



ADVANCING GROWTH THROUGH EXCELLENCE

At the heart of our organisation lies the goal of Advancing Growth through Excellence. We strive to create an environment of excellence in which our business can grow, develop, and thrive. Recognising the vast opportunities in the market landscape, we strategically capitalise on our competitive advantage and commit ourselves to create a culture of excellence to ensure that our business moves forward sustainably and benefits our stakeholders.



Scan This QR Code for More Information.

INSIDE THIS REPORT

OUR NAVIGATION ICONS

The following icons are used in this report to indicate where additional information can be found.



This icon tells you where you can find related information in our report.



This icon tells you where you can find more information at www.gasmalaysia.com.my

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Form of Proxy

Basis of This Report

REPORTING STRUCTURE AND FRAMEWORKS

Gas Malaysia Berhad's Annual Report for the financial year ended 31 December 2022 communicates to stakeholders regarding our strategic decisions, approach in creating long term value and the sustainable practices that we embed in our operations and businesses. Our Report provides a balanced assessment of our activities and is aligned with best reporting practices.

SCOPE AND BOUNDARY

This Report reflects our financial and non-financial performance from period 1 January 2022 to 31 December 2022. The reporting boundaries takes into account all business operations under the Group including fully controlled operations, subsidiaries and joint-ventures. The scope of reporting discusses internal and external impacts on our business, material developments as well as challenges and opportunities in the process of creating value.

FORWARD-LOOKING STATEMENTS

Gas Malaysia Berhad has used forward-looking statements in this Report which contain forecast information regarding our plans, strategies, objectives and performance. These statements should not be construed as a guarantee of future operating, financial or other results due to various risks and uncertainties. It is therefore important to note that the statements here do not provide a guarantee that potential results will be achieved.

FEEDBACK

At Gas Malaysia, we truly value and welcome all feedback, suggestions, comments and queries from our shareholders and readers. For any queries or feedback, please contact our Corporate Affairs team at corporateaffairs@gasmalaysia.com



Other Information

About Us

21,430

Residential Customers

Gas Malaysia Berhad ("the Group" or "Gas Malaysia") was established on 16 May 1992. The Group's core business is to sell, market and distribute natural gas to residential, commercial and industrial customers as well as to develop, operate and maintain the Natural Gas Distribution System ("NGDS") within Peninsular Malaysia.

With the full market liberalisation of the gas industry for the non-power sector that has commenced in 2022 under the Third-Party Access ("TPA"), the competitiveness of the gas supply industry was enhanced and served as a year of learning for Gas Malaysia as well as other industry players. We further strengthened our position in the industry value chain to prepare ourselves for full market liberalisation in 2022, after the successful unbundling of our business operations in 2019 into two separate entities.

These two entities, Gas Malaysia Distribution Sdn Bhd ("GMD") and Gas Malaysia Energy and Services Sdn Bhd ("GMES"), are both wholly-owned by Gas Malaysia and were awarded a distribution license and shipping license, respectively, from the regulator. GMD was granted a 20-year distribution license which allows it to take up the role as a gas distributor through its 2,786 kilometres (km) of NGDS in Peninsular Malaysia. GMD also develops, operates and maintains the NGDS to ensure the safe and reliable delivery of gas to customers across Peninsular Malaysia.

GMES, meanwhile, was granted a 10-year shipping license and an importation license, and will operate as a gas shipper since the licenses enable GMES to procure gas from gas suppliers and arrange the delivery of gas in accordance with customer requirements. This allows GMES to make arrangements with a regasification, transportation or distribution licensee for gas to be processed or delivered via their facilities to consumers' premises.

In addition, Gas Malaysia through Gas Malaysia Retail Services Sdn Bhd ("GMRS") also supplies Liquefied Petroleum Gas ("LPG") to 1,845 commercial customers and 21,430 residential customers. In total, our customer base stands at 24,312.

The Group also has smaller operations in the simultaneous generation and sale of electricity and steam, the distribution via land transportation of Compressed Natural Gas ("CNG"), and the distribution via land transportation of Bio Compressed Natural Gas ("BioCNG") derived from Palm Oil Mill Effluent ("POME"). These businesses are represented by our subsidiaries and joint-venture companies, Gas Malaysia Energy Advance Sdn Bhd, Gas Malaysia Virtual Pipeline Sdn Bhd, and Gas Malaysia Synergy Drive Sdn Bhd. We remain focused on creating new demand for natural gas and fulfilling customers' energy requirements, ultimately expanding our customer base to ensure sustainable growth.



Our Statement of Purpose

DELIVERING BEST ENERGY SOLUTIONS FOR A BETTER FUTURE

Our Mission

WE ARE COMMITTED TO **DELIVERING THE CLEANEST,** SAFEST, MOST RELIABLE **AND COST-EFFECTIVE ENERGY SOLUTIONS**

Our Core Values

















Our Presence

WHERE **WE OPERATE**

At Gas Malaysia, we have developed a total of 2,786 km of gas pipeline across Peninsular Malaysia, supplying natural gas to 1,037 industrial customers, 1,845 commercial customers and 21,430 residential customers.

Head Office



No.5, Jalan Serendah 26/17, Seksyen 26, 40732 Shah Alam, Selangor Darul Ehsan

Tel: +603-5192 3000

Fax: +603-5192 6766 / 6749

CENTRAL REGION

SELANGOR

- Balakong
- Bandar Tasik Selatan
- Bandar Sultan Sulaiman
- Bangi
- Banting
- Batu Caves
- Beranang
- Bestari Jaya
- Bukit Raja
- Cyberjaya
- Damansara
- Dengkil
- North Port Pandamaran
 - Petaling Jaya
 - Puchong

ljok

Jeram

Kajang

Kapar

Klang

KLIA

Meru

Kundang

Kelana Jaya

Pulau Indah

- Rawang
- Salak Tinggi
- Selayang
- Semenyih
- Sepang
- Serdang
- Seri Kembangan
- Shah Alam
- Subang
- Sungai Buloh
- Telok Gong
- · Teluk Panglima Garang

OF PUTRAJAYA

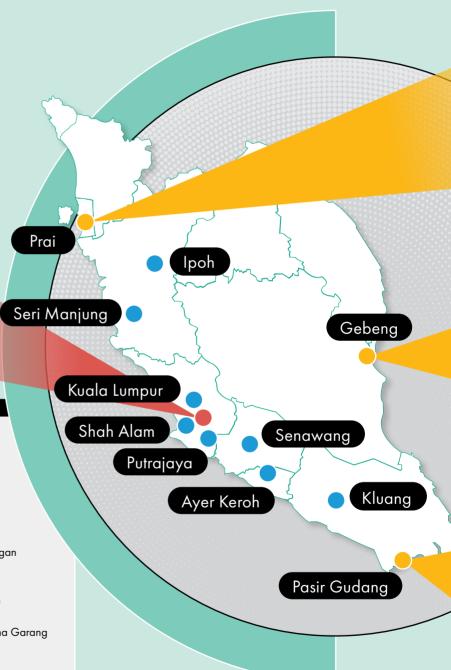
FEDERAL TERRITORY

NEGERI SEMBILAN

- Bandar Enstek
- Nilai

FEDERAL TERRITORY OF KUALA LUMPUR

- Bandar Tun Razak
- Kepong
- Segambut



Our Presence

Our Sustainability Journey



No. 12, Jalan Laguna 1, Laguna Commercial Centre, 13700 Prai, Pulau Pinang

Tel: +604-384 2120 / 2133 Fax: +604-384 2160



Lot 104, Gebeng Industrial Area, 26080 Kuantan, Pahang Darul Makmur

Tel: +609-583 6340 Fax: +609-583 6339



PLO343, Jalan Emas Tiga, Kawasan Perindustrian Pasir Gudang, 81700 Pasir Gudang, Johor Darul Ta'zim

Tel: +607-252 2314 Fax: +607-252 2561







NORTHERN REGION

PERLIS

- Arau
- Chuping
- Kangar

KEDAH

- Bakar Arang
- Kuala Ketil
- Kulim
- Padang Meha
- Padang Terap
- Pokok Sena
- Sungai Petani

PERAK

- Batu Gajah
- Bemban
- Bidor
- Chemor
- Ipoh
- Kamunting
- Lahat
- Lumut
- Meru
- Parit Buntar
- Pengkalan
- Pusing

- - · Seri Manjung
 - Sitiawan
 - Teluk Intan
 - Tronoh
 - Simpang Ampat

PULAU PINANG

- Bukit Minvak
- Mak Mandin
- Nibong Tebal
- Prai
- Simpang Ampat

Kempas

Parit Raja

Sedenak Sri Gading

Yong Peng

Tongkang Pechah



EASTERN REGION

PAHANG

- Gambang
- Gebeng
- Kuantan Port

TERENGGANU

- Kerteh
- Teluk Kalong



SOUTHERN REGION

NEGERI **SEMBILAN**

- Lukut
- Senawang
- Sendayan
- Seremban
- Seremban 2

MELAKA

- Alor Gajah
- Ayer Keroh
- Batu Berendam
- Bukit Rambai
- Cheng
- Jasin
- Lipat Kajang
- Pegoh
- Tangga Batu

JOHOR

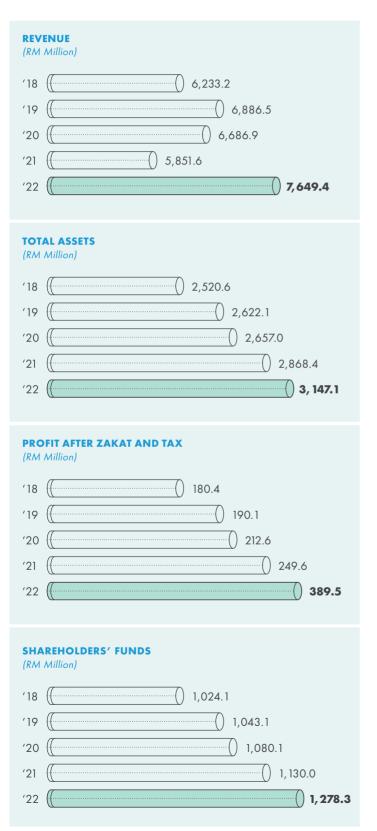
- Ayer Hitam
- Batu Pahat
- Kluang
- Kulai
- Larkin
- Masai
- Pasir Gudang
- Permas Jaya
- Plentong
- Senai
- Tampoi
- Tanjung Langsat
- Tebrau

Overview of Gas Malaysia

Message from the Leaders

Strategic Context

Five-Year Financial Summary





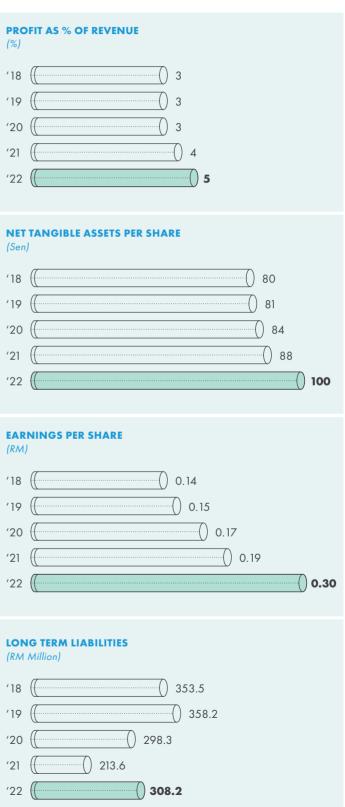
Our Sustainability Journey

Financials

Other Information

Five-Year Financial Summary

PROFI	2022	2021	2020	2019	2018
'18 ((156.7	203.3	200.1	201.2	193.8
'19 (
′20 (7,649.4	5,851.6	6,686.9	6,886.5	6,233.2
′21 ((546.8	330.4	290.8	242.1	234.1
	389.5	249.6	212.6	190.1	180.4
NET TA	389.5	249.6	212.6	190.1	180.4
′18 ((
19	7 %	6%	4%	4%	4%
′20 (5%	4%	3%	3%	3%
′21 ({ ′22 ({					
@	3, 147.1	2,868.4	2,657.0	2,622.1	2,520.6
EARNI (RM)	1, 278.3	1,130.0	1,080.1	1,043.1	1,024.1
'18 ((1,868.8	1,738.4	1,576.9	1,579.0	1,496.4
19	642.0	642.0	642.0	642.0	642.0
′20 (
′21 ((13.166	10.375	12.269	12.993	12.367
(0.941	0.586	0.534	0.457	0.464
LONG	0.670	0.443	0.390	0.359	0.358
(RM M	30.3	19.4	16.6	14.8	14.0
′18 ((22.76	17.67	15.05	14.10	13.50
′20 (99.6	88.0	84.1	81.2	79.8
′21 (
′22 (581	564	545	530	504



Investor Relations

SUSTAINING EARNINGS GROWTH IN A CHANGING ENERGY LANDSCAPE

2022 was a year full of significant events that have affected the global economy. It was marred by soaring global inflation, tightening of monetary policy in the developed markets (especially in the US), China's property crisis and stringent COVID-19 curbs, the gradual evolvement of the ongoing trade war between China and US into a so-called cold war propelled by different ideologies and last but not least the ongoing Russian-Ukrainian war which has placed tremendous stress on global energy supplies.

The tightness in the global energy supplies has resulted in an elevated energy price environment especially in the second and third quarters of 2022. Together with the opening up of all sectors of the economy at the beginning of the year, both these events have contributed positively to our earnings growth during the year. However, with the impending global recession in the near horizon – resulting from an aggressive tightening monetary policy to fight inflation – energy prices has eased off to pre Russian-Ukrainian war level.

We anticipate a rather volatile energy market this year as the COVID-19 pandemic and geopolitics have shifted the focus from globalisation and cost optimisation to national security and supply chain resilience – in other word, deglobalisation. The decoupling between the US-led West and China, the Russian-Ukrainian war, weaponisation of the US dollar payment systems and trade as well as rising protectionism are leading towards a more fractured global market. This in return might have an effect on energy demand moving forward as future demand for industrial products has suddenly become more unpredictable and uncertain.

With this rising uncertainty and unpredictability, Gas Malaysia will step up its commitment to be more vigilant and agile in responding to the changing energy landscape and embrace innovation, as well as new solutions as our efforts to decarbonise our operations as part of the wider energy transition.

COMMUNICATION WITH SHAREHOLDERS AND OTHER STAKEHOLDERS

Gas Malaysia recognises the importance of regular periodic communication to effectively create awareness and fair valuation with its shareholders and stakeholders as well as promote the attractiveness of the company as a viable investment.

Our Investor Relations ("IR") team continues to improve our communication efforts to keep our valued shareholders and investors abreast of our performance and business updates, respond to any queries and concerns.

In accordance with the Main Market Listing Requirements and the Corporate Disclosure Guide, Gas Malaysia issued timely financial statements and conducted regular engagements and quarterly briefings to investment analysts and valued shareholders.

INVESTOR RELATIONS' COMMUNICATION AND ENGAGEMENT

For engagement with shareholders and investment community, we continue to adopt a hybrid of physical and virtual meetings depending on situation and preference of the people involved. However as virtual medium offers flexibility to reach out to a larger audience, it still remains the medium of choice for us.

