Committee consider that its business consists of three operating segments which are the selling of natural and liquefied petroleum gas to industrial users and tolling fee for transportation of gas within Peninsular Malaysia. The reportable operating segment (which is an aggregation of the three operating segments) primarily derives its revenue from sales of natural gas as well as contribution from liquefied petroleum gas and tolling fee for transportation of gas. Others consist mainly of rental income earned which is within the Group. The Board assess the performance of the operating segment based on a measure of earnings before finance income, zakat, taxation, depreciation and amortisation.

	Natural Gas & LPG	Others	Total
	RM'000	RM'000	RM'000
31 December 2012			
Revenue:			
Total segment revenue - external	2,125,294	0	2,125,294
Results:			
Profit/(loss) before zakat and taxation	214,108	(54)	214,054
Finance income	(8,198)	0	(8,198)
Depreciation and amortisation	45,912	54	45,966
Earnings before finance income, zakat, taxation, depreciation and amortisation (segment results)	251,822	0	251,822
Other information:			
Segment assets	1,505,982	4,417	1,510,399
Unallocated assets - taxation			3,081
Total assets			1,513,480
Segment liabilities	(321,785)	(6)	(321,791)
Unallocated liabilities - taxation			(183,277)
Total liabilities			(505,068)
Other disclosure:			
Capital expenditure	39,722	0	39,722
Depreciation	45,563	0	45,563
Amortisation of prepaid lease payments	349	54	403



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)

29 SEGMENT REPORTING (CONTINUED)

	Natural Gas & LPG	Others	Total
	RM'000	RM'000	RM'000
31 December 2011			
Revenue:			
Total segment revenue - external	2,000,170	0	2,000,170
Results:			
Profit/(loss) before taxation	294,784	(54)	294,730
Finance income	(9,987)	0	(9,987)
Depreciation and amortisation	44,742	54	44,796
Earnings before finance income, zakat, taxation, depreciation and amortisation (segment results)	329,539	0	329,539
Other information:			
Segment assets	1,466,597	4,471	1,471,068
Unallocated assets - taxation			3,358
Total assets			1,474,426
Segment liabilities	(275,451)	(6)	(275,457)
Unallocated liabilities - taxation			(189,515)
Total liabilities			(464,972)
Other disclosure:			
Capital expenditure	35,384	0	35,384
Depreciation	44,394	0	44,394
Amortisation of prepaid lease payments	348	54	402

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)**30 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

- (a) On 23 February 2012, the Company signed a new Gas Supply Agreement (“GSA”) with Petroliam Nasional Berhad (“PETRONAS”) for the supply of 492 million standard cubic feet per day (“MMScfd”), which is an increase from the previous GSA of 382 MMScfd. This GSA will be for a duration of 10 years with an option to renew for another five years.
- (b) On 23 April 2012, Petronas Gas Berhad (“PGB”), a shareholder, acquired one (1) ordinary share of RM1,000 in the Company carrying special rights and powers as set out in the Memorandum and Articles of Association (“Special Share”) from PETRONAS for a cash consideration of RM4,400 which was arrived at on a willing buyer-willing seller basis. Upon transfer of the Special Share to PGB, the special rights and powers which were attached to the Special Share were removed on 23 April 2012 via termination of the Joint Venture Agreement entered into between the shareholders of the Company, MMC-Shapadu (Holdings) Sendirian Berhad, Tokyo Gas-Mitsui & Co Holdings Sdn. Bhd. and PETRONAS on 30 March 1992 (as supplemented and amended). PGB was made a party to the Joint Venture Agreement via the supplemental agreement dated 28 February 2007 (“the Joint Venture Agreement”) and amendments to the Memorandum and Articles of Association of the Company (“the Articles”).

Correspondingly, on 23 April 2012, the Company completed the subdivision of every one ordinary share of RM1,000 each into 2,000 ordinary shares of RM0.50 each. The authorised share capital of RM1,000,000,000 which comprised of 1,000,000 ordinary shares of RM1,000 each were subdivided into 1,999,999,900 ordinary shares of RM0.50 each and 100 preference shares of RM0.50 each. The issued and fully paid share capital of RM642,000,000 which comprised of 642,000 ordinary shares of RM1,000 each were subdivided into 1,248,000,000 ordinary shares of RM0.50 each.

On the same date as above, the Company issued one (1) Special Right Redeemable Preference Share (“RPS”) at an issue price of RM0.50 to PETRONAS and adopted the special rights attached to the RPS via amendments to the Articles for cash.

- (c) MMC Corporation Berhad (“MMC”) ceased to be the holding company upon the completion of the listing exercise on 11 June 2012. Upon completion of the listing exercise, MMC has become the indirect substantial shareholder.



NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2012 (CONTINUED)

31 SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

With the purpose of improving transparency, Bursa Malaysia Securities Berhad has on 25 March 2010, and subsequently on 20 December 2010, issued directives which require all listed corporations to disclose the breakdown of retained profits or accumulated losses into realised and unrealised on Group and Company basis, in the annual audited financial statements.