Our Sustainability Journey The Way We are Governed Financials Other Information

Investor Relations

The number of engagements conducted in 2022



The above engagements were conducted with Investment Analysts, Portfolio Managers and Institutional Investors to improve awareness on our latest developments and financial performance. It is also to keep our valued investors informed of Gas Malaysia's business operations, strategic direction and latest performance.

	FY2018	FY2019	FY2020	FY2021	FY2022
Year End Closing Price (RM)	2.83	2.75	2.72	2.65	3.26
Market Capitalisation (RM billion)	3.6	3.5	3.5	3.4	4.2

ANALYSTS' RESEARCH COVERAGE

As at 31 December 2022, active research coverage on Gas Malaysia are provided by nine (9) research houses as summarised below:

NO	BROKER/ANALYST	RECOMMENDATION	TARGET PRICE
1	Affin-Hwang Capital Research	BUY	4.40
2	BIMB Securities	BUY	3.75
3	CGS-CIMB Securities	BUY	3.66
4	CLSA Securities Malaysia	BUY	3.70
5	Kenanga Investment Bank	HOLD	3.54
6	Macquarie Capital Securities (M)	HOLD	3.00
7	Maybank Investment Bank	BUY	3.80
8	MIDF Amanah Investment Bank	BUY	3.92
9	UOB Kay Hian Securities (M)	HOLD	3.35

Our IR team will continue its efforts in engaging with the investment analysts and the portfolio managers to showcase our investment attributes.

Overview of Gas Malaysia

Message from the Leaders

Strategic Context

Investor



ANNOUNCEMENT OF RESULTS

1ST QUARTER 12 MAY 2022

2ND QUARTER 18 AUG 2022

3RD QUARTER 17 NOV 2022

4TH QUARTER 17 FEB 2023

SHARE PRICE PERFORMANCE

GMB VS FBM KLCI (Chart Data from Bloomberg)

GMB

FBMKLCI

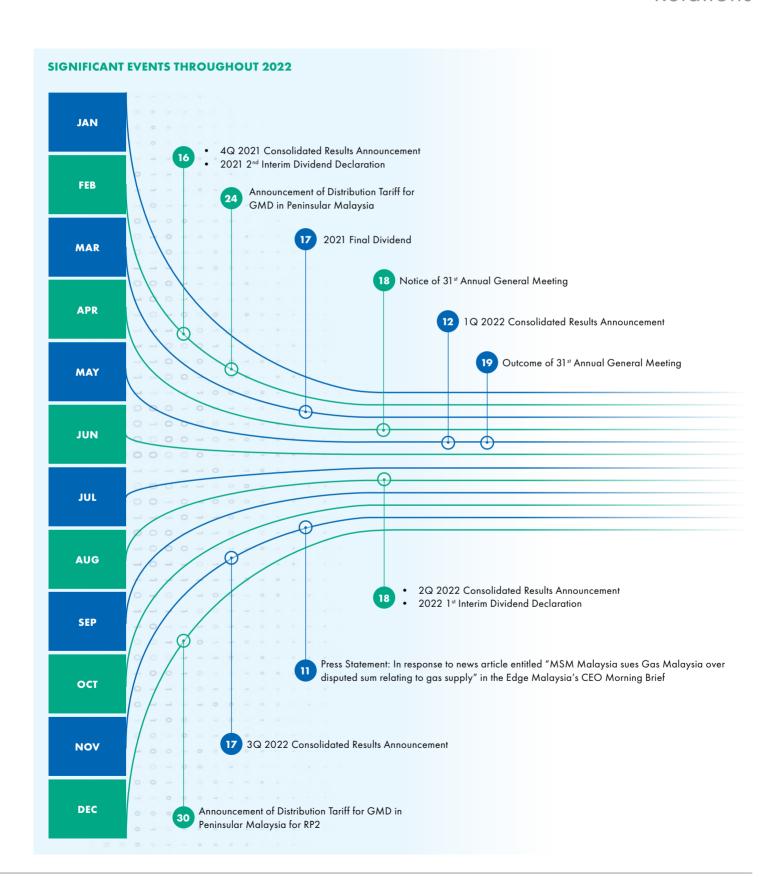


2022 Monthly Average Volume, Highest & Lowest Share Price sourced from Bloomberg

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	ОСТ	NOV	DEC
Avg Vol ('000)	46,237	123,653	105,128	202,177	1,325,667	839, 173	724,994	1,720,873	2,009,149	826,401	882,329	600,203
Highest (RM)	2.69	2.76	2.74	2.79	3.15	3.11	3.30	3.45	3.55	3.41	3.44	3.35
Lowest (RM)	2.63	2.66	2.63	2.72	2.75	3.01	2.88	3.20	3.25	3.23	3.29	3.25

Our Sustainability Journey

Investor Relations



DONATING USED COMPUTERS

06 January



As part of our commitment to assist underprivileged students, we donated 16 units of used computers to Sekolah Rendah Agama Batu 13, Puchong and Sekolah Rendah Islam Integrasi at Tazkirah, Ampang. This initiative is a continuous effort by Gas Malaysia to assist schoolchildren from the underprivileged category.

LIGHT & EASY WITH GCEO

19 January, 11 May, 14 June, 22 September



The Light & Easy with GCEO session is held quarterly to foster better engagement between the Group Chief Executive Officer and employees. Serving as bilateral communication platform, the engagement session provides an avenue for employees to exchange views and share their learning experiences.

INFORMATION MEETING & LONG SERVICE AWARD CEREMONY

17 February



The annual Information Meeting & Long Service Award ceremony was held at Gas Malaysia's Training and Resource Centre in Shah Alam. This event is organised to formally acknowledge the contribution of long-serving employees and to share the company's yearly performance as well as future direction.

GOLF WITH BUSINESS PARTNERS

19 February



Gas Malaysia Distribution Sdn Bhd ("GMD"), a wholly-owned subsidiary of Gas Malaysia Berhad, organised a golf session with its business partners at Staffield Country Resort, Martin, Negeri Sembilan. It was an occasion for GMD and its business partners to strengthen relationships in a casual golfing session.

Other Information

Corporate Highlights 2022

ANUGERAH PELAJAR CEMERLANG

25 February

Our Sustainability Journey



We held our Majlis Anugerah Pelajar Cemerlang at the head office in Shah Alam. This event is an ongoing tradition at Gas Malaysia to help promote and encourage academic excellence among the children of Gas Malaysia's employees.

SIGNING CEREMONY BETWEEN KULIM GREENERGY **SDN BHD & GAS MALAYSIA VIRTUAL PIPELINE SDN BHD**

02 March



Gas Malaysia's wholly-owned subsidiary, Gas Malaysia Virtual Pipeline Sdn Bhd ("GMVP") signed a Gas Purchase Agreement with Kulim Greenergy Sdn Bhd ("Kulim Greenergy"), a wholly-owned subsidiary of Kulim (Malaysia) Berhad. Through this partnership, GMVP will procure compressed biomethane from Kulim Greenergy to be injected into Gas Malaysia's NGDS network.

GOLF SESSION WITH STAKEHOLDERS

26 March



We organised a golf session with key stakeholders at Glenmarie Golf & Country Club, Shah Alam. The session saw the participation of representatives from the Economic Planning Unit ("EPU"), Suruhanjaya Tenaga ("ST") and Department of Occupational Safety and Health ("DOSH"), together with the Management team of Gas Malaysia. This engagement session was meant to strengthen the working relationships we had built over the years with key stakeholders.

COURTESY VISIT BY THE ISLAMIC COUNCIL OF THE FEDERAL TERRITORY ZAKAT COLLECTION CENTRE

07 April



The Chief Executive Officer of the Islamic Religious Council of the Federal Territory Zakat Collection Centre ("PPZ-MAIWP"), Tuan Haji Abdul Hakim bin Amir Osman, paid a courtesy visit to our head office in Shah Alam to meet Gas Malaysia's Group Chief Executive Officer, En Ahmad Hashimi bin Abdul Manap. Over the years, we have been actively involved in PPZ-MAIWP programmes to relieve the financial burdens of the underprivileged community.

FLOOD RELIEF PROGRAMME

13 April



In line with our commitment to assist the needy, we continued to extend support to the local community by contributing electrical appliances to affected flood victims at Kg. Bukit Lanchung, Selangor. About 100 affected families benefitted from Gas Malaysia's relief efforts.

BACK TO SCHOOL PROGRAMME

12 April



We understand the importance of education in supporting societal development. In light of this, we aided about 150 underprivileged students from Sekolah Kebangsaan Puchong Perdana. This initiative was aimed at improving the living conditions of underprivileged schoolchildren by providing them with school necessities such as school uniforms, shoes, stationery and hygiene kits, among others.

YASIN RECITAL AND RAMADAN TAZKIRAH

14 April



In conjunction with the holy month of Ramadan, we conducted a virtual Yasin and Takzirah session at our office in Shah Alam for our employees, which also included Gas Malaysia's employees who were based elsewhere in Peninsular Malaysia.

BUBUR LAMBUK DISTRIBUTION

Our Sustainability Journey

07 & 26 April



During Ramadan, we organised bubur lambuk distribution for employees based throughout Peninsular Malaysia. In addition, we also distributed bubur lambuk to local authorities and frontliners. This initiative is aligned with our engagement efforts with various stakeholders.

31 ST ANNUAL GENERAL MEETING

19 May



We held our 31st Annual General Meeting ("AGM") and it was broadcasted from Gas Malaysia's Resource and Training Centre in Shah Alam. Present physically at the broadcast venue and chairing the AGM proceedings was our Chairman, Tan Sri Wan Zulkiflee bin Wan Ariffin, accompanied by Group Chief Executive Officer, En Ahmad Hashimi bin Abdul Manap. We conducted a virtual AGM that enabled the rest of the Board members and shareholders to participate remotely.

HARI RAYA AIDILFITRI CELEBRATION

19 May



As part of our yearly tradition, we commemorated Hari Raya Aidilfitri at our head office in Shah Alam. The annual festive event was attended by employees of Gas Malaysia and graced with the presence of Gas Malaysia's Chairman, Tan Sri Wan Zulkiflee bin Wan Ariffin together with the Group Chief Executive Officer, En Ahmad Hashimi bin Abdul Manap. The annual celebration provided an opportunity for us to have a strong bond with one and another.

WORKING VISIT BY SURUHANJAYA TENAGA

03 June



Delegates from ST paid a working visit to our Compressed Natural Gas ("CNG") Mother Station in Gebeng, Kuantan. The purpose of the visit to familiarise the delegates with GMVP's business and its operations.

Introduction

PARTNERSHIP WITH THE FOOTBALL ASSOCIATION

15 June



Dr Johan Kamal bin Hamidon, the Chief Executive of the Football Association of Selangor handed a jersey to En Ahmad Hashimi bin Abdul Manap, our Group Chief Executive Officer during a closed ceremony that was held at our headquarters. At Gas Malaysia, sports remains as one of our core CSR pillars and we remain committed to giving our undivided support to one of Malaysia's most popular sports.

CHP PLANT VISIT

21 June



We organised Combined Heat and Power ("CHP") Plant visit for our stakeholders to Panasonic Shah Alam. CHP is the use of heat from an engine or power system to generate electricity and useful heat at the same time. The process improves the efficiency of energy generation from about 56% to 80% when the usable heat released from electricity generation is captured into the system and recovered to be used again for steam and other applications.

LAUNCHING CEREMONY - YAYASAN PELAJARAN MARA **SMART TUITION PROGRAMME@KPLB 2022**

04 July



In line with our commitment to assist the needy, Gas Malaysia was invited to grace the launching ceremony at MRSM Kubang Pasu, Kedah, which was led by En Mas Rizal bin Mohd Hilmi, Timbalan Ketua Setiausaha, Kementerian Pembangunan Luar Bandar. Group Chief Executive Officer, En Ahmad Hashimi bin Abdul Manap represented Gas Malaysia, as one of the main sponsors, during the symbolic cheque handover ceremony.

1,000TH INDUSTRIAL CUSTOMER

08 July



Reflecting our continuous efforts to solidify our position in the industry, Gas Malaysia Energy and Services Sdn Bhd ("GMES"), a wholly-owned subsidiary of Gas Malaysia, welcomed its 1,000th industrial customer, Wilmar Palm Products Sdn Bhd. This achievement was an important milestone for GMES as it was a testament to its continuous efforts in ensuring excellent service delivery to its customers and further demonstrated that the Gas Malaysia brand was well received within the industry.

'THE VOICE' SINGING COMPETITION

12 August

Our Sustainability Journey



In conjunction with our 30th Anniversary celebrations, we organised a singing competition for Gas Malaysia's employees titled 'The Voice'. This competition was part of our engagement efforts to promote artistic talent at the workplace.

CUSTOMER APPRECIATION DINNER

19 August



Gas Malaysia's wholly-owned subsidiary, GMES, organised a customer appreciation dinner at Sheraton Petaling Jaya Hotel. The event was organised with the aim of honouring and appreciating Gas Malaysia's long-standing customers, especially industrial customers, for their contributions and support over the last 30 years in steering Gas Malaysia on a growth trajectory.

GIBBONS REHABILITATION

22 September



As part of our commitment to being a responsible business entity, we partnered with the Gibbon Conservation Society ("GCS") to support rehabilitation efforts involving endangered gibbons. Gas Malaysia, led by Group Chief Executive Officer, En Ahmad Hashimi bin Abdul Manap handed over its donation of two pick-up trucks to ADUN Batu Talam, YB Dato' Abdul Aziz bin Hj Mat Kiram.

ENVIRONMENTAL CONSERVATION

22 September



As part of our efforts to conserve the environment, about 40 employees of Gas Malaysia volunteered in planting a variety of fruit trees at the gibbon rehabilitation facility in Raub, Pahang. Our employees also participated in river cleaning activities.

AIDING THE ORANG ASLI COMMUNITY

22 September



In supporting communities in need, we contributed household groceries to about 20 Orang Asli families living in close proximity to the gibbon rehabilitation facility in Raub, Pahang. It is hoped that with our contribution it will help ease the burden of the Orang Asli families.

AIDING THE MENTALLY CHALLENGED

24 September



As part of an effort to support about 200 children and adults with mental disabilities, Gas Malaysia was invited to participate in a fundraising event organised by the Selangor and Federal Territory Association for the Mentally Handicapped ("SAMH"). Gracing the occasion was Duli Yang Maha Mulia Tengku Permaisuri Selangor Norashikin binti Abdul Rahman, together with Datin Zaiton Rahim, representing SAMH and En Ahmad Hashimi bin Abdul Manap, Group Chief Executive Officer, representing Gas Malaysia.

INTERNATIONAL GREENTECH & ECO PRODUCTS EXHIBITION & CONFERENCE MALAYSIA ("IGEM 2022")

12 to 14 October



Gas Malaysia participated in the IGEM 2022 exhibition, which was held at the Kuala Lumpur Convention Centre ("KLCC"). IGEM is Southeast Asia's largest trade event for green technology and eco solutions. The exhibition provided an opportunity for us to promote our green gas venture (biogas) and our efforts on energy efficiency via the Combined Heat and Power system.

Other Information

Corporate Highlights 2022

30[™] ANNIVERSARY DINNER

Our Sustainability Journey

29 October



Gas Malaysia celebrated its 30th Anniversary at a dinner event at Pullman Hotel in Bangsar, where attendees comprised strategic shareholders, Board members and employees. During the event, long standing employees were honored for their commitment and contribution to the Company.

30[™] ANNIVERSARY GOLF

30 October



In continuation of our anniversary celebrations, we organised a golf session themed '30th Anniversary Golf Par-Tee' at Glenmarie Golf and Country Resort in Shah Alam. The participants were mainly members from the Management Team, Members of the Board, employees and other key stakeholders.

HEALTH AND SAFETY DAY 2022

24 November



With the aim of inculcating a culture emphasising on safety and health among its employees, Gas Malaysia organised Health and Safety Day at its Resource and Training Centre in Shah Alam. Themed 'Nurturing Healthy Minds Towards a Better Life', several activities were organised for Gas Malaysia employees such as a zumba workout session, a health awareness talk, blood donation drive and health screening tests.

REVOLUTIONISING GAS SERVICES: SOFT LAUNCH OF GAS MALAYSIA'S FIRST MOBILE APPLICATION

22 December



As a continuation of our commitment to improve our valued customers experience, our wholly-owned subsidiary, Gas Malaysia Retail Services Sdn Bhd ("GMRS"), organised a soft launch for its first mobile application. The mobile application will provide seamless functionality and enhance the user experience for our retail and residential customers.

Introduction Overview of Gas Malaysia

Message from the Leaders

Strategic Context

Message from the Chairman



30 YEARS
AND BEYOND





On behalf of the Board, I am pleased to present Gas Malaysia's 2022 Annual Report for the period 1 January to 31 December 2022 ("FY2022"), which describes our efforts in creating long-term and sustainable value for all our stakeholders.

In 2022, we have been steadfast in our focus on maintaining operational excellence, evolving and strengthening our business while delivering service excellence to all our customers. The Group has also recently celebrated its 30th anniversary and I am pleased to say that we will continue to be well-positioned to excel further in all our current and future endeavours.



Message from the Chairman

OVERVIEW OF 2022

Our Sustainability Journey

For the year in review, the retreat of the COVID-19 pandemic and the reopening of economies across the world paved the way for more sustained recovery and growth in the economy. The strong rebound in economic activities drove demand for commodities, including natural gas. With respect to the Malaysian economy, 2022 was when the economy returned to strong growth as the country bounced back from the lows of the pandemic. According to Bank Negara Malaysia, Gross Domestic Product ("GDP") expanded by 8.7% compared to the 3.1% recorded in 2021.

2022 also marked a time of change for the Malaysian natural gas industry's non-power sector as we moved into the first year of full market liberalisation, which saw the entrance of new market players and increased competition. The launch of the National Energy Policy 2022-2040 during the year also proved to be an important milestone for the natural gas industry as it ensured steps would be taken to future-proof the industry.

STRATEGIC PROGRESS

Over the last three decades, we continuously encouraged customers to switch to natural gas, which is one of the most efficient and lowest carbon-emitting types of fossil fuels. Leveraging on our strong foundations, we remained firm in our efforts to expand access to natural gas, accelerate the development of new energy sources and realise new opportunities for long-term growth.

While the year proved to be no less challenging, we strengthened our position in the market and emerged as a truly customer-centric organisation. For the year in review, we successfully grew our core business further as we welcomed our 1,000th industrial customer, a significant milestone in our business where industrial customers contribute to 99% of our total gas volume sold. This also demonstrates our strong reputation and the trust that customers have in us.

We also continued to grow our non-regulated business by forming a strategic partnership to procure compressed biomethane to be injected into our gas pipelines. This new agreement is an encouraging step forward for Gas Malaysia with regard to driving renewable and sustainable energy adoption.

As a result of our sustained business growth and operational excellence, Gas Malaysia was once again recognised at The Edge Billion Ringgit Club Corporate Awards 2022 by being conferred with the Highest Return on Equity Over Three Years award for the fourth consecutive year.

ADVANCING THE SUSTAINABILITY AGENDA

We remain committed to embedding sustainable business practices in all aspects of our operations to create meaningful impact as well as produce long-term value for our stakeholders. In doing so, we re-evaluated our sustainability material matters and utilised relevant indicators to monitor our performance.



In support of Malaysia's Net Zero by 2050 aspiration, Gas Malaysia is also exploring the use of methane released from Palm Oil Mill Effluent ("POME") to augment our natural gas supply. By using waste-to-energy technology, we are able to capture the methane that is released, convert it to biomethane and inject it into our pipelines. Biomethane utilisation can help reduce the amount of methane released into the atmosphere, thereby decreasing greenhouse gas ("GHG") emissions, thus contributing to the nation's net-zero aspirations.

CORPORATE GOVERNANCE

Throughout our business, we continued to reinforce our unwavering commitment towards upholding the principles of good governance, integrity and ethical conduct to enhance shareholder value. We focused on reviewing our strategies, policies and procedures to meet the demands of the evolving marketplace. In addition, the Board also continued to strengthen our risk management practices, establishing mitigation strategies in order to respond rapidly to changing market conditions.

We remain committed towards cultivating an organisational culture on corporate governance best practices. We will continue efforts to inculcate a strong ethical code and instil the highest standards of integrity and accountability amongst all our employees. In reinforcing our position on this, we embarked on being ISO 37001 - Anti-Bribery Management Systems certified during the year under review. To date, the first stage of the audit has been completed. We expect the second stage of audit to be conducted and concluded before the end of 2023. We are optimistic that the Group will be able to achieve its ISO 37001 certification in the coming years.

Message from the Chairman

PURPOSE AND VALUES

As part of our strategic realignment exercise, we are pleased to announce that Gas Malaysia has established a new Statement of Purpose, Mission Statement and embraced a set of Core Values. As we are operating in an ever-changing business landscape, the realignment serves as a roadmap for the Group to grow sustainably and transform Gas Malaysia to meet its long-term objectives.

Statement of Purpose

Delivering Best Energy Solutions for A Better Future

Mission

We Are Committed to Delivering the Cleanest, Safest, Most Reliable and Cost-Effective Energy Solutions



PEOPLE AND ENGAGEMENT

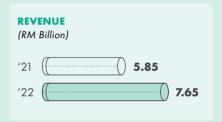
We owe a great deal of gratitude for our progress and development to our employees. They are our greatest assets, and together we have advanced the Group to where it is today. We will continue undertaking measures to develop talent and beyond that, ensuring that the right mindset and culture are in place.

Towards this end, we recognise that organisational culture has received a lot of attention in recent years as it is seen as a key factor driving productivity and growth over the long term. At Gas Malaysia, we have developed an inclusive culture at the workplace where we accept diverse perspectives and approaches which in turn drives our actions to meet future challenges. We are driving this change from the Board and I am pleased that Management is fully supporting this agenda through consistent and active engagement with our employees to ensure that we continue to deliver service and operational excellence.

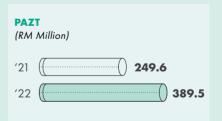


FINANCIAL HIGHLIGHTS

With ongoing geopolitical tensions, crude oil and gas prices soared even higher and remained elevated for much of the second and third quarter of 2022. Amidst this backdrop, and together with our strong commitment to ensuring the reliability of gas supply to our customers, the Group recorded commendable performance, registering revenue of RM7.65 billion in FY2022, a 30.7% increase from RM5.85 billion in FY2021.



This was due to higher average prices for gas, in tandem with global market prices, despite lower volume of natural gas sold during the year. Profit after zakat and taxation ("PAZT") rose to RM389.5 million as compared to RM249.6 million in 2021.



Message from the Chairman

DIVIDEND

Our Sustainability Journey

For FY2022, the Board declared the first interim dividend payment of 5.90 sen per share on 18 August 2022 while the second interim dividend of 8.24 sen per share was declared on 17 February 2023. Together with the final dividend of 8.62 sen declared on 21 March 2023, the total dividend amounted to 22.76 sen which is equivalent to a pay out of RM292.2 million.

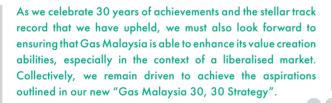




FUTURE OUTLOOK

The year ahead will certainly be another challenging one as we step into an uncertain economic environment underpinned by strong inflationary pressures. Although we remain cautiously optimistic, we are also cognisant that these factors may impact the businesses of our customers. On our part, we will continue to prudently manage our costs and leverage our strong fundamentals as well as our experience in navigating the ups and downs of any economic cycle.

In terms of the regulatory environment, the industry has just stepped into Regulatory Period 2 ("RP2"), following the completion of Regulatory Period 1 ("RP1") in 2022. RP2 will be in force from 2023 to 2025 and only applies to the distribution side of the business.



Besides focusing on strengthening our core business, we are looking at adjacencies along the gas value chain for new opportunities. This may include Liquefied Natural Gas ("LNG") importation terminal and petrochemical plant, in addition to collaborations with other relevant companies.

Over the years, Gas Malaysia has also developed deep expertise in the construction, project management, and maintenance of Malaysia's extensive gas distribution network. We believe that this knowledge can be turned into the provision of consultancy services to other companies and to other countries that are at the preliminary stage of their gas distribution journeys. These opportunities appear to be all the more promising, especially considering that natural gas is considered by many to be a key transition fuel towards a low-carbon economy.



ACKNOWLEDGEMENTS

I would like to express my gratitude to our stakeholders, customers, regulatory bodies, Government agencies, authorities, financiers, and business communities for their supports. To my fellow directors, I thank you for your insights and guidance in taking our organisation to the next level. Here, I would also like to warmly welcome our new director, Maliki Kamal bin Mohd Yasin, who joined us on 1 September 2022.

I would also like to extend my appreciation to Gas Malaysia's Management team led by Ahmad Hashimi bin Abdul Manap, Group Chief Executive Officer and his team and employees for their commitment and perseverance in ensuring that we accomplish our goals and aspirations.

While our first 30 years have been without a doubt a success story, we must continue to be focused on the future. Delivering value to our stakeholders remains a priority as we take Gas Malaysia forward, premised on our commitment to operational excellence, innovation and growth centred on meeting the needs of our customers.

Tan Sri Wan Zulkiflee bin Wan Ariffin

Chairman

Message from the Group Chief Executive Officer: Management Discussion & Analysis

CREATING SUSTAINABLE VALUE THROUGH OPERATIONAL EXCELLENCE

DEAR VALUED SHAREHOLDERS,

The year 2022 started with a renewed sense of optimism as the threat of the pandemic receded. The demand for natural gas partially recovered in line with the return of economic activities following the loosening of restrictions in April. In general, most of the sectors have shown signs of recovery except the rubber glove market. This year also marked the first year of full market liberalisation for the Malaysian natural gas industry's for the non-power sector.



Financials

Other Information

Message from the Group Chief Executive Officer: Management Discussion & Analysis

forward-looking business establishment, we focused on ensuring our growth trajectory remained intact and continued to deliver long-term value for our stakeholders. It gives me great pleasure to disclose that the Group sustained its performance and delivered commendable results to our stakeholders.

FINANCIAL HIGHLIGHTS

Our Sustainability Journey

Revenue

Revenue for the year was higher at RM7.65 billion compared to RM5.85 billion, an increase of 31% compared to 2021. The revenue growth was mainly driven by the higher average natural gas selling price, in tandem with global market prices despite the lower volume of natural gas sold during the year.

Cost and Expenses

As revenue grew, total cost and expenses incurred by the Group also recorded an increase of 29% to RM7.11 billion in 2022 compared to RM5.52 billion in 2021. Gas cost which constitutes approximately 97% of the total cost was the main contributor to the increase. The increase in gas cost was in line with higher average natural gas purchase price. Other expenses comprised mainly depreciation and amortisation of which the majority were related to Natural Gas Distribution System ("NGDS"), as well as human capital expenses in running the operations of the Group.

Earnings Before Interest Income, Taxes. Zakat, Depreciation and Amortisation ("EBITZDA")

EBITZDA increased to RM636.9 million in 2022 compared with the RM419.0 million recorded in the previous year, mainly due to higher gross profit (excluding depreciation and amortisation) and higher share of profits from the Group's joint venture companies. The higher gross profit (excluding depreciation and amortisation) was in line with higher global natural gas price.

Finance Costs

Finance costs amounted to RM10.2 million in respect of issued Islamic Medium-Term Notes ("IMTN") and Islamic Commercial Papers ("ICP"). These Sukuk instruments were utilised to finance our capital expenditure ("CAPEX") projects and working capital.

Taxation

The Group's effective tax rate for the financial year ended 31 December 2022 of 28.3% was higher than the statutory income tax rate in Malaysia. This was mainly attributed to the impact of the one-off Cukai Makmur and the effect of certain expenses not being deductible for tax purposes.

The Group's tax expenses amounted to RM153.7 million in 2022, which was higher compared to RM77.3 million in 2021 in line with higher pre-tax profit generated during the financial year as well as the impact of the one-off Cukai Makmur.

Profit After Zakat and Tax ("PAZT")

The Group's PAZT rose by 56% to reach RM389.5 million in 2022 as compared to RM249.6 million in 2021. This was in line with higher EBITZDA and finance income recorded during the current financial year, notwithstanding the higher taxation charged.

Liquidity and Gearing Ratio

As of 31 December 2022, our cash and cash equivalents stood at RM591.3 million. This was higher than the RM455.9 million (including investment funds with licenced financial institutions) in the previous year, mainly due to higher cash generated from operations, consistent with higher EBITZDA recorded during the current financial year.

For the year under review, the gross gearing ratio improved to 16%, as compared to 23% recorded in the previous year, despite the Group's continuous commitment to expanding our NGDS network. This was largely due to the higher cash generated from operations coupled with a reduction of overall net issuance of the Sukuk programme following RM90 million net redemption made during the financial year.

Capital Expenditure

CAPEX for the current financial year was RM152 million, which was primarily for the construction projects awarded to expand the NGDS network and other non-NGDS project. Projects under the NGDS network development are specifically related to the construction of gas pipelines and metering stations, while non-NGDS projects include, among others, the purchase of gas and office equipment, digitalisation efforts and motor vehicles.

Future Commitment

A future financial commitment of approximately RM278 million will be spent during the next 12 months of the RP2 in 2023. The sum will be utilised for the development of the Group's NGDS network and non-NGDS activities.

Message from the Group Chief Executive Officer: Management Discussion & Analysis

BUSINESS PERFORMANCE REVIEW

In 2022, we experienced the full impact of market liberalisation of the natural gas industry for the non-power sector. This proved to be an important milestone as it led to market-based pricing and on a wider scale, strengthened Malaysia's position as an attractive investment destination. While this has also increased competition, we believe that our preparations over the years have enabled us to stand resilient.

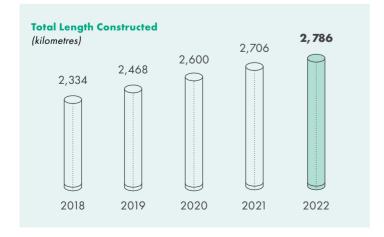
Throughout the year, we pursued our business priorities diligently. We leveraged our competitive strengths to create and deliver real value, placing our assets and customers at the heart of our business, via our wholly-owned subsidiaries, Gas Malaysia Distribution Sdn Bhd ("GMD") and Gas Malaysia Energy and Services Sdn Bhd ("GMES").