The retained profits as at reporting date are analysed as follows:

	GROUP		COMPANY	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Total retained profits of the Company and its subsidiary companies:				
- Realised	539,161	540,143	559,813	561,883
- Unrealised	(172,749)	(172,689)	(175,830)	(176,047)
	366,412	367,454	383,983	385,836

SHAREHOLDING STATISTICS

AS AT 2 APRIL 2013

Class of securities	: Ordinary Shares of RM0.50 each and preference shares of RM0.50 each
Authorised Share Capital	: RM1,000,000,000.00 divided into 1,999,999,900 ordinary shares of RM0.50 each and 100 preference shares of RM0.50 each
Issued paid-up Capital	: RM642,000,000.50 divided into 1,284,000,000 ordinary shares of RM0.50 each and 1 Redeemable Preference Share of RM0.50 each
Voting rights	: (i) One vote for every ordinary share (ii) No voting right for Redeemable Preference Share save as circumstances as provided in the Articles of Association of the Company
No. of shareholders	: 6,205

Substantial Shareholders (As per Register of Substantial Shareholders)

	Direct	No. of Shares		%
		%	Indirect	
MMC-Shapadu (Holdings) Sdn Berhad	522,604,000	40.70	-	-
Tokyo Gas – Mitsui & Co Holdings Sdn Bhd	237,546,000	18.50	-	-
PETRONAS Gas Berhad	190,010,000	14.80	-	-
Kumpulan Wang Persaraan (Diperbadankan)	69,126,600	5.38	-	-
Anglo Oriental (Annuities) Sdn Bhd ⁽¹⁾	-	-	522,604,000	40.70
Shapadu Corporation Sdn Bhd ⁽²⁾	-	-	522,604,000	40.70
MMC Corporation Berhad ⁽³⁾	-	-	522,604,000	40.70
Tokyo Gas International Holdings B.V. ⁽⁴⁾	-	-	237,546,000	18.50
Mitsui & Co. (Asia Pacific) Pte Ltd ⁽⁵⁾	-	-	237,546,000	18.50
Petroleum Nasional Berhad ⁽⁶⁾	-	-	190,010,000	14.80
Minister of Finance ⁽⁷⁾	-	-	190,010,000	14.80

Notes:

- (1) Deemed interest through its shareholding in MMC-Shapadu (Holdings) Sdn Berhad
- (2) Deemed interest through its shareholding in MMC-Shapadu (Holdings) Sdn Berhad
- (3) Deemed interest through its shareholding in Anglo Oriental (Annuities) Sdn Bhd
- (4) Deemed interest through its shareholding in Tokyo Gas - Mitsui & Co Holdings Sdn Bhd
- (5) Deemed interest through its shareholding in Tokyo Gas - Mitsui & Co Holdings Sdn Bhd
- (6) Deemed interest through its shareholding in PETRONAS Gas Berhad
- (7) Deemed interest through its shareholding in Petroleum Nasional Berhad

Analysis by Size Shareholdings

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
less than 100 shares	17	0.27	190	0.00
100 to 1,000	1,196	19.28	1,058,700	0.08
1,001 to 10,000	3,511	56.58	15,913,810	1.24
10,001 to 100,000	1,315	21.19	30,855,500	2.40
100,001 to less than 64,199,999 of issued shares	162	2.61	217,594,700	16.95
64,200,000 and above of issued shares	4	0.07	1,018,577,100	79.33
Total	6,205	100.00	1,284,000,000	100.00



Directors' Shareholdings (As per Register of Directors' Shareholdings)

Name of Directors	Direct	No. of Shares		%
		%	Indirect	
Dato' Hamzah bin Bakar	120,000	0.01	-	-
Datuk Muhamad Noor bin Hamid	500,000	0.04	-	-
Shazali bin Dato' Haji Shahrani	-	-	-	-
Rosthman bin Ibrahim (Alternate to Shazali bin Dato' Haji Shahrani)	-	-	-	-
Datuk Haji Hasni bin Harun	-	-	-	-
Samsudin bin Miskon	120,000	0.01	-	-
Aida Aziza binti Mohd Jamaludin (Alternate to Samsudin bin Miskon)	-	-	-	-
Tadaaki Maeda * Maybank Securities Nominees (Asing) Sdn Bhd	120,000	0.01	-	-
Atsunori Takeuchi (Alternate to Tadaaki Maeda)	-	-	-	-
Tsuneaki Nakamura (Alternate to Tadaaki Maeda)	-	-	-	-
Tan Lye Chong	50,000	0.00	-	-
Datuk Puteh Rukiah binti Abd. Majid	-	-	-	-
Datuk Syed Abu Bakar bin S Mohsin Almohdzar	-	-	-	-

* Shares held in nominees' name

Top Thirty Securities Account Holders

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

No	Name	No. of shares held	% of Issued capital
1	MMC-Shapadu (Holdings) Sdn Berhad	522,604,000	40.70
2	Tokyo Gas - Mitsui & Co. Holdings Sdn Bhd	237,546,000	18.50
3	PETRONAS Gas Berhad	190,010,000	14.80
4	Kumpulan Wang Persaraan (Diperbadankan)	68,086,700	5.30
5	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	32,418,600	2.52
6	Lembaga Tabung Haji	17,879,600	1.39
7	AMSEC Nominees (Tempatan) Sdn Bhd AmTrustee Berhad for CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI)	12,455,800	0.97
8	Valuecap Sdn Bhd	12,000,000	0.93
9	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (HDBS)	11,000,400	0.86
10	Amanahraya Trustees Berhad Public Islamic Dividend Fund	10,869,000	0.85
11	Amanahraya Trustees Berhad Publi Islamic Select Treasures Fund	10,680,000	0.83
12	Amanahraya Trustees Berhad Skim Amanah Saham Bumiputera	8,203,000	0.64