GAS MALAYSIA DISTRIBUTION SDN BHD

GMD, a wholly-owned subsidiary of Gas Malaysia, has a distribution licence issued by Suruhanjaya Tenaga which allows it to develop, own, operate and maintain the NGDS for safe and reliable delivery of gas to consumers.

Network Expansion

During the year under review, the Group, through GMD expanded the NGDS network to meet the demand growth for natural gas. Despite the challenges of tight material supplies, global supply disruptions, and COVID-19 lockdown restrictions with quarantine measures, we were able to commission another 80km of NGDS pipelines. This includes expanding the pipelines to new areas such as the Chuping Valley Industrial Area ("CVIA") and Kedah Rubber City ("KRC") by another 8.1km and 2.8km respectively, following collaborations with the Northern Corridor Implementation Authority ("NCIA"). In 2022, we successfully extended our NGDS pipelines to 2,786km complete with 1,485 gas stations comprising service stations, district stations, area stations, regulating stations, city stations and odoriser stations.



Market liberalisation also created new opportunities for the Group. Currently, we have four shippers accessing our distribution pipelines for gas delivery to their customers. We remain optimistic on growing GMD's portfolio further with the introduction of new market players under the Third Party Access ("TPA") System.

Sustaining Operational Excellence and Operational Risk Management

At Gas Malaysia, we realise that achieving operational excellence takes a lot of passion and hard work. Throughout 2022, we implemented several measures to improve efficiency and maintain a safe work environment for our valued employees while ensuring reliable gas supply for our customers from various segments.

A key priority was to manage the overall NGDS network, which meant ensuring its operational efficiency and reliability to meet the needs of our customers. We continued to deliver world-class network performance, maintaining our gas supply reliability at approximately 99%. Our ability to consistently provide quality service, including carrying out outstanding construction practices, comprehensive preventive maintenance, and efficient operation management throughout the year had resulted in our Internal Gas Consumption ("IGC") levels remaining below 1% for 2022.



Our Sustainability Journey

Financials

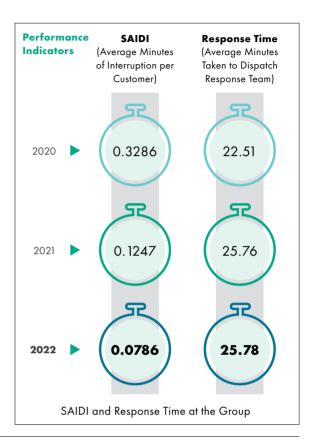
Other Information

Message from the Group Chief Executive Officer: Management Discussion & Analysis

As a result of our commitment to achieve operational excellence and best-in-class network performance, the Group recorded a System Average Interruption Duration Index ("SAIDI") of 0.0786 minutes of interruption per customer for 2022, as compared to 0.1247 minutes in the preceding year. SAIDI is the commonly used performance metric as a reliability indicator that is used by utility companies worldwide to measure the duration of interruption per customer.

We recognise the necessity for an immediate response to any unplanned interruptions. Our emergency response team continued to provide consistently excellent service delivery to minimise operational disruptions. For 2022, we achieved an average response time of 25.78 minutes, well below the targeted 90 minutes.

One of our key priorities was to manage operational risks given the NGDS network expansion and the increasing number of assets. This covered daily inspections to detect abnormalities or unauthorised third-party works within the vicinity of our facilities, periodic preventive maintenance, systematic troubleshooting, and a dedicated on-call emergency response team at all our operating offices. To this end, we took on a meticulous approach to minimise disruptions, as well as maintain the quality of our products and services which not only bolstered performance levels but also lowered incremental risk exposure.



Improving Operational Efficiency Through Digitalisation

As part of our goal to attain continuously higher operational efficiency, Gas Malaysia accelerated its digital transformation, harnessing the power of data to streamline our business practices, unlock new opportunities for sustainable growth, boost productivity, strengthen supply chains, and enhance service quality.



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Message from the Group Chief Executive Officer: Management Discussion & Analysis

GAS MALAYSIA ENERGY AND SERVICES SDN BHD

GMES is also a wholly-owned subsidiary of Gas Malaysia which has a shipping license and Liquefied Natural Gas ("LNG") importation license. The main business function of GMES is to procure gas from suppliers and arrange the delivery of gas in accordance with the customer's requirements.

Delivering Service Excellence

In 2022, the Group increased overall customer base due to investments by new customers and plant expansions by existing customers. However, volume contribution in some industrial segments decreased, mainly attributed to demand volatility and higher operating costs.

The Group now has a total customer base of 24,312 of which 11,300 are natural gas users and 13,012 are LPG users.

NUMBER OF CUSTOMERS REPRESENTING THE GROUP (AS OF 31 DECEMBER 2022)

	Natural Gas LPG (GMES) (GMRS)		Sector Total
<u>∰</u> Industrial	1,037	N/A	1,037
Commercial	<i>7</i> 61	1,084	1,845
Residential	9,502	11,928	21,430
Total	11, 300	13,012	24,312

GAS VOLUME SALES BY CUSTOMER SEGMENT

In terms of volume, the industrial segment continued to be the largest growth driver for the group, accounting for over 99.5% of total gas volume sales.

METRIC MILLION BRITISH THERMAL UNIT

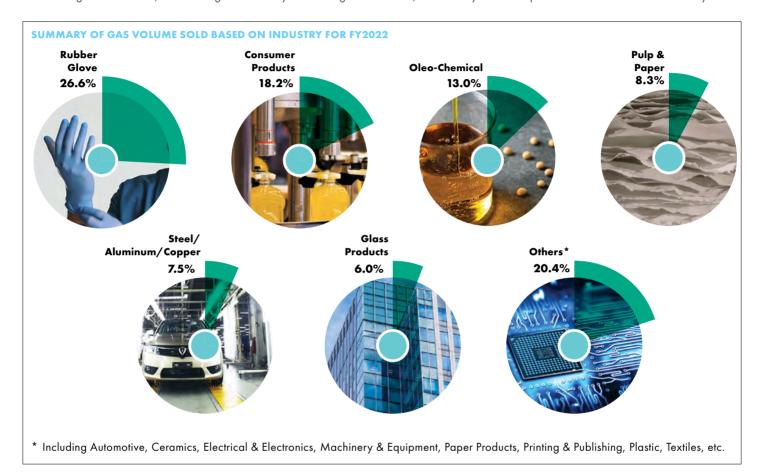
	Natural Gas (GMES)	LPG (GMRS)	Sector Total
Industrial	155,683, <i>7</i> 30	N/A	155,683, <i>7</i> 30
Commercial	<i>7</i> 61,984	198, <i>7</i> 23	960,707
Residential	23,624	21,325	44,949
Total	156, 469, 338	220,048	156,689,386

We onboarded our 1,000th industrial customer in July with a significant milestone that demonstrated our credibility and the high level of trust our customers have in us. In total, we successfully secured 61 new industrial customers in the year under review.

A majority of our customers are based within the central region in the state of Selangor and Wilayah Persekutuan at 44%, followed by the southern region covering Johor, Melaka and Negeri Sembilan at 30%. Meanwhile, the northern states of Penang, Kedah and Perlis combined accounted for 21% of our customers and the remaining 5% in the eastern region from the Pahang and Terengganu states.

Message from the Group Chief Executive Officer: Management Discussion & Analysis

In terms of gas volume sold, the rubber gloves industry was the highest at 26.6%, followed by consumer products and oleo-chemical industry.



Growing a Service-Oriented Culture

Through our interactions with customers for the whole year, we understood their concerns even better under a liberalised market. Products aside, they were always on the lookout for added value such as information, solutions, and most times, strategic guidance to propel their business forward.

We intensified customer-centricity to ensure we remained focused in providing the best to the customers with customised services according to our customer segments. As part of our goal of providing end-to-end quality services and solutions, we also provide service flexibility in accordance with our customer's needs.

INITIATIVES



CUSTOMER RETENTION PROGRAMMES

- GMES Virtual Market Pricing Session
- GMES Customer Appreciation Dinner
- Relationship Building Events



ATTRACTING NEW CUSTOMERS

 Proactively Engaged with Key Stakeholders



CAPABILITIES DEVELOPMENT TRAINING (EMPLOYEES)

- Conducted Mindset Change Programme
- Encouraged
 Employees to Pursue
 Relevant Courses,
 Certifications and
 Skills Training
- Implemented CRM System and Enhanced Database System



VALUE ADD SERVICES

- GMES Customer Careline
- Technical Services Programme
- E-Services Portal

Message from the Group Chief Executive Officer: Management Discussion & Analysis

Harnessing Digital Technology

In the year under review, Gas Malaysia Retail Services Sdn Bhd ("GMRS"), a wholly-owned subsidiary of Gas Malaysia introduced several digitalisation initiatives to enhance the customer experience for our residential and commercial customers. GMRS introduced an enhanced version of E-Services Portal and mobile application with an aim of providing convienence for our valued customers.

CONTRIBUTING TO THE LOW-CARBON AGENDA

As climate change concerns begin to increase, renewable energy has now become a key component in the energy mix that will help in reducing carbon emissions. Based on Malaysia's Renewable Energy Roadmap ("MyRER"), the country's aspiration is to achieve 31% renewable energy capacity by 2025 and 40% by 2035. The pressure on businesses to commence their decarbonisation journeys has added greater impetus to developing cleaner sources of energy.

Over the years, the Group has made concerted efforts to explore opportunities within the gas industry's value chain to expand our non-core business and contribute to the low-carbon agenda. These ventures have led to the Group establishing businesses related to cogeneration plants, biogas and biomethane as well as virtual pipeline to supply compressed natural gas to remote areas.

BIOGAS AND BIOMETHANE



To assist customers in their decarbonisation journeys, our wholly-owned subsidiary Gas Malaysia Virtual Pipeline Sdn Bhd ("GMVP"), entered into collaboration to procure biomethane from owners of palm oil mills and landfill operators which will then be injected into our NGDS pipelines. Biomethane is generated from Palm Oil Mill Effluent ("POME") and organic waste via anaerobic process, making it green energy as it is processed from renewable and sustainable sources.

We signed an agreement with Kulim Greenergy Sdn Bhd who will supply compressed biomethane from two of Kulim (Malaysia) Bhd's palm oil mills in Kluang, Johor to GMVP. Going forward, we will have more participating mills injecting biomethane into our NGDS as part of our contribution towards the government's aspiration to achieve net zero emissions.

VIRTUAL PIPELINE



Our virtual pipeline business, which is led by our wholly-owned subsidiary GMVP, brings natural gas directly to customers in areas that are not within the range of our NGDS network. Through GMVP, we are able to deliver Compressed Natural Gas ("CNG") to customers all over Peninsular Malaysia, as well as those who are expected to be connected to the NGDS network in the near future.

For FY2022, we secured eight customers, with a total volume of 236,000 MMBtu and we are expecting to grow further annually.

Other Information

Message from the Group Chief Executive Officer: Management Discussion & Analysis

Cogeneration Plants

Our Sustainability Journey

Gas Malaysia has diversified into cogeneration (also known as Combined Heat and Power ("CHP")) to strengthen our position as an innovative energy solutions provider. Cogeneration is the simultaneous generation of electricity and usable heat. Exhaust from the combustion of natural gas in the gas turbine or gas engine is captured and used to produce steam or hot water, which in turn improves the overall system efficiency. Currently, we own cogeneration plants in the Northern ("33MW") and Central ("2MW") region, through our joint venture company, Gas Malaysia Energy Advance Sdn Bhd ("GMEA").

In March 2022, GMEA concluded an agreement with Fatty Chemical (Malaysia) Sdn Bhd ("FCM") to build and maintain a gas turbine cogeneration plant to supply FCM with electricity and steam.

The cogeneration plant located in the Prai Industrial Area, Penang is expected to generate a maximum amount of 6.7 MW of electricity and 35 tonnes per hour ("TPH") steam. It is scheduled to be commissioned in December 2023. In comparison to the conventional generation of electricity and steam, the cogeneration plant is expected to help FCM reduce approximately 18,000 tonnes of carbon dioxide per year.



For the year in review, Gas Malaysia Synergy Drive Sdn Bhd ("GMSD") successfully completed a new CHP plant for Sime Darby Plantation Berhad's ("SDPB") Jomalina Refinery in Teluk Panglima Garang, Kuala Langat, Selangor. This plant will generate up to 2.3 MW of electricity and 20 tph steam. Once operational, its natural gas consumption is expected to reach up to approximately 467,000 GJ per year. The plant's testing and commissioning ("T&C") has been completed and the plant is in operational.

Message from the Group Chief Executive Officer: Management Discussion & Analysis

EMPLOYEES



At Gas Malaysia, we are building a company that is able to sustain its business performance for the long term. Our ability to win in the future lies in developing and harnessing our talents for the sustainability and growth of our current and new business portfolios.

Throughout 2022, our employees demonstrated a high level of resilience, commitment, resourcefulness, and hard work which enabled us to make good progress on all fronts. Taking it up a notch further, we encouraged a high-performance culture organisation-wide, aligning our workforce to current and future trends as this will not only help drive business growth but also realise their potential. We invested in designing a workforce that is able to pivot seamlessly to deliver value, notwithstanding the challenges.

We encouraged accountability, ethical and responsible practices among the workforce through programmes such as "Do The Right Thing" ("DTRT") by Institut Integriti Malaysia ("IIM"), ISO 37001:2016 Risk Management and Assessment Training as well as ISO 37001:2016 Internal Auditor Training by SIRIM.

HEALTH, SAFETY AND ENVIRONMENT



At Gas Malaysia, it is imperative that we create a safe and conducive workplace for employees. The experience gained in the last two years, has reinforced the importance of our employees' health and safety. The overall health and well-being of our employees are fundamental to the growth of our business.

In addition to asset resiliency upgrades, our efforts throughout 2022 were focused on safeguarding our employees as we took multiple steps to impose strict safety measures for our business partners, customers as well as the communities around us as we adapted to a post-COVID-19 environment. Comprehensive safety, health, and environmental protection policies and procedures were strengthened to ensure the safe and reliable delivery of gas supply. We held various types of training and awareness programmes including Health and Safety Day, First Aid training, and building evacuation drills, to name a few.

We also conducted a total of 113 health, safety and environment ("HSE") inspections and carried out 42 health, safety, environment and quality ("HSEQ") audit sessions at the workplace.

In 2022, we have maintained our accreditation for all four internationally-recognised management system standards, namely ISO 9001:2015 ("Quality Management Systems"); ISO 14001:2015 ("Environmental Management Systems"); ISO 45001:2018 ("Occupational Health & Safety Management Systems"); and ISO/IEC 27001:2013 ("Information Security Management Systems").

Other Information

Message from the Group Chief Executive Officer: Management Discussion & Analysis

OUTLOOK AND PROSPECTS

Our Sustainability Journey

According to Bank Negara Malaysia, 2023 is expected to continue facing external headwinds and tightening monetary policies that could see Gross Domestic Product ("GDP") growth moderating to 4% and 5%. We believe the outlook in 2023 is likely to remain challenging and uncertain. Global supply chain disruptions are expected to continue, though with a lesser impact in Asia as compared to the West. Faced with these uncertainties, this could have some impact on the business growth of our customers.

Mindful of this, we have taken a value-driven approach to strengthen our core and non-core businesses in order to transform Gas Malaysia into an organisation that is able to deliver meaningful value to our customers. We are guided by the new Gas Malaysia 30, 30 Strategy which steers our direction and growth roadmap. We will be reinforcing our core business while exploring opportunities along the gas value chain, such as LNG importation terminal and a petrochemical plant, in addition to other relevant businesses. We also plan to leverage our expertise by offering consultancy services to other companies and countries in the early stages of their gas distribution journeys.

On the GMD business front, we will continue to improve our capabilities based on international standards, to elevate our systems and embed processes that will drive greater efficiency and reliability across our operations. We will be expanding into areas such as Automotive Hi-Tech Valley (Perak), Nusajaya Industrial Area (Johor) and North Klang Valley Industrial Area (Selangor). Towards this end, more digital initiatives will also be introduced to improve overall operational efficiency, accelerate business expansion and reduce our impact on the environment. In order to maximise value and drive network expansion, we will continue to work closely with relevant government authorities such as the Ministry of International Trade and Industry, and Malaysian Investment Development Authority, state investment authorities, economic corridor investment authorities along with industrial park developers to expand into new areas and attract new customers. Further to this, we are pleased to be in compliance with the existing Incentive-Based Regulatory ("IBR") framework as we move into RP2.

Meanwhile, as we move into the second year of full market liberalisation, we note that customer expectations are also evolving. GMES's goal will be centred on introducing initiatives that drive our competitive advantage and providing value-added services that resonate with the needs of our customers. Cognisant of market competition, we will continue to supply natural gas to customers at competitive prices, with priority given towards service excellence.

We also continue to demonstrate good progress in our non-core business segment, aiming to grow our presence in the CHP and virtual pipeline space. The increase in the Imbalance Cost Pass-Through ("ICPT") mechanism for electricity for the first half of 2023 will provide opportunities for more businesses to move towards CHP. We are also making strides in renewable energy to foster long-term sustainable development in our business activities, guided by our statement of purpose in delivering best energy solutions for a better future. With this initiative, it will enable the Group to be a catalyst for the greater use of green gases.

ACKNOWLEDGEMENTS

We would like to express our gratitude to our Chairman, Tan Sri Wan Zulkiflee bin Wan Ariffin, and the Board of Directors for their continued wisdom and support.

We would also like to commend our management team and employees for their unwavering support, dedication and commitment. Our Warga Kerja Gas Malaysia continued to be our beacon of hope as we moved together through this tumultuous period of changes. My heartfelt appreciation goes out, especially to our Warga Kerja Gas Malaysia who have defied all odds to help us push boundaries, adapt to changes and embrace new challenges. Thank you for all the sacrifices in the last 12 months.

At Gas Malaysia, we are doing what we can to strengthen our competitive advantage as we have always been forward-looking and resilient. While we still have plenty of challenges ahead of us, it will also be nonetheless exciting. We are confident that as a team, we will be able to move together to deliver value to our stakeholders.

Thank you.

Ahmad Hashimi bin Abdul Manap

Group Chief Executive Officer

Introduction Overview of Gas Malaysia

Message from the Leaders

Strategic Context

Managing Our Risks & Opportunities

Gas Malaysia Berhad
("the Group" or "Gas
Malaysia") recognises
the importance of
sound risk management
practices and internal
controls to safeguard
shareholders' investments
and our assets.

We constantly undertake risk assessments as it is vital for the Group to manage its risk management process. Therefore, the respective risk owners are responsible for developing and reviewing the appropriate response strategies to mitigate all key risks within the Group.

A summary of our key priorities and mitigating measures are tabled below:



RISK

 This risk describes the various regulatory risks that can impact the Group's operations. This includes the potential loss of licenses needed to purchase and operate or changes to government or regulatory policies.

CAUSE(S) OF THE RISK

- Non-compliance to or breach of license conditions.
- Changes to the base tariff by Suruhanjaya Tenaga.
- Government intervention in retail gas pricing.

CONSEQUENCE(S) OF THE RISK

- The loss of our licenses would mean the inability to continue business operations as well as reputational loss.
- Adverse changes to policies or regulations will negatively impact the profitability of the Group.

MITIGATION STRATEGIES

- Ensure conditions of the Distribution and Shipping License are always complied with.
- Maintaining a good relationship with the Government and stakeholders enables the Group to anticipate changes and to manage and minimise the impact of such changes.

Managing Our Risks & **Opportunities**





- This describes the risk of workplace accidents that could cause injury, loss of life, damage to properties and the environment. This risk is also concerned with unauthorised entry or access to gas facilities with an intention to provoke and/or create a state of terror.
- This risk describes the potential loss of key talent and personnel that could impact the Group's business operations.
- Not conducting hazard identification, risk assessment and risk
- Lack of compliance to health, safety, and environment guidelines
- Lack of information, awareness, and knowledge.
- Procedures not being updated to reflect current work practices.
- Inadequate or poor maintenance of security measures at gas facilities.
- Potential existence of terror groups in the supply area.

Employees moving to peer companies for a more lucrative remuneration package and career path.

- Bodily injury or loss of life that can lead to a payout of compensation and medical bills.
- Legal action such as summons, penalties or imprisonment and stop-work orders.
- Reputational impact with damage and loss of revenue.
- Supply interruption with damage to gas facilities.
- Incur cost overrun to restore supply.

Disruption to daily business operations and incurring investment loss with regards to its human capital development.

- Ensure approved Hazard Identification, Risk Assessment and Risk Control ("HIRARC")/Job Safety Analysis ("JSA") is available at
- Competent personnel, e.g. SHO/SSS to conduct site safety and toolbox briefing on daily basis.
- Conduct continuous education programme for all site personnel.
- Approved procedures to be made available at worksite.
- Installation of appropriate security measures, i.e., installation of CCTV and anti-climb fencing.
- Periodic facilities inspection to detect any abnormalities at the facilities.

- Ensuring that the Group's remuneration package is competitive in comparison with industry standards.
- Establishing a competent talent pool with appropriate succession planning programmes to develop successors for key positions within the Group.
- Ensuring a healthy, harmonious, and conducive working environment that promotes work-life balance which incorporates elements of professionalism, recreation, and team spirit.

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IMPLEMENTING A SUSTAINABLE FUTURE

OUR APPROACH TO SUSTAINABILITY

Gas Malaysia Berhad ("the Group" or "Gas Malaysia") acknowledges that sustainability is a key aspect of our business operations as we seek to produce long-term value for our stakeholders.

As a purpose-driven organisation, sustainability considerations contribute directly to what we do as a business, how we operate and how we engage with our stakeholders. As such, we recognise that sustainability is crucial to our business operations in order to reduce our environmental impacts, maximise our economic returns and ensure that good governance practices are upheld. We are guided by Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) and the Global Reporting Initiative ("GRI") Framework to aid us in meeting our commitment of creating a more sustainable and resilient organisation.

The contents of this report reflect our most material sustainability impacts across our value chain as well as the sustainability issues that were most significant to us and our stakeholders in 2022.

Our Sustainability Pillars



ECONOMIC

Gas Malaysia is committed to supporting the sustainable growth of the nation through our business operations and practices. We understand that the provision of clean, safe and reliable energy is essential in driving economic growth and contributing towards the transition to a low-carbon economy.

As such, we play an important role in ensuring that the sustainable growth and development of our business is in line with the development of the local economy. Our contributions extend beyond this as we also add value to the economy through the development of gas infrastructure which in turn generates economic value for our vendors, business partners and employees.

Please refer to page 44



GOVERNANCE

Gas Malaysia is fully aware that good governance is not only crucial for our business operations but is also important for our stakeholders as well. We understand that good corporate governance helps to improve stakeholder relationships as it helps us to improve on our best practices in order to enhance our responsibility and accountability to our stakeholders. Gas Malaysia also acknowledges that a good governance structure helps us in managing the company responsibly and according to sound ethics and accountability. As such, we have put in place various governance practices to help us become more accountable to our stakeholders.

Please refer to pages 45 to 47



ENVIRONMENT

Gas Malaysia is fully aware of the impact that we have on the environment, using natural resources to support our operations. We acknowledge that we need to strive to preserve natural resources as we diligently monitor our Greenhouse Gas ("GHG") Emissions.

We are guided by the ISO 14001:2015 Environmental Management Systems, which underlines our commitment towards minimising any adverse environmental impact that may arise from our operations. This certification also helps guide us in identifying, monitoring, managing, and mitigating environmental issues as we strive to achieve incremental improvements in integrating sustainability into our business operations.

Please refer to pages 48 to 52



SOCIA

At Gas Malaysia, we are aware of our responsibility of safeguarding the wellbeing of our employees, customers as well as the local communities in the areas that we operate in. The social pillar is of particular importance to us as our people are at the core of our business operations. As such, we continue to invest in the safety and health of our people, strive to give our customers excellent service in every interaction and continue to work on uplifting communities that we care deeply about.

Please refer to pages 53 to 59

Other Information

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Our Aspiration

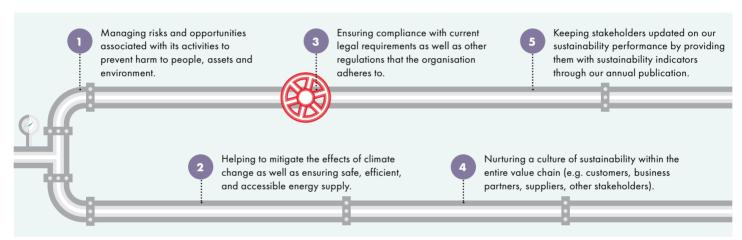
Our business practices are designed to create sustainable, long-term value throughout our value chain through fair, ethical, responsible, and transparent business conduct.

Our Commitments

Gas Malaysia is committed to ensuring that environmental, ethical and social principles are at the core of our business decisions.

In line with this, we commit to identifying and analysing the expectations of Gas Malaysia's various stakeholders as well as establishing action guidelines regarding key issues such as GHG emissions, health and safety, good governance, employment practices, non-discrimination, and anticorruption.

Gas Malaysia understands that sustainability must be integrated within all aspects of Gas Malaysia's business and organisational levels while considering the perspective of its stakeholders such as:



Scope & Boundary

In preparing this statement, we have aligned our reporting with Bursa Malaysia's Sustainability Reporting Guide. This statement covers our sustainability-related activities for the period 1 January 2022 to 31 December 2022 for the Group.

Statement of Assurance

This Sustainability Statement has not been subject to an assurance process.

Sustainability Governance

As part of our strategy to become a purpose-driven organisation, we have implemented a sustainability governance structure that will ensure all business activities are conducted in line with our sustainability commitments. The framework defines the roles and responsibilities of the Board and Management as well as the disclosure processes which enable us to accurately report on our progress.

Gas Malaysia's sustainability governance structure empowers the Board of Directors ("BOD") with the responsibility of endorsing Gas Malaysia's sustainability strategies and goals while also empowering the Board Risk & Compliance Committee ("RCC") with the responsibility of providing oversight on Gas Malaysia's sustainability strategies and goals.

Below the RCC, is the Management Committee ("MC"), comprising the GCEO and senior management members of the company, is responsible for providing guidance to developing and implementing Gas Malaysia's sustainability goals and strategies. The MC reviews and recommends appropriate sustainability strategies and goals to the RCC.

In supporting the MC, the Corporate Strategy Department is responsible for designing and formulating Gas Malaysia's sustainability strategies and goals as well as ensuring the company's sustainability progress are tracked and updated periodically.

Our sustainability governance helps to ensure that Gas Malaysia's sustainability initiatives are being managed effectively. This includes establishing goals and strategies, as well as communicating key messages about our sustainability efforts through a top-down approach. Introduction Overview of Gas Malaysia Message from the Leaders

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Sustainability Governance Structure

Members

Consists of Board Members.

Responsibilities

Endorse Gas Malaysia's sustainability strategies and goals.



Responsibilities

Members

Provide oversight on Gas Malaysia's sustainability strategies and goals.

Consists of Board Members.

Members

Consists of the GCEO and senior management members.

Responsibilities

- 1. Review and recommend Gas Malaysia's sustainability strategies and goals.
- 2. Provide guidance to develop and implement Gas Malaysia's sustainability goals and strategies.

Members

Consists of various Department Heads, heads of subsidiaries and joint venture companies.

Responsibilities

- 1. Report on sustainability performance to Corporate Strategy.
- 2. Implement sustainability plans and initiatives initiated by Corporate Strategy.



Corporate Strategy





Responsibilities

- 1. Design and formulate Gas Malaysia's sustainability strategies and goals.
- 2. Ensure overall sustainability strategies, goals and initiatives are implemented, tracked and reported.











Sustainability Statement

Stakeholder Management

We actively and consistently engage with our stakeholders across eight (8) different groups, with varied concerns and interest as well as influence and impact over the Group. We are of the opinion that such engagements not only help improve rapport and strengthen relationships but, also helps the Group to better understand the concerns of stakeholders. This in turn will help to enable efficient and relevant response. It must be noted that during the pandemic, most of our engagements shifted to online (virtual) formats, however, this did not hinder or dampen our commitment towards better engagements with our stakeholders.

Stakeholder Group	Method & Frequency of Engagement	Expectations & Concerns	Our Response	Impact on the Group
Regulatory Bodies & Government Agencies	Engagement Method Engagements and Dialogue Sessions Reporting and Consultation on Regulatory or Industry Related Matters Formal Meetings Familiarisation Visits Engagement Frequency Regular & Ad-hoc	Regulatory bodies such as Suruhanjaya Tenaga and the Economic Planning Unit expect the Group to comply with the relevant laws and regulations.	Cooperated effectively with Suruhanjaya Tenaga to ensure that our business operations remain well-prepared and equipped to fully adhere to the Third Party Access ("TPA") requirements. We have been in close consultations with Suruhanjaya Tenaga on gas tariff revisions.	Not adhering to the relevant laws and regulations can lead to a withdrawal of our licence to operate, penalty fees and closs of reputation.
Board of Directors ("BOD")	Periodic Board and Board Committee Meetings Formal Correspondences Engagement Frequency Scheduled & Ad-hoc	The Board expects the Group to uphold the highest principles of transparency and accountability in full compliance with all applicable laws.	Management has ensured that the Board is always kept updated regarding the Group's latest business and governance developments.	A good working relationship with the Board will ensure business continuity through good and ethical governance practices.
Shareholders	Engagement Method Quarterly Analyst Briefings Open Dialogues Sessions (Scheduled & Unscheduled) Conference Calls Annual General Meeting ("AGM") Annual Reports Site Visits Media Releases & Bursa Announcements Engagement Frequency Scheduled, Regular & Ad-hoc	Shareholders expect the Group to sustain its earnings potential and market presence for the investment community. They are also concerned about matters such as material business development, liquidity and fair ratings of Gas Malaysia's shares, shareholders' confidence and the enhancement of shareholders' value.	We have designed a comprehensive investor relations engagement programme, which focuses on guided disclosures about the Group's business focus, financial performance, new businesses and market liberalisation.	Maintaining good engagement with our shareholders is positive for our business as it increases the interaction with the capita market and fosters a positive perception amongst the investment community, which can also increase positive analyst coverage of the Group.