SHAREHOLDING STATISTICS – AS AT 2 APRIL 2013 (CONTINUED)**Top Thirty Securities Account Holders (Continued)**

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

No	Name	No. of shares held	% of Issued capital
13	Amanahraya Trustees Berhad AS 1Malaysia	6,667,300	0.52
14	Amanahraya Trustees Berhad Public Islamic Equity Fund	5,560,000	0.43
15	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Amundi)	5,000,000	0.39
16	Citigroup Nominees (Tempatan) Sdn Bhd Exempt an for American International Assurance Berhad	4,784,000	0.37
17	Citigroup Nominees (Tempatan) Sdn Bhd ING Insurance Berhad (INV-IL PAR)	3,867,100	0.30
18	CIMB Group Nominees (Tempatan) Sdn Bhd AmTrustee Berhad for CIMB Islamic Dali Equity Theme Fund	2,890,400	0.23
19	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Pertubuhan Keselamatan Sosial (Hwang 6939-403)	2,843,900	0.22
20	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Saham Amanah Sabah (Acc 2-940410)	2,568,000	0.20
21	HSBC Nominees (Asing) Sdn Bhd Exempt an for JPMorgan Chase Bank, National Association (U.S.A.)	1,920,400	0.15
22	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (F Templeton)	1,908,000	0.15
23	UOBM Nominees (Asing) Sdn Bhd Banque De Luxembourg for Reyl (Lux) Global Funds Emerging Markets Equities	1,884,400	0.15
24	AMSEC Nominees (Tempatan) Sdn Bhd AmTrustee Berhad for Pacific Dividend Fund (UT-PM-DIV)	1,862,900	0.15
25	Tokio Marine Life Insurance Malaysia Bhd As Beneficial Owner	1,800,000	0.14
26	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (ARIM)	1,800,000	0.14
27	Amanahraya Trustees Berhad Public Islamic Select Enterprises Fund	1,767,700	0.14
28	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Alliance INV)	1,600,000	0.12
29	Lembaga Tabung Angkatan Tentera	1,540,800	0.12
30	HSBC Nominees (Asing) Sdn Bhd BNYM SA/NV for Magna Emerging Markets Dividend Fund (Magna UMBR FD P)	1,539,300	0.12
	Total	1,185,557,300	92.33



LIST OF PROPERTIES

Pursuant to Appendix 9C Part A (25) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

No	Location	Description/ Existing use	Tenure	Area (Acres)	Net book value as at 31 December 2012 (RM'000)	Approximate age of building (years)	Year of acquisition
1	No. Hakmilik: 89023, Lot 52547 PT No.: 15752 Headquarters No. 5, Jalan Serendah 26/17 Seksyen 26 40000 Shah Alam Selangor Darul Ehsan	Headquarters, warehouse and regulating station	Leasehold expiring in 2094	5.273	7,277,204.16	17	1994
2	HS(D) 45652 PT No.: 37392 No. 30, Jalan 4/12B Seksyen 4 43650 Bandar Baru Bangi Selangor Darul Ehsan	Office	Leasehold expiring in 2097	0.044	305,532.33	13	2000
3	No Hakmilik :13007 Lot No.: 813 No.1, 1A & 1B Jalan Bola Jaring 13/15 Seksyen 13 Shah Alam Selangor Darul Ehsan	Office	Leasehold expiring in 2100	0.08	1,950,335.54	18	2009
4	No. Hakmilik : 26774, Lot No. 85 No. 20, Jalan Gurney 54100 Kuala Lumpur	Kuala Lumpur Regional office	Freehold	0.017767	4,300,652.36	6	2011
5	HS(D) 17920 PT No.: 7503 Lot 104, Gebeng Industrial Area 26080 Kuantan Pahang Darul Makmur	Warehouse and odoriser station	Leasehold expiring in 2064	2.9999	2,318,731.19	17	1994
6	HS(D) 359331 PTD 3527 Mukim Sungai Tiram Daerah Johor Bahru Johor Darul Takzim	Vacant land	Leasehold expiring in 2063	27.8225	10,132,110.04	15	2003

LIST OF PROPERTIES (CONTINUED)

Pursuant to Appendix 9C Part A (25) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. (continued)

No	Location	Description/ Existing use	Tenure	Area (Acres)	Net book value as at 31 December 2012 (RM'000)	Approximate age of building (years)	Year of acquisition
7	HS(D) 29385 PT No.: 3132 No. Hakmilik : 6545 Lot No.: 5810 No. Hakmilik : 6546 LOT NO : 6461 HS(D) 34458 PT No.: 4101 HS(D) 34285 PT No.: 4102 HS(D) 34510 PT No.: 1654 Prai Industrial Park Pulau Pinang	District station land	Leasehold expiring in 2061	0.0375 0.565 0.115 0.0375 0.0375 0.07825	247,943.67	-	2000
8	HS(D) 221664 PTD 115555 PLO 343, Jalan Emas Tiga 81700 Pasir Gudang Johor Darul Takzim	Office	Leasehold expiring in 2055	3.0352	1,874,385.20	-	1993
9	HS(D) 108992 LOT No.: 4228 No.24, Jalan Bunga Raya 6 Pusat Perniagaan Senawang 70400 Seremban Negeri Sembilan	Office	Freehold	0.0378	183,831.10	16	1995
10	HS(D) 10305 Lot 1000 Mukim Tebrau, Johor Darul Takzim	District station land	Leasehold expiring in 2072	0.1500	158,125.43	-	2004



APPENDIX 1

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Articles of Association of the Company are proposed to be amended in the following manner:

Article No.	Existing Articles	Amended Articles
To amend Article 1	<p>WORDS</p> <p>MEANINGS</p> <p>New definition</p> <p>New definition</p>	<p>WORDS</p> <p>MEANINGS</p> <p><u>Exempt Authorised Nominee</u></p> <p><u>An authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of the Central Depositories Act.</u></p> <p><u>Share Issuance Scheme</u></p> <p><u>A scheme involving a new issuance of shares to the employees.</u></p>
To amend Article 10(5)	<p>Allotment of Shares</p> <p>every <u>issue of shares or options</u> to employees and/or directors of the Company and its subsidiary companies shall be approved by the Members in general meeting and no Director shall participate in such <u>issue of shares or options</u> unless:-</p> <p>(a) the Members in general meeting have approved of the specific allotment to be made to such Director; and</p> <p>(b) he holds office in the Company in an executive capacity.</p>	<p>Allotment of Shares</p> <p>every <u>Share Issuance Scheme</u> to employees and/or directors of the Company and its subsidiary companies shall be approved by the Members in general meeting and no Director shall participate in such <u>Share Issuance Scheme or issue of options</u> unless:-</p> <p>(a) the Members in general meeting have approved of the specific allotment to be made to such Director; and</p> <p>(b) he holds office in the Company in an executive capacity.</p>
To amend Article 11(4)	<p>Allotment and Despatch of Certificates for an Issue</p> <p>Subject to the provisions of the Act, the Central Depositories Act and the Rules, the Company shall allot and issue securities (which are Prescribed Securities) despatch notices of allotment to the allottees and make an application for the quotation of such Shares within the following prescribed period or such other period as may be prescribed by the Exchange:-</p> <p>(i) in respect of an issue to the public, within eight (8) Market Days of the final application date or such other period as may be prescribed by the Exchange;</p> <p>(ii) in respect of a rights issue within eight (8) Market Days of the final application date for the rights issue;</p> <p>(iii) in respect of a bonus issue within eight (8) Market Days of the books closing date for the bonus issue;</p> <p>(iv) in respect of any <u>issuance of shares pursuant to an employees' share option scheme</u> within eight (8) Market Days of the date of receipt of notice of exercise of the option duly accompanied by the requisite payment; or</p> <p>(v) in respect of an issuance of shares arising from the conversion or the exercise of the convertible Securities within eight (8) Market Days of the date of receipt of a subscription form duly accompanied by the requisite payment.</p>	<p>Allotment and Despatch of Certificates for an Issue</p> <p>Subject to the provisions of the Act, the Central Depositories Act and the Rules, the Company shall allot and issue securities (which are Prescribed Securities) despatch notices of allotment to the allottees and make an application for the quotation of such Shares within the following prescribed period or such other period as may be prescribed by the Exchange:-</p> <p>(i) in respect of an issue to the public, within eight (8) Market Days of the final application date or such other period as may be prescribed by the Exchange;</p> <p>(ii) in respect of a rights issue within eight (8) Market Days of the final application date for the rights issue;</p> <p>(iii) in respect of a bonus issue within eight (8) Market Days of the books closing date for the bonus issue;</p> <p>(iv) in respect of any <u>Share Issuance Scheme</u> within eight (8) Market Days of the date of receipt of notice of exercise of the option duly accompanied by the requisite payment; or</p> <p>(v) in respect of an issuance of shares arising from the conversion or the exercise of the convertible Securities within eight (8) Market Days of the date of receipt of a subscription form duly accompanied by the requisite payment.</p>

APPENDIX 1

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION (CONTINUED)

Article No.	Existing Articles	Amended Articles
To delete Article 31	<p><u>JOINT HOLDERS OF SHARES</u></p> <p>Subject to the Central Depositories Act and the Rules, where two or more persons are registered as the holders of any share, they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to the following provisions:</p> <ol style="list-style-type: none"> (1) <u>The joint holders of a share shall be liable severally as well as jointly in respect of all calls and other payments which ought to be made in respect of such share.</u> (2) <u>On the death of any one of such joint holders, the survivor or survivors and the personal representatives of the deceased joint holder shall be the persons recognised by law as having any title to such share but subject to the Central Depository or any relevant authority requiring such evidence of death as they may deem fit.</u> (3) <u>Any one of such joint holders may give effectual receipts for any dividend and payment on account of dividend bonus, return of capital and other money payable in respect of such share.</u> 	(Deleted)
To amend Article 37	<p>Fixing of books closing date</p> <p>At least <u>twelve (12) clear</u> Market Days' notice or such other period as may be from time to time specified by the Exchange, of the intention to close the Register shall be announced to the Exchange and also published in a daily newspaper circulating in Malaysia of the period of the intended suspension or closure and the purpose(s) thereof for such closure.</p> <p><u>The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year.</u></p> <p>At least three (3) Market Days prior notice shall be given to the Central Depository to enable the Central Depository to prepare the appropriate Record of Depositors provided that where the Record of Depositors is required in respect of corporate actions, at least seven (7) Market Days prior notice shall be given to the Central Depository.</p>	<p>Fixing of books closing date</p> <p>At least <u>ten (10)</u> Market Days' notice or such other period as may be from time to time specified by the Exchange, of the intention to close the Register shall be announced to the Exchange and also published in a daily newspaper circulating in Malaysia of the period of the intended suspension or closure and the purpose(s) thereof for such closure.</p> <p>(Deleted)</p> <p>At least three (3) Market Days prior notice shall be given to the Central Depository to enable the Central Depository to prepare the appropriate Record of Depositors provided that where the Record of Depositors is required in respect of corporate actions, at least seven (7) Market Days prior notice shall be given to the Central Depository.</p>
To amend Article 40	<p>Death of a Member</p> <p>Subject to the provisions of the Act, the Central Depositories Act and the Rules, in case of the death of a Member, <u>the survivor or survivors, where the deceased was a joint holder, and the legal personal representatives of the deceased, where he was a sole holder or last survivor,</u> shall be the only persons recognised by law as having any title to his interest in the Shares, but nothing herein contained shall release the estate of a deceased Member <u>(whether sole or joint holder)</u> from any liability in respect of any Share which had been held by him <u>alone or jointly with other persons.</u></p>	<p>Death of a Member</p> <p>Subject to the provisions of the Act, the Central Depositories Act and the Rules, in case of the death of a Member, the legal personal representatives of the deceased shall be the only persons recognised by law as having any title to his interest in the Shares, but nothing herein contained shall release the estate of a deceased Member from any liability in respect of any Share which had been held by him.</p>