Sustainability Statement

Stakeholder Management

Stakeholder Group	Method & Frequency of Engagement	Expectations & Concerns	Our Response	Impact on the Group
Customers	Engagement Method Dialogue Sessions Customer Relationship Building Programme Formal Meetings Customer Feedback Platforms Road Shows Engagement Frequency Regular & Ad-hoc	Our industrial, commercial, retail and residential customers expect the Group to deliver reliable and quality service that meets the required standards at competitive pricing.	 We have focused on increasing engagement with our customers and have organised outreach programmes. We have enhanced our customer service by conducting after-sales and value-added services. Taken constructive feedback from customers into consideration to further improve our services. 	Our strong customer-centric service will strengthen our customer base and market share, in addition to improving customer experience and brand loyalty which will turn our customers into brand ambassadors.
Authorities	Engagement Method Dialogue Sessions Formal Meetings Familiarisation Visits to our Gas Facilities Engagement Frequency Regular & Ad-hoc	Federal, state and local government as well as safety and health authorities expect the Group to comply with the related legal and regulatory requirements under their jurisdiction.	The Group continues to ensure that all relevant and applicable laws are strictly followed and complied with.	Non-compliance with relevant laws and regulations can result in our licence being revoked and will also cause a loss of reputation. Work permits must be obtained from local authorities before we can commence pipeline construction.
Business Partners	 Engagement Method Formal Meetings Dialogue Sessions Engagement Frequency Regular & Ad-hoc 	Suppliers and vendors of the Group expect fair opportunities and the transparent conduct of procurement and payment processes.	 The Group has established a procurement policy and has an Integrity Pact in place. We have also strictly observed fair procurement and pricing evaluation practices, while monitoring any process irregularities. 	The fair and transparent treatment of our vendors and suppliers will have a positive impact on the quality and timeliness of the deliverables, leading to better project outcomes.

Our Sustainability Journey

Financials

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Stakeholder Group	Method & Frequency of Engagement	Expectations & Concerns	Our Response	Impact on the Group
Employees	Engagement Method Employee Engagement Survey Internal Communications Employee Engagement Initiatives Leadership Engagement Sessions Sports and Recreational Activity Engagement Frequency Regular & Ad-hoc	Our employees are concerned about fair employment practices, career opportunities and safety and health.	The Group provides ample opportunities for learning and development and is committed to nurturing future potential talent to ensure career progression. The Group also upholds good safety and health practices to ensure our employees remain safe at all times.	Good employment practices will improve overall productivity and improve employee loyalty and result in a lower attrition rate.
Local Communities	Engagement Method Periodic Meetings Dialogue Sessions CSR Initiatives Engagement Frequency Regular & Ad-hoc	The communities in areas we operate are concerned about the Group's activities and how they may affect the surrounding areas.	We take great care in ensuring public safety standards are upheld and closely monitor the pipelines we have built. Through our Corporate Social Responsibility ("CSR") initiatives, we closely collaborate with welfare associations and conduct community outreach programmes, while providing financial support for community development and environmental preservation programmes.	Nurturing good relationships with local communities will enable positive outcomes involving community concerns. Environmental protection to ensure more sustainable business outcomes.

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Materiality Assessment

In upholding our commitment as a responsible and conscientious player in the energy sector, sustainability remains as a core consideration of what we do and how we do it. As such, Gas Malaysia's performance and long-term sustainability is closely linked to how effectively we address our material matters.

With a large footprint throughout the country, it is essential to be aware of the issues material to us in the environmental, economic, social and governance context. On this note, we are guided by the perspectives and expectations of our stakeholders which we have identified through regular stakeholder engagements in order to help us manage our material maters more effectively.

In the year under review, we have conducted a materiality assessment to capture material matters that substantively affect our ability to create sustainable value over the short, medium and long term.

OUR MATERIAL ASSESSMENT PROCESS CONSISTS OF THREE STEPS



Identification

- · We identified a list of potential material matters that are important to both our stakeholders and Gas Malaysia by analysing the GRI Framework.
- We specifically analysed the Sector Standards (GRI 11: Oil and Gas Sector) of this framework to identify the list of potential material matters.
- Based on the analysis of this framework, we identified a total of 22 potential material matters.



Stakeholder Engagement

- We then conducted a validation process via surveys with internal stakeholders namely our Board of Directors and Management Committee Members to assess the relevancy of these material matters to Gas Malaysia.
- Through this process, a total of nine (9) material matters were selected as relevant to Gas Malaysia's operations.



Prioritisation

We then prioritised the selected material matters based on two-criteria:

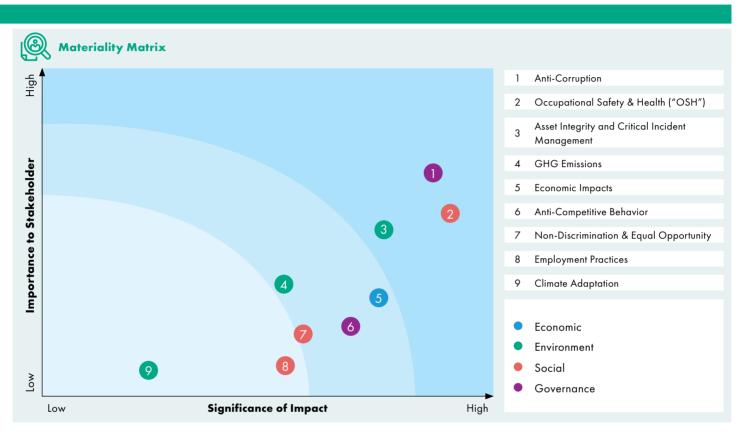
- The importance of the material matter to the stakeholder
- The impact of the material matter on our business

We then plotted the selected material matters within our materiality matrix.

Our Sustainability Journey

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Sustainability Statement





Economic sustainability is one of the cornerstones of sustainable development and is key to Gas Malaysia's long-term growth.

We grow our business by expanding the reach of our network and improving access to gas supply for all Malaysians. The business decisions we make also take into account our environmental, social and financial impacts. We believe our contributions will go a long way towards boosting the nation's economy, driving us towards sustainable development and our UN SDGs.



How We Manage the Matter

The Group strives to uphold sustainable and responsible business practices through effective risk management, investing in sustainable solutions and expanding the gas industry by actively engaging with our stakeholders. We strive to meet the nation's energy needs in a sustainable manner, as a provider of cleaner, safer, reliable and cost-effective energy solutions to industrial, commercial and residential customers. The Group continues to fully adhere to relevant laws and regulations while upholding the highest standards of integrity and governance.

Transparent and Fair Procurement Practices

The Group manages its procurement in a fair and transparent manner to ensure accountability and integrity. This is practiced in various processes such as confirming a vendors' interest before inviting them to participate in a tender. It is our belief that business ethics are the cornerstone to the sustainable growth and future of our business.

We strive to cultivate a sustainable supply chain by developing stronger partnerships with our business partners while reducing the potential risks to our business. To this end, Gas Malaysia conducts its procurement in a fair and transparent manner in several ways, including confirming the vendor's interest before inviting them to commit to a tender. Each step in the tendering process is conducted according to the standard operating procedure ("SOP") and approval requirements, from the preparation of the bidding list to tender evaluation and award recommendations.

In addition, the Group has implemented an e-Procurement system which provides a myriad of benefits, such as:

- Increases efficiency, transparency and productivity
- Shortens the procurement cycle
- · Digitalises the procurement contents and processes
- Facilitates engagements with vendors

Sustainability Statement



Our Sustainability Journey

GOVERNANCE



It is an imperative to uphold good governance and ethical business practices to ensure the safe and reliable distribution of aas to our industrial, commercial and residential customers throughout Malaysia.

Our commitment to uphold sound corporate governance practices and to comply with relevant laws and regulations within a highly-regulated industry like ours is crucial to protecting the interests of our shareholders and stakeholders.



How We Manage the Matter

The Group takes active measures to prevent corruption as it poses severe financial, operational, and reputational risks that impedes business growth. We continue to consistently adhere to Gas Malaysia's Anti-Bribery and Anti-Corruption ("ABAC") Policy, Whistleblower Policy and other applicable laws to promote transparency and accountability within our company.

Our strategy includes implementing the T.R.U.S.T. principles covering Top level commitment, Risk assessment, Undertaking control measures, Systematic monitoring, review and enforcement, and Training and communication, as well as the Anti-Bribery Management System according to the Malaysian Standards ISO 37001:2016. Moving forward, the Group and its subsidiaries are moving towards obtaining the ISO 37001:2016 Anti-Bribery Management System ("ABMS") Certification by a recognised certification body.

Anti-Bribery and Anti-Corruption

Embedding a culture of integrity across our business operations is key to enforcing good corporate governance. Since 2021, we have in place an Integrity and Governance Department which is responsible for managing complaints, detecting and verifying non-compliance incidents and improving the overall integrity and governance of our organisation.

Sustainability Statement

We provide training for employees to increase their awareness on the current issues relating to bribery and corruption and to keep them well-informed. As such, employees have been trained on the following topics:

Abuse of Power and Misappropriation by Malaysian Anti- Corruption Commission ("MACC")	Corruption Offences Committed by Commercial Organisations by MACC	'Do the Right Thing' by Institut Integriti Malaysia ("IIM")	ISO 37001:2016 – Risk Management and Assessment Training by SIRIM	ISO37001:2016 – Internal Auditing by SIRIM
Participation Rate: 100% of all staff	Participation Rate: 100% of all staff	Participation Rate: 46% of non-executive staff (ongoing programme to be continued in 2023)	Participation Rate: 70 % of Risk Coordinators	Participation Rate: 100% of appointed ABMS internal auditor

In relation to this, the Group has developed a Gifts Guideline, which outlines the company's position, types of gifts, and declaration of gifts. An approval must be obtained as per the Group's Limits of Authority ("LOA") on accepting and offering gifts between employees, customers, vendors, contractors, and third parties. All gifts must be handled in a way that prevents abuse and is not in the employee's interest.

There were zero reported cases of violation of the ABAC Policy

In 2022, the Group carried out several initiatives under T.R.U.S.T Principles. The following describes the objectives and initiatives for each principle:

T.R.U.S.T Principles	Objectives	Initiatives
Top Level Commitment	To ensure business activities are carried out in an environment that is bribery-free.	 All employees including Senior Management and the Board of Directors have pledged and signed the Corruption-Free Pledge, or "Ikrar Bebas Rasuah" ("IBR") in compliance to the MACC directive Establishment of the Integrity and Governance Department Revision of Board Charter & ABAC Policy Establishment of Gifts Guideline
Risk Assessment	To ensure adequate measures are in place to prevent, detect and respond to bribery and corruption risks.	 Identifying internal and external issues that lead to bribery, and evaluating the needs and expectations of stakeholders Corruption Risk Assessment for all business units in: Gas Malaysia Berhad Gas Malaysia Distribution Sdn Bhd Gas Malaysia Energy and Services Sdn Bhd Gas Malaysia Retail Services Sdn Bhd Gas Malaysia Energy Advance Sdn Bhd Gas Malaysia Virtual Pipeline Sdn Bhd Gas Malaysia Synergy Drive Sdn Bhd
Undertake Control Measures	To ensure adequate measures are in place to prevent, detect and respond to bribery and corruption.	Establish ABMS-related documentation Implementation of ABAC Policy Implementation of Whistleblower Policy Implementation of Gifts Guideline Implementation of Integrity Pact ABAC, Gifts Guideline Briefing & Corruption-Free Pledge or IBR for new employees
Systematic Monitoring, Review and Enforcement	To ensure adequate measures are in place to prevent, detect and respond to bribery and corruption.	 Revision of Board Charter Review of Code of Ethics Review of ABMS-related documentations i.e. ABAC Policy, ABMS Manual, ABMS Internal Audit Procedure, Corruption Risk Assessment Procedure and Gifts Guideline ABMS Stage 1 Audit by Certification Body
Training and Communication	To train employees on their awareness and understanding of ABMS to reduce potential bribery risks. To promote better corporate governance and legal compliance.	 Providing ABMS training and awareness for all staff and business associates Communication to all staff on ABAC Policy and Gifts Guideline through posters, e-mails, notice board, e-Bulletin and the intranet

Sustainability Statement

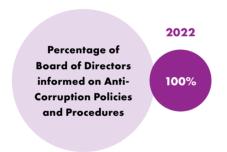
Operations Assessed for Corruption-Related Risks

Our Sustainability Journey

As the Group strives to combat corruption to achieve progress and sustainable change in our business, we continue to have our operations regularly assessed for any risks related to corruption. In the year under review, a series of Corruption Risk Assessment ("CRA") sessions were conducted across all business units under Gas Malaysia to improve the existing corruption risk register. As of 31 December 2022, the Group's identified corruptions risks are under review, and pending to be recorded and reported in the risk management system.

Communication and Training on Anti-Corruption

It is vital to fully educate our staff on the importance of best practices to avoid bribery and corruption at all costs. Such acts are contrary to our corporate principles, and they are illegal acts, incurring fines and penalties, causing damage to the employee and the company. As such, in 2022 all employees including our Board of Directors have been informed on Anti-Corruption Policies and Procedures.



- Directors were briefed on Gas Malaysia's ABAC Policy via Board Meetings.
- All new directors that were appointed after the approval of our ABAC were given a copy of the Director's handbook which includes the ABAC Policy.
- The Board of Directors have also undertaken the Corruption Free Pledge and were
 present during the discussion on the revision of Gas Malaysia's ABAC Policy.



 All employees have been briefed on Gas Malaysia's ABAC Policy and Gift Guidelines via e-mail and during their induction session.

Anti-Competitive Behaviour

Gas Malaysia embraces healthy competition between businesses as it drives the company to innovate and improve its efficiencies, resulting in competitive pricing, better quality products and services, more options for consumers and increased value for all. The Group is committed to behaving in an acceptable way towards competitors and suppliers and avoids engaging in any form of illegal or potentially illegal business behaviour.

To this end, we strive to adhere to local and international laws to avoid anti-competitive behaviour and monopoly practices, that would influence our output volume and create monopolies over distribution, transportation and supply to our customers.

How We Manage the Matter

The Third-Party Access ("TPA") regulatory framework allows third parties to gain access to gas facilities that they do not own nor operate. Besides that, the TPA system allows multiple entities to have access to and utilise gas facilities that are available in Malaysia, to provide a reliable and sustainable supply of gas to customers.

To reinforce our position in the industry value chain in preparation for full market liberalisation, we have successfully unbundled our business operations into two separate entities – gas distributor and gas shipper. These two entities known as Gas Malaysia Distribution Sdn Bhd ("GMD") and Gas Malaysia Energy and Services Sdn Bhd ("GMES"), are wholly owned by Gas Malaysia and were awarded a distribution licence and shipping licence respectively.

Further to that, GMD was granted a 20-year distribution licence, enabling it to fulfil its role as a gas distributor via its NGDS throughout Peninsular Malaysia. On the other hand, GMES plays the role of a gas shipper as it was granted a 10-year shipping licence to procure gas from a shipper and deliver gas according to customers' requirements.