Article No.	Existing Articles	Amended Articles
To amend Article 42	<p>Person entitled to receive and give discharge for dividend</p> <p>A person becoming entitled to a Share by reason of the death or bankruptcy of the Member shall be entitled to receive, and may give a discharge for, any dividends or other moneys payable in respect of the Share, but he shall not be entitled in respect of it to receive notice of or to attend or vote at meetings of the Company or, save as aforesaid, to exercise any of the rights or privileges as a Member unless and until his name is registered as a Member in respect of the Share. <u>Where two or more persons are jointly entitled to any share in consequence of the death of the registered holder they shall, for the purpose of these Articles, be deemed to be joint holders of the share.</u></p>	<p>Person entitled to receive and give discharge for dividend</p> <p>A person becoming entitled to a Share by reason of the death or bankruptcy of the Member shall be entitled to receive, and may give a discharge for, any dividends or other moneys payable in respect of the Share, but he shall not be entitled in respect of it to receive notice of or to attend or vote at meetings of the Company or, save as aforesaid, to exercise any of the rights or privileges as a Member unless and until his name is registered as a Member in respect of the Share.</p>
To amend Article 59	<p>Purchase by the Company of its own shares</p> <p><u>The Company may, subject to and in accordance with the Act, the Rules, regulations and orders made pursuant to the Act, the conditions, restrictions and limitations expressed in these Articles and the requirements of the Exchange and any other relevant authorities;</u></p> <p>(1) <u>purchase its own shares;</u> (2) <u>give financial assistance, by means of making of a loan, the giving of a guarantee, the provision of security, the release of an obligation or the forgiving of a debt or otherwise, to any person for the purpose of purchasing its own shares; or</u> (3) <u>do both, (1) and (2).</u></p> <p><u>Any shares in the Company so purchased shall be dealt with as provided by the Act and the requirements of the Exchange and/or any other relevant authority.</u></p>	<p>Purchase by the Company of its own shares</p> <p>(1) <u>Where a company has purchased its own shares, the Directors may, subject to and in accordance with the Act and the requirements of any stock exchange upon which the Company's shares are listed and any other relevant authorities:-</u></p> <p>(i) <u>cancel the shares so purchased;</u> (ii) <u>retain the shares so purchased in treasury (the "treasury shares"); or</u> (iii) <u>retain part of the shares so purchased as treasury shares and cancel the remainder of the shares so purchased.</u></p> <p>(2) <u>Notwithstanding anything stated to the contrary in these Articles, where the shares are held as treasury shares:-</u></p> <p>(i) <u>the Directors may subject to and in accordance with the Act:</u></p> <p>(a) <u>distribute the treasury shares as dividends to shareholders, such dividends to be known as "share dividends"; or</u> (b) <u>resell the treasury shares on the market of any stock exchange upon which the Company's shares are listed, in accordance with the relevant rules of the stock exchange.</u></p> <p>(ii) <u>the rights attached to the treasury shares as to voting, dividends and participation in other distribution and otherwise are suspended; and</u></p> <p>(iii) <u>the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including, without limiting the generality of these Articles, the provisions of the Act or of any other law or the listing rules of any stock exchange upon which the Company's shares are listed on substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.</u></p>

APPENDIX 1

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION (CONTINUED)