Introduction

Sustainability Statement



ENVIRONMENT



As corporations across the nation are stepping up their Environmental, Social and Governance ("ESG") commitments, Gas Malaysia pushes ahead with its efforts to conserve the environment while managing the consumption of electricity, fuel and water.

Climate change continues to be an important aspect of our operations as it poses a risk to our business growth and impacts the environment and society. To this end, we made every effort to minimise our emissions to mitigate the impacts of climate change and continued to measure and monitor the GHG emissions from our business operations. We also implemented efforts to improve energy efficiency in our operations and utilise renewable energy solutions.

We remain guided by the ISO 14001:2015 Environmental Management Systems Standard, which helps us to identify, assess and manage our environmental matters, as well as minimise any environmental impacts arising from our operations.

In the year under review, we took the initiative to disclose our GHG emissions, in particular, Scope 1 and 2 emissions. We believe that measuring our GHG emissions will help us to identify and prioritise areas for improvement in the future.

Asset Integrity and Critical Incident Management

As a component in the oil and gas industry, asset integrity and critical incident management is vital to the Group to ensure a safe and sustainable business. This includes implementing measures such as inspection, testing, verification, and other methods to prevent major accidents or hazards within the Group. It is our duty to create a safe space by safeguarding our operations and embedding an incident-free culture within the workplace through the consistent prevention of hazards and accidents.

Other Information

Sustainability Statement



How We Manage the Matter

Public safety continues to be our highest priority. We strive to reduce critical incidents that can damage our assets and the surrounding environment, such as gas leaks during distribution which can lead to injuries and pollute the surrounding soil, water and air.

We continue to enforce comprehensive safety measures and quality controls throughout our operations in compliance to relevant policies and procedures, to deliver natural gas safely and consistently to our customers. Regular preventive maintenance and systematic troubleshooting are also periodically executed to keep our gas facilities well-maintained. We also make sure that the design and material specifications of our pipelines are in adherence to local regulations and international codes and standards.



Safety Measures at Gas Networks Infrastructure

Our efforts to create a safe environment begin from the planning stage up to the construction stage, as every detail is carefully considered to ensure the safety of our infrastructures. For instance, in our expansion plans, pipeline routes and locations of isolation valves are carefully selected, while design and material specifications are guided by the local regulations as well as international codes and standards. Meanwhile, in the construction stage, competent contractors are engaged to design, engineer, procure, construct and commission our gas pipelines. Moreover, our steel pipes are sourced from manufacturers licensed by the American Petroleum Institute ("API"), based on verified specifications and certified by a third-party agency.

Safety Measures at Operations & Maintenance

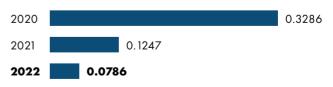
We keep our gas facilities well-maintained through regular maintenance and systematic troubleshooting to prevent risks and hazards from occurring. Our safety measures include gas station inspections, monitoring of underground steel gas pipeline conditions via cathodic protection inspection, valve inspection, pipeline leakage survey, pipeline integrity inspection and odorant intensity level check.

Daily pipeline inspections are also conducted to identify irregularities and to oversee third-party work carried out at our gas facilities. All third-party work conducted within the vicinity of our gas facilities requires approval and monitoring by our Operations & Maintenance team to prevent damage, as per our standard operating procedure.

Aside from that, we have dedicated on-call emergency response teams on standby to promptly respond to emergencies within 90 minutes of notification. These teams are enforced to reduce the risk of our operations to the public and limit the potential damage to property and the environment. In the year under review, our System Average Interruption Duration Index ("SAIDI") results improved to 0.0786 minutes of interruption per customer, while our average response time was relatively maintained to 25.78 minutes.

SAIDI Results by Year

SAIDI (Average Minutes of Interruption per Customer)



Response Time (Average Minutes Taken to Respond at Site)



Sustainability Statement

Climate Adaptation, Resilience & Transition

In the past year, many have suffered from the worsening effects of climate change, evident from the heatwaves and flood disasters which have hit several countries.



In the context of such challenges, adapting to climate change is a necessity as industries need to take action to prevent severe environmental effects.

To protect the planet, efforts need to be made to reduce GHG emissions and increase our efforts in adaptation to help people build long-term resilience to the evolving environmental changes. With this in mind, the Group is committed to a low-carbon future through its efforts to reduce GHG emissions, driving the nation towards a low-carbon future via the transmission of natural gas to consumers.



How We Manage the Matter

GHG Emissions

Gas Malaysia aspires to play a pivotal role in contributing towards the nation's aspiration of a low carbon future and to fulfil the climate change agenda. Natural gas has been identified as the main transition fuel as it is one of the cleanest forms of fossil fuels, emitting up to 50% less CO_2 in comparison to coal.

Apart from that, the Group generates electricity through gas-powered combined heat and power systems ("CHP") through its joint venture entities, which are highly efficient and produce less emissions. CHP systems utilise 32% less fuel and have 50% less annual carbon emissions than coal.

The Group also explored other opportunities for waste-to-energy solutions, such as the use of methane released from POME as part of its Green Gas Project. POME is an organic liquid waste that is generated during palm oil production. By utilising waste-to-energy we are able to acquire the methane that is released, convert it to bio-methane, to be injected into our pipelines. This enables us to mitigate methane emissions that would have been released into the atmosphere which is more harmful as methane is 21 times more potent than carbon dioxide, as it traps heat in the atmosphere, contributing towards global warming and ultimately climate change.

Our Green Gas Project is a unique initiative, as it involves injecting biomethane generated from POME into the national grid. In 2023, we will inject the first batch of biomethane into our NGDS and by the end of 2025, we aim to achieve 517,000 MMBtu of biomethane volume. Not only that, but we are also open to explore platforms recommended by the Government including the Voluntary Carbon Market which was launched by Bursa Malaysia.

During the year, the Group continued to practice transparency and accountability by reporting our carbon emissions (Scope 1 & 2), according to the international reporting frameworks. We believe that the consistent measuring and reporting of our carbon emissions will help us to improve our understanding of our environmental impacts and enable us to plan more impactful initiatives to reduce our consumption of energy and emissions.

Scope 1 GHG emissions include direct emissions that occur from sources that are controlled or owned by Gas Malaysia, while Scope 2 records indirect GHG emissions associated with the purchase of heat, steam, electricity or cooling. Our measurements are calculated based on the GHG Protocol Corporate Standardand according to IPCC 2006 Guidelines.

The following are the emissions measured in 2021 and 2022:

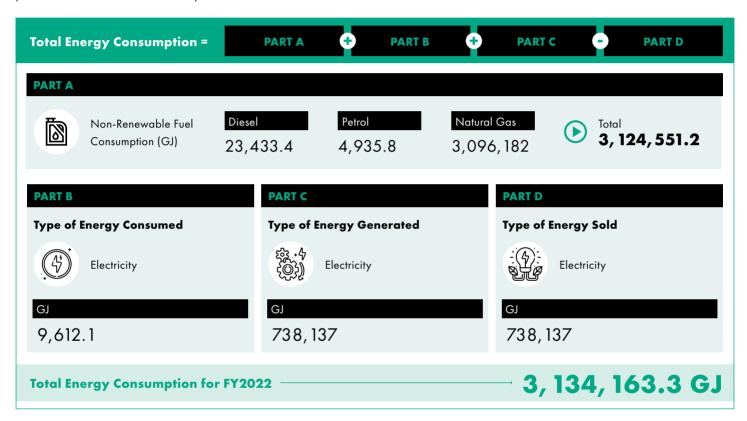
SCOPE 1	SCOPE 2
2021 (tCO ₂ e) — 19,923	2021 (tCO ₂ e)
2022 (tCO ₂ e) — 176,065.204	2022 (tCO ₂ e)1,850.33

^{*}The increase in Scope 1 emissions from 2021 to 2022 is due to incorporating emissions from our combined heat and power (CHP) plants into our GHG emissions calculations. The increase in Scope 2 emissions from 2021 to 2022 is due to the increase in electricity usage as more staff members started working from the office (more office space and facilities being utilised) instead of working from home (due to COVID-19) and because our manpower has increased from 2021 to 2022.

Sustainability Statement

Energy Management

Managing our energy efficiently is important in our business operations, as it reduces our carbon footprint and embeds a culture of energy-saving initiatives such as optimising fuel usage and integrating the use of energy-efficient equipment across our operations. We greatly rely on diesel and petrol for our vehicles while electricity is utilised at our offices and stations.



Waste Management

Gas Malaysia strives to be responsible in its waste management through our commitment to reduce the amount of waste sent to landfills. We believe our long-term measures will save cost, protect the environment, elevate our reputation and safeguard the health of our workers.



How We Manage the Matter

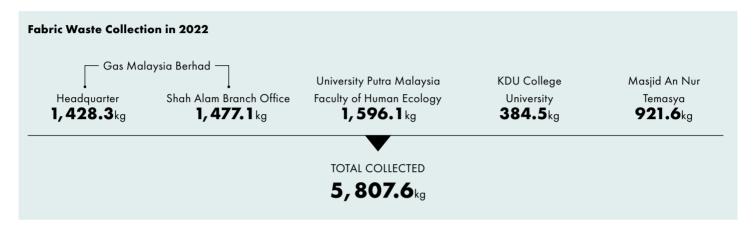
In our management of waste, we recycle our waste and ensure our scheduled waste is handled responsibly in compliance with the Environmental Quality Act 1974. Our generated scheduled waste is grouped into the following five categories:

SW1:	SW2:	SW3:	SW4:	SW5:
Metal and metal-	Waste containing	Waste containing	Waste which	Other waste
bearing waste	inorganic	principally organic	contains inorganic or	(residue from
	constituents which	constituents which	organic constituents	treatment or
	may contain	may contain metals		recovery of
	metals and organic	and inorganic		scheduled waste)
	materials	materials		

In the year under review, we discarded 0.14 MT of fluorescent bulbs (SW109).

Sustainability Statement

The Group established an ongoing collaboration with a social enterprise, where five bins to collect fabric for recycling were placed in various locations including our head office, educational institutions and mosque. In the year under review, this initiative enabled us to divert 5,807.6kg of fabric from being dumped into the landfill.



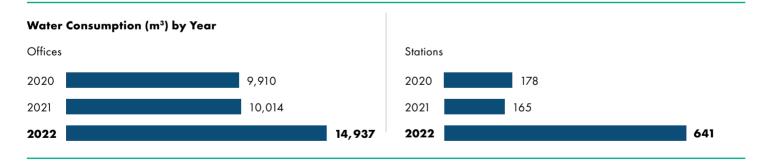
Water Consumption

Although water is a renewable natural source, the Group focuses on optimising its management of water to enforce good responsible practices across our operations. The Group continues to be committed in conserving the use of water to ensure we have a consistent supply and to reduce water-related costs.



How We Manage the Matter

Our consumption of water is mainly for general use within our offices, while water is used for auxiliary processes at our stations. In 2022, our water consumption was 15,578m³, which increased in comparison to our consumption of 10,179m³ in 2021.



Financials

Other Information

Sustainability Statement





Our strength and success are largely dependent on the collective efforts of our employees as they have the ability to transform our business.

As the Group seeks to enable employees to perform to their fullest potential, it continues to invest in its people through development programmes to strengthen its engagement with them and to elevate their competencies, while developing a conducive workplace that is centred on safety, diversity, equality and excellence. Year after year, we make efforts to put people first, from providing a safe workplace for employees, delivering customer excellence to upholding the needs of communities.

Employment Practices

We greatly value our people and deeply care about their health and well-being, safety and development. The Group continues to make efforts to engage, retain and attract the best talents in the industry, by providing training and education, attractive benefits, and covering our employees with relevant frameworks and policies. In addition, the effective implementation of labour practices and policies will enhance employee productivity and bolster the company's long-term performance.



How We Manage the Matter

Gas Malaysia has a diverse pool of talents from various genders, backgrounds, ethnicities, age groups and other demographics that bring together a solid team of people who work as one unit to expand the business and achieve targets. We are committed to creating a safe, nurturing, inclusive, rewarding and empowering workplace to enable our employees to attain excellence in all that they do for the Group. To cultivate a high-potential and high-performing workforce, we consistently invest in the development of our employees to equip them with training, leadership and core skill programmes to elevate their competencies.

Sustainability Statement

Our Commitments

The Group advocates equal employment opportunities in accordance with local laws and regulations. Our employment practices are specified in the employee handbook and circulars, which are disseminated via email to update our employees on any changes to the labour laws or guidelines.

Labour Practices

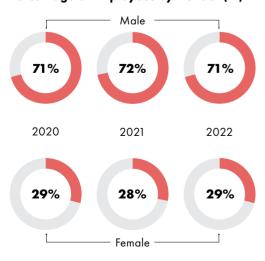
Our approach is guided by the principles outlined in Malaysian Employment laws. All employees are treated with dignity and respect, without discrimination-based factors such as age, gender, etc. in terms of employment, promotion, rewards and career advancement within the Group. We adopt a merit-based approach that hires and promotes individuals based on their skills, experience, capabilities and job performance.

The Group has a zero-tolerance approach towards all forms of child and forced labour throughout its operations.

Employee Diversity

In the year under review, male employees comprised 71% while females stood at 29%. At the same time, employees in the 30-50 age group represented the majority of employees in the Group. Gas Malaysia continues to provide equal opportunity to both males and females in terms of hiring and employment opportunities.

Percentage of Employees by Gender (%)



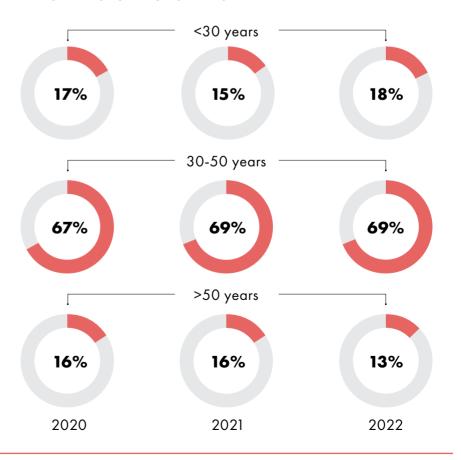
Percentage of Male Employees by Management Level (%)

Position	20	20	20	21	20:	22
	Number	Rate	Number	Rate	Number	Rate
Non-Management	339	88%	358	89%	374	90%
Management	37	9%	35	9%	31	8%
Senior Management	11	3%	9	2%	11	2%

Percentage of Female Employees by Management Level (%)

Position	2020		2021		2022	
	Number	Rate	Number	Rate	Number	Rate
Non-Management	149	94%	153	95%	156	93%
Management	8	5%	7	4%	10	6%
Senior Management	1	1%	1	1%	1	1%

Percentage of Employees by Age Group (%)



Sustainability Statement

Breakdown of Permanent & Contract Staff (2022)

Number of Female Staff

Number of Male Staff

Permanent **166** Contract **2** Permanent **409** Contract 6

New Hires & Attrition

The Group continued to recruit talents to drive the growth of the company and improve the overall success of its business, maximising productivity and diversifying the skills of its workforce. In 2022, the Group hired 32 new hires. We also attained an attrition rate of 8.98% for 2022.