Article No.	Existing Articles	Amended Articles
To amend Article 64	<p>General meetings</p> <p>An annual general meeting of the Company shall be held in accordance with the Act. All general meetings other than the annual general meeting shall be called extraordinary general meetings. All general meetings shall be held at such time and place as the Directors shall determine. Every notice of an annual general meeting shall specify the meeting as such and every meeting convened for passing a Special Resolution shall state the intention to propose such resolution as a Special Resolution.</p>	<p>General meetings</p> <p>An annual general meeting of the Company shall be held in accordance with the Act. All general meetings other than the annual general meeting shall be called extraordinary general meetings. All general meetings shall be held at such time and place as the Directors shall determine. Every notice of an annual general meeting shall specify the meeting as such and every meeting convened for passing a Special Resolution shall state the intention to propose such resolution as a Special Resolution.</p> <p><u>Such meeting of its Members may be held within Malaysia at more than one venue using any technology that allows all Members a reasonable opportunity to participate.</u></p>
To amend Article 67	<p><u>Record of Depositors</u></p> <p>(1) <u>The Company shall by written request made in duplicate in the prescribed form, request from the Central Depository in accordance with the Rules to issue a Record of Depositors to whom notices of general meeting shall be given by the Company.</u></p> <p><u>General meeting Record of Depositors</u></p> <p>(2) <u>The Company shall inform the Central Depository of the dates of the general meetings and shall by written request made in duplicate in the prescribed form request the Central Depository to issue two (2) Record of Depositors in the following manner:-</u></p> <p>(a) <u>the first Record of Depositors which shall be the record of all Depositors, as at the latest date which is reasonably practicable which shall in any event be not less than three (3) Market Days before the general meeting (hereinafter referred to as the "General Meeting of Depositors").</u></p> <p>(b) <u>a second Record of Depositors which shall be the final record of all Depositors who are deemed to be the registered holders of ordinary shares of the Company eligible to be present and vote at such meetings at a date not less than three (3) Market Days (or such other period as may from time to time be specified by the Central Depository) prior to and not including the date of the notice of the general meeting (General Meeting Record of Depositors).</u></p> <p>(3) <u>Subject to the Securities Industry (Central Depositories (Foreign Ownership) Regulations 1996 (where applicable), a depositor shall not be regarded as a Member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting of Record of Depositors.</u></p>	<p><u>Company to request for general meeting Record of Depositors</u></p> <p><u>The Company shall request the Depository in accordance with the Rules, to issue a Record of Depositors as at the latest date which is reasonably practicable which shall in any event be not less than three (3) Market Days or such other period as may be prescribed by the Central Depositories Act and/or the Rules before the general meeting (hereinafter referred to as "the General Meeting Record of Depositors"). Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 (where applicable), a Depositor shall not be regarded as a Member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.</u></p>



Article No.	Existing Articles	Amended Articles
To amend Article 74	<p>Election of Chairman</p> <p>If there is no such Chairman, or if at any meeting he is not present within fifteen (15) minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the Members present shall elect one of the Directors to be the Chairman of the meeting and if no Director shall be available, the Members present shall elect one of their number to be Chairman of the meeting or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, the persons present and entitled to vote (on a poll) shall elect one of their numbers to be chairman. <u>The election of the chairman shall be by a show of hands.</u></p>	<p>Election of Chairman</p> <p>If there is no such Chairman, or if at any meeting he is not present within fifteen (15) minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the Members present shall elect one of the Directors to be the Chairman of the meeting and if no Director shall be available, the Members present shall elect one of their number to be Chairman of the meeting or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, the persons present and entitled to vote (on a poll) shall elect one of their numbers to be chairman.</p>
To delete Article 76	<p><u>How resolutions are decided</u></p> <p><u>Matters arising at any general meeting of the Company shall be determined by a majority of votes.</u></p>	<p><i>(Deleted)</i></p>
To amend Article 78	<p>Poll may be taken forthwith or after an interval of an adjournment</p> <p>If a poll is duly demanded it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded, but a poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. The Chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may, in addition to the powers of adjourning meetings contained in Article 75, adjourn the meeting to some place and time fixed for the purpose of declaring the result of the poll.</p>	<p>Poll may be taken forthwith or after an interval of an adjournment</p> <p>If a poll is duly demanded it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded, but a poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. The Chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may, in addition to the powers of adjourning meetings contained in Article 75, adjourn the meeting to some place and time fixed for the purpose of declaring the result of the poll.</p> <p><u>The poll may be conducted manually using voting slips or electronically using various forms of electronic voting devices. Such votes shall be counted by the poll administrator, and verified by the scrutineers, as may be appointed by the Chairman of the meeting for the purpose of determining the outcome of the resolution(s) to be decided on poll.</u></p>
To add Article 79A	<p><i>(New provision)</i></p>	<p><u>Chairman to promote orderly conduct of the business of all general meetings</u></p> <p><u>Without prejudice to any other power which the Chairman may have under the provisions of these Articles or at common law and subject to the Act and the Listing Requirements, the Chairman may take such action as he thinks fit to promote the orderly conduct of the business of all general meetings and the Chairman's decision on matters of procedure or arising incidentally from the business of such meetings shall be final, as shall be his determination as to whether any matter is of such a nature.</u></p>

APPENDIX 1

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION (CONTINUED)

Article No.	Existing Articles	Amended Articles
To delete Article 81	<p><u>Votes of joint holders of Shares</u></p> <p><u>Subject to the Central Depositories Act and the Rules, in the case of joint holders of shares, the vote of the senior Member who tenders a vote, whether in person or by proxy or by attorney or by its duly authorised representative, shall be accepted to the exclusion of the votes of the other joint holder; and for this purpose seniority shall be determined by the order in which the names stand in the Register.</u></p>	(Deleted)
To amend Article 83	<p>Only Members not indebted to Company entitled to vote</p> <p>Subject to Article 67, a Member shall be entitled to be present and to vote at any general meeting in respect of any Share or Shares upon which all calls or other sums presently payable by him due to the Company have been paid.</p>	<p>Only Members not indebted to Company entitled to vote</p> <p>Subject to Article 67, a Member shall be entitled to be present and to vote <u>on any questions either personally or by proxy</u> at any general meeting <u>or at a meeting of any class of members</u> in respect of any Share or Shares upon which all calls or other sums presently payable by him due to the Company have been paid.</p>
To add Article 86(4)	<p>How instrument to be exercised</p> <p>(New provision)</p>	<p>How instrument to be exercised</p> <p><u>Notwithstanding Article 68, 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 shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the Exempt Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy.</u></p>
To amend Article 92	<p>Number of Directors</p> <p>Unless otherwise determined by the general meeting, the number of Directors of the Company including a managing director, if any, shall not be less than two and not more than <u>nine (9)</u> but in the event of any casual vacancy occurring and reducing the number of Directors below the aforesaid minimum, the continuing Director may act for the purpose of filling up such vacancy or vacancies or of summoning a general meeting of the Company but not for other purpose.</p>	<p>Number of Directors</p> <p>Unless otherwise determined by the general meeting, the number of Directors of the Company including a managing director, if any, shall not be less than two and not more than <u>thirteen (13)</u> but in the event of any casual vacancy occurring and reducing the number of Directors below the aforesaid minimum, the continuing Director may act for the purpose of filling up such vacancy or vacancies or of summoning a general meeting of the Company but not for other purpose.</p>
To amend Article 95(1)	<p>Appointment of Director by Board</p> <p>The Directors shall have power at any time and from time to time to appoint any person to be a Director of the Company either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles. Any Director, <u>save for the Managing Director, Chief Executive and the Executive Director</u>, so appointed shall hold office only until the next following Annual General Meeting of the Company and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.</p>	<p>Appointment of Director by Board</p> <p>The Directors shall have power at any time and from time to time to appoint any person to be a Director of the Company either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles. Any Director so appointed shall hold office only until the next following Annual General Meeting of the Company and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.</p>



Article No.	Existing Articles	Amended Articles
To add Article 96A	<i>(New provision)</i>	<p><u>Notice to nominate Directors</u></p> <p><u>Subject to Article 96(3), the cost of serving notice to propose the election of a Director where the nomination is made by a Member or Members shall be borne by the Member or Members making the nomination.</u></p>
To delete Article 109	<p><u>Limitation on Directors' powers</u></p> <p>The Directors shall not without the prior approval of the Company in general meeting:</p> <ol style="list-style-type: none"> (1) <u>carry into effect any proposal or execute any transaction for the acquisition of an undertaking or property of a substantial value, or the disposal of a substantial portion of or a controlling interest in the Company's main undertaking or property;</u> (2) <u>exercise any power of the Company to issue shares unless otherwise permitted under the Act; or</u> (3) <u>subject to Sections 132E and 132F of the Act, enter into any arrangement or transaction with a Director of the Company or its holding company or with a person connected with such a Director to acquire from or dispose to such a Director or person any non-cash assets of the requisite value.</u> 	<i>(Deleted)</i>
To amend Article 111(1)	<p>Director may act in his professional capacity</p> <p>Subject always to Sections 131, 132E and 132F of the Act, a Director may hold any office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser, lender, agent, broker or otherwise nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.</p>	<p>Director may act in his professional capacity</p> <p>Subject always to Sections 131 of the Act, a Director may hold any office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser, lender, agent, broker or otherwise nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.</p>

APPENDIX 1**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
(CONTINUED)**

Article No.	Existing Articles	Amended Articles
To amend Article 143	<p>To whom copies of Profit and Loss Account, etc, may be sent</p> <p>The Directors shall from time to time in accordance with Section 169 of the Act and the Listing Requirements cause to be prepared and laid before the Company in general meeting such profit and loss account, balance sheet and Directors' report as are referred to in the said section and Listing Requirements. The annual report shall be issued to the Members within a period not exceeding six (6) months from the close of the financial year of the Company and the audited accounts together with the auditors' and Directors' reports shall be given to the Exchange within a period not exceeding four (4) months from the close of the financial year of the Company. A copy of the Directors' report, balance sheet (including every document required by law to be annexed thereto) and profit and loss accounts (or income and expenditure accounts) in printed, CD-ROM or any other form shall not less than twenty-one (21) days before the date of the meeting be sent to every Member of, and to every debenture-holder of the Company and to every other person who is entitled to receive notices from, the Company under the provisions of the Act, the Central Depositories Act, the Rules and of these presents. The requisite number of copies of each such document as may be required by the Exchange upon which the Company's shares may be listed shall at the same time be likewise sent to each stock exchange upon which the Company's shares are listed Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware of <u>or to more than one of joint holders</u> but any Members to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.</p>	<p>To whom copies of Profit and Loss Account, etc, may be sent</p> <p>The Directors shall from time to time in accordance with Section 169 of the Act and the Listing Requirements cause to be prepared and laid before the Company in general meeting such profit and loss account, balance sheet and Directors' report as are referred to in the said section and Listing Requirements. The annual report shall be issued to the Members within a period not exceeding six (6) months from the close of the financial year of the Company and the audited accounts together with the auditors' and Directors' reports shall be given to the Exchange within a period not exceeding four (4) months from the close of the financial year of the Company. A copy of the Directors' report, balance sheet (including every document required by law to be annexed thereto) and profit and loss accounts (or income and expenditure accounts) in printed, CD-ROM or any other form shall not less than twenty-one (21) days before the date of the meeting be sent to every Member of, and to every debenture-holder of the Company and to every other person who is entitled to receive notices from, the Company under the provisions of the Act, the Central Depositories Act, the Rules and of these presents. The requisite number of copies of each such document as may be required by the Exchange upon which the Company's shares may be listed shall at the same time be likewise sent to each stock exchange upon which the Company's shares are listed Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware of but any Members to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.</p>



Article No.	Existing Articles	Amended Articles
<p>To delete Article 159</p>	<p><u>Dividends payable by cheque: due to joint holders</u></p> <p>(1) <u>Any dividend, interest or other monies payable in cash on or in respect of shares, may be paid by cheque or warrant sent through the post directed to the registered address of the Member or person entitled thereto as it appears in the Register of Members or Record of Depositors or paid via electronic transfer or remittance to the bank account provided by the Member or person entitled thereto who is named in the Register of Members or Record of Depositors, or, if several persons are registered as joint holders of the share or are entitled thereto, to the registered address or via electronic transfer or remittance to the bank account provided by the joint holder first named on the Register of Members or Record of Depositors or to the extent permissible under the Central Depositories Act and the Rules, in the Record of Depositors or to such person and to such address or the bank account as the holder or first named joint holder may in writing direct or if several persons are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons and to such address or the bank account as such persons may in writing direct. Every such cheque or warrant or electronic transfer or remittance shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and the payment of any such cheque or warrant or electronic transfer or remittance shall operate as a good discharge to the Company in respect of the dividend represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon or the instruction for the electronic transfer or remittance has been forged. Every such cheque or warrant or electronic transfer or remittance shall be sent at the risk of the person entitled to the money thereby represented.</u></p> <p>(2) <u>Subject to the provision of the Act, the Central Depositories Act and the Rules, if any dividend warrant shall be defaced, worn out, destroyed, lost or stolen it may be replaced on such evidence being produced and a letter of indemnity (if required) being given by the Member at Malaysian Ringgit Three (RM3.00) or such other sum may be determined per dividend warrant.</u></p> <p>(3) <u>In addition, any such dividend, instalment of dividend, interest or other monies may be paid by any bank through direct transfer or other funds transfer systems or such other means to or through such persons as the Member or person entitled thereto in consequence of the death or bankruptcy of the Member may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where the Company has acted on any such directions.</u></p>	<p><i>(Deleted)</i></p>
<p>To delete Article 164</p>	<p><u>Service of notice in respect of joint holders</u></p> <p><u>A notice may be given by the Company to the joint holders of a Share by giving the notice to the joint holder first named in the Register, or to the extent permissible under the Central Depositories Act and the Rules, in the Record of Depositors and any notice so given shall be sufficient notice to the holders of such share.</u></p>	<p><i>(Deleted)</i></p>

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PROXY FORM

Twenty-Second
Annual General Meeting

GAS MALAYSIA BERHAD

(Company No. : 240409-T)
(Incorporated in Malaysia)

Number of Ordinary Share(s) held	
CDS Account No.	

I/We, _____ NRIC No./Passport No./Company No. _____
(Full Name Of Shareholder In Block Letters)

of _____
(Full Address)

being a member/members of GAS MALAYSIA BERHAD, hereby appoint:

Name/NRIC No.	No of Shares	Percentage (%)	
Proxy 1 _____	_____	_____	or failing him/her
Proxy 2 _____	_____	_____	or failing him/her

* the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Second (22nd) Annual General Meeting of the Company, to be held at Glenmarie Ballroom, Holiday Inn Kuala Lumpur Glenmarie, No. 1, Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan on Wednesday, 15 May 2013 at 3.00 p.m. and, at any adjournment thereof, on the following resolutions referred to in the notice of the Annual General Meeting:

(Please indicate "X" in the appropriate box against each Resolution as to how you wish your proxy/proxies to vote. If you do not do so, the proxy may vote or abstain from voting at his/her discretion.)

AGENDA

1	To receive the Audited Financial Statements and the Reports of the Directors and Auditors		
	Ordinary Business	For	Against
2	Declaration of Dividend	Ordinary Resolution 1	
3	Payment of Directors' Fees	Ordinary Resolution 2	
4	Re-election of Director – Mr. Tadaaki Maeda	Ordinary Resolution 3	
5	Re-election of Director – YBhg Datuk Muhamad Noor bin Hamid	Ordinary Resolution 4	
6	Re-appointment of Auditors	Ordinary Resolution 5	
	Special Business		
7	Proposed Shareholders' Ratification for Recurrent Related Party Transactions of a Revenue or Trading Nature	Ordinary Resolution 6	
8	Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	Ordinary Resolution 7	
9	Proposed Amendments to the Articles of Association	Special Resolution	

* Please delete the words "the Chairman of the Meeting" if you wish to appoint some other person to be your proxy.

Dated this _____ day of _____ 2013.

Contact No. _____ Signature of Member and/or Common Seal

NOTES:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. A member shall not be entitled to appoint more than two (2) proxies. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
3. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, 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 there are two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.
5. The instrument appointing a proxy or corporate representative or the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited with the Share Registrar of the Company at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 9 May 2013 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

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GAS MALAYSIA BERHAD

Annual General Meeting

15 May 2013

STAMP
HERE

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46, 47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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