Number of New Hires

Total Number of New Hires

2022	2021
32	46

Attrition Rates (%)

2022	2021	2020
8.98	3.43	3.74

Attrition Rate by Age Group (2022)

<30	30-50	>50
2.11%	5.81%	1.06%

Attrition Rate by Gender (2022)

Male	Female
6.17%	2.81%

Membership Association

Gas Malaysia supports membership associations to establish industry best practices within its organisation, as well as to support employees in their career development. We believe that our membership enables us to advance our goals and purposes, as well as provide a wide range of tangible benefits and services including upskilling workshops, training and networking events. These membership associations also set standards for the industry and provide a wealth of information for our people on issues such as standardisation of processes and existing issues in the industry.

The following are a list of organisations/associations that Gas Malaysia subscribes to:

- Malaysian Employer Federation ("MEF")
- Federation of Malaysian Manufacturers ("FMM")
- Malaysian Gas Association ("MGA")

Non-Discrimination & Equal Opportunity

Our people are the cornerstones of our business and as a responsible employer, we strive to provide equal opportunities for our employees to grow personally and professionally, without discriminating against them. It is our belief that every individual deserves a chance to flourish and to be accepted despite their differences in opinion, background, religion, ethnicity and characteristics that are unique to them.

Apart from that, the Group also has in place a grievance mechanism that enables employees and third parties to file reports or grievances on any suspected breach in laws or regulations in our operations. With regards to any grievances reported, complainants are required to send a formal e-mail to our Human Resources. Once a grievance is received, HR will review the severity and contents of the grievance matter before providing the best possible solution in accordance with labour laws and procedures. This will be followed by checking facts with parties (complainant and defendant) involved through a conducted hearing, after which HR will determine a diplomatic resolution to reconcile both parties. Lastly, HR will follow up with complainant(s) to ensure that the issue(s) have been settled.



How We Manage the Matter

The Group is aware of the existing needs of its employees and seeks to accommodate their needs. This will also enable us to retain employees and build trust and loyalty within the workforce. We continue to offer training to upskill and develop the capacities of our employees and provide parental leave to accommodate those with family responsibilities. We also periodically engage with employees via our Employee Engagement Survey to address risks pertaining to discrimination and unfair treatment in the workplace.

Training, Development & Upskilling Programmes

During the year, we made efforts to enhance the skills and capabilities of our employees through several training programmes to elevate their knowledge on the gas industry. We strive to cultivate a pipeline of talents with leadership abilities to support us in any changes that may occur within the Group. Succession planning is a part of talent development, which allows us to groom potential candidates and identify employees with exceptional abilities who can be promoted to leadership positions when required.

Our training programmes for the year focused on upgrading employees' skill sets and supported our succession efforts. To this end, the Group organised several training and leadership programmes to equip our employees with better management and strategic thinking skills.

Sustainability Statement

The following are some of the upskilling programmes conducted to upgrade employees' skill sets:

- General Management
- Professional Project Management
- Coaching Public Speakers for C-Suite Levels
- Foundations of Effective Leadership (programme is a collaboration with GENOS International, Australia)
- Engagement Session with Top Management

Training Hours/Gender (2022)	Male	Female
Total No. of Employees	417	166
Total No. of Training Hours	12,484.5	4,469.5
Average Training Hours Per Employee	29.94	26.92

Training Hours by Employee Category (2022)

Employee Category	Total No. of Employees in Each Category	Total No. of Training Hours	Average Training Hours Per Employee by Management Level
Non-Management	530	14,507.5	27.37
Management	41	2,226	54.29
Senior Management	12	220.5	18.38

Occupational Safety & Health

The Group strives to safeguard the health and well-being of its employees, customers and communities in areas where it operates in. We are committed to providing the safest working conditions through proactive risk management across the organisation to drive operational excellence. Our Health, Safety, Environment and Quality ("HSEQ") Policy provides guidelines on risk prevention, occupational injury and illness, and preventing damage to the environment.



How We Manage the Matter

We make every effort to promote high occupational safety & health ("OSH") standards to protect our employees and communities in the areas we operate, as well as to increase our accountability to our customers and stakeholders. Apart from that, Gas Malaysia also actively implements safety risk management across the Group via stringent HSEQ policies and management systems that are in line with the International Organisation for Standardization ("ISO").

Health, Safety, Environment and Quality Management System

The Group remains guided by internationally-recognised management system standards that improve operational efficiency and enables the Group to comply with the statutory and regulatory requirements pertaining to its services and industry. Besides that, the HSEQ system enables the Group to manage occupational health and safety risks, while conserving the environment and improving the quality of our operational services.

The scope of our HSEQ management system encompasses Gas Malaysia Berhad, Gas Malaysia Distribution Sdn Bhd, Gas Malaysia Energy and Services Sdn Bhd, Gas Malaysia Retail Services Sdn Bhd and Gas Malaysia Virtual Pipeline Sdn Bhd.

Other Information

Sustainability Statement

In 2022, the Group has maintained the following certifications following the annual audit conducted by SIRIM:

ISO 9001:2015	ISO 14001:2015	ISO 45001:2018	ISO/IEC 27001:2013
Quality Management Systems	Environmental Management	Occupational Health & Safety	Information Security
	Systems	Management Systems	Management Systems

In addition, the Group complies to the Occupational Safety & Health Act 1994 and ensures its HSEQ management systems are well-implemented.

Hazard Identification, Risk Assessment and Incident Investigation ("HIRARC")

While every effort is made to ensure safety is embedded in our operations, unforeseen accidents and incidents do happen. To manage this, our HIRARC procedure provides the framework for the identification of hazards, assessment of risks and the implementation for necessary control measures relating to occupational health and safety.

Besides that, our Incident Investigation and Reporting process provides guidelines for personnel on the best way to conduct incident investigation within the Group's premises, work areas and work sites, including but not limited to pipeline and station installation sites.

Work-Related Injuries

Gas Malaysia strives to prevent workplace injuries, illnesses and fatalities through its approaches and practices to safeguard the health and safety of employees within its operations.

However, despite our best efforts to protect our workers on top of enforcing stringent safety measures, we regret to report one (1) non-employee fatality (pipeline construction contractor) and three employee work-related injuries that occurred during the reporting period. Following these incidents, we immediately took appropriate measures according to procedure, increased training for staff and reminded our workers on the importance of integrating safety measures into their work processes. Moving forward, we will continue to identify hazards and risks through our HIRARC and implement more measures to bolster our OSH.

Employees						
Year 2020		2021		2022		
	Number	Rate	Number	Rate	Number	Rate
Fatalities	0	0	0	0	o	0
Work-related injuries	0	0	0	0	3	0.56
Number of hours worked	1,079,402		1,068,742		1,071,	, 320

Non-employees						
Year	2021		2021		2022	
	Number	Rate	Number	Rate	Number	Rate
Fatalities	1	0.23	0	0	1	0.35
Work-related injuries	0	0	0	0	0	0
Number of hours worked	879,577		762,193		570,484	

^{*} Rate is calculated based on 200,000 hours worked

Training on Occupational Health & Safety

Apart from its compliance to policies, regulations and procedures, the Group believes it is essential to inculcate a strong safety culture amongst employees, to create awareness and to remind workers on the rules and measures needed to make our HSEQ effective.

Sustainability Statement

In 2022, we rolled out the following sessions on health and safety which covered the following topics:

- Health & Safety Day To instil a culture of safety and health, Gas Malaysia organised an event themed
 'Nurturing Healthy Minds Towards Better Life', which included a health awareness talk, blood donation drive and
 health screening test.
- First Aid Training Provided first aid training to 60 employees to ensure their responsiveness during emergencies.
- Dialogue with EPCC Contractors & Vendors Discussed current issues on OSH and the statutory
 requirements of incident reporting with contractors and vendors.
- Contractor Training 1 (Site HSE Management for Site Safety Supervisor, Site Supervisor & Team
 Leader) Six (6) sessions were conducted to reinforce good HSE management towards achieving our targets for
 zero unsafe acts, unsafe conditions, non-compliance to laws, regulations and policies.
- Contractor Training 2 (QC Personnel) Three (3) online sessions were held to enhance awareness on "Preventing Steel Pipe Coating Damage During Handling" to sustain the integrity of our NGDS.
- **Building Evacuation Drill** Evacuation drills were conducted at the head office, branch and regional offices to test the preparedness of the Group's Emergency Team.

Worker Participation, Consultation and Communication on OSH

In our endeavour to keep everyone safe across our premises and operations, we have in place a HSE Committee.

Gas Malaysia's HSE Committee includes the following:

Steering Health, Safety and Environment Committee Kuala Lumpur Branch Office Health, Safety and Environment Committee

Facilities Health, Safety & Environment Sub-Committee

Technical Health, Safety and Environment Sub-Committee

The Committees and Sub-Committees meet on a quarterly basis to discuss safety, health and environmental matters.

Their responsibilities include the following:

Reviewing the efficacy of the HSE performance and policy

Ensuring the management system is relevant and effective and identifying areas for improvement

Providing decision-making, advice and guidance on all HSE-related matters across the Group

Enforcing appropriate action on any reported and/or observed HSE-related matters

Assessments

In 2022, we executed the following initiatives to improve our commitment towards occupational safety and health to achieve operational excellence:

- SIRIM Certification Audit and certification was conducted on 12 to 14 October 2022 for Gas Malaysia Berhad, Gas Malaysia Energy and Services Sdn Bhd, Gas Malaysia Retail Services Sdn Bhd, Gas Malaysia Distribution Sdn Bhd and Gas Malaysia Virtual Pipeline Sdn Bhd
- Noise Risk Assessment Eurofins NM Laboratory Sdn Bhd was engaged to conduct a noise risk assessment with our employees who assisted in monitoring and area mapping at 33 gas service stations and odoriser stations (via sampling) at all regions
- DOSH Audit at Branch/Regional Offices Audits were conducted by State DOSH Officer at selected Gas Malaysia branch and regional offices including Prai Regional Office, Eastern Regional Office, Ipoh Branch Office and Senawang Branch office

Lending a Hand to Communities

We believe that as a corporate organisation, it is our duty to give back to society. We will continue to find opportunities to contribute to our society in a variety of ways guided by the four pillars namely; Community, Environment, Education and Sports. These pillars are aligned with our CSR theme of "Energising the Community". Our support to the underserved and underprivileged will go a long way to strengthen our reputation, promoting volunteerism among our employees, increase our engagement with customers and cultivate loyalty, trust and accountability for our organisation.

Other Information

Sustainability Statement

In the year under review, we contributed approximately RM467,785 to the following initiatives:

Education

Back to School Programme

We organised a 'Back to School' programme in collaboration with ABARO (Resta Enterprise Sdn Bhd), in an effort to provide school necessities to over 150 underprivileged children from the B40 community from Sekolah Kebangsaan Puchong Perdana. The school children were given school uniforms, shoes, stationaries and hygiene kits worth RM21,600.

Community

Flood Assistance at Kampung Bukit Lanchung

We provided aid to the communities living in Kampung Bukit Lanchung who were impacted by the flood disaster. We donated electrical appliances such as rice cookers and electrical kettles to support the needs of flood victims. Approximately RM18,000 was contributed to this initiative, benefitting 100 families.

Supporting the Mentally Challenged

In collaboration with the Selangor and Federal Territory Association for the Mentally Handicapped ("SAMH"), Gas Malaysia participated as a main sponsor in its annual food and fun fair held at Sekolah Khas Klang, Selangor. The contributed funds will go towards upgrading their facilities as well as supporting the educational, training and care needs of mentally challenged children and adults. Approximately RM33,600 was contributed into this initiative.

Sports

Partnership with Football Association of Selangor ("FAS")

In an ongoing three-year initiative, Gas Malaysia contributed RM10,000 per year in its partnership with Selangor FC to support its FAS Local Giant Programme from 2020 to 2022, contributing a total of RM30,000. The funds will be used to empower local football talents and enable the Selangor football team to meet its goals.

Environment

Collaboration with Gibbons Conservation Society

In an initiative to support the environment, we partnered with the Gibbon Conservation Society to support the rehabilitation of gibbons. We donated two of our used pick-up trucks which will be used for purchasing food for the sheltered gibbons, rescuing gibbons and for transporting equipment. In addition, about 40 of our employees volunteered in a fruit tree-planting initiative at the rehabilitation facility and a river-cleaning activity. Gas Malaysia also donated groceries to about 20 Orang Asli families living in the vicinity of facility. In total, we contributed approximately RM4, 185 to this initiative.

Wakalah Zakat

Tuisyen Pintar YPM@KPLB

In line with our commitment to assist the needy, Gas Malaysia partnered with Yayasan Pelajaran MARA ("YPM") to become one (1) of the sponsors for Tuisyen Pintar YPM@KPLB 2022. This is a tuition programme specifically tailored to help selected B40 students in rural areas to cope with their academic studies. Gas Malaysia has been supporting this programme for 4 years (2019 -2022). This tuition programme has benefitted a total of 4,400 students from 44 MRSM centres. Approximately RM370,000 was contributed to this programme.

MMC Prihatin Programme

With a commitment to aid the less fortunate, we contributed essential household groceries to the underprivileged from Pangsapuri Sri Mutiara in Putra Heights and Pangsapuri Enggang in Bandar Kinrara. This initiative is an effort to lessen the burden of the underprivileged community in conjunction with the holy month of Ramadhan. This initiative is in support of MMC's prihatin programme and it is a collaboration between MMC Corporation Berhad, Gas Malaysia and Lembaga Zakat Selangor. In total, about 200 needy families benefitted from this initiative. The packed grocery items distributed were rice, flour, sugar, spices and more. Approximately RM 10,400 was contributed to this initiative.

Dialysis Treatment

In 2016, Gas Malaysia purchased a dialysis machine for An-Nur Dialysis Centre worth RM40,000 in order to cope with the increase in the number of patients with renal disease. For the year 2022, due to the availability of the donated dialysis machine, it was possible to accommodate 6 patients visiting the centre for treatment and the centre was able to successfully conduct 864 dialysis sessions.





Chairman Independent Non-Executive Director

TAN SRI CHE KHALIB BIN MOHAMAD NOH

Non-Independent Non-Executive Director

OUR CREDIBLE, COMMITTED AND EMPOWERING LEADERS

NOBUHISA KOBAYASHI

Non-Independent Non-Executive Director

KAMALBAHRIN BIN AHMAD

Non-Independent Non-Executive Director

Other Information



MALIKI KAMAL BIN MOHD YASIN Independent Non-Executive Director

Board of Directors' **Profile**

TAN SRI WAN ZULKIFLEE **BIN WAN ARIFFIN**

Chairman

Independent Non-Executive Director

GENDER Male

AGE 62

NATIONALITY

Malaysian

DATE OF APPOINTMENT

Chairman - 1 July 2021

BOARD ATTENDANCE IN 2022











- Chairman of Nomination & Remuneration Committee
- Chairman of Gas Procurement & Tariff Setting Committee

QUALIFICATION

- Bachelor of Engineering Degree in Chemical Engineering, University of Adelaide, South Australia
- Advanced Management Programme, Harvard Business School
- Honorary Fellowship by the Institution of Chemical Engineers, United Kingdom

RELEVANT EXPERIENCE

Began his career in Petroliam Nasional Berhad ("PETRONAS") in 1983 with various executive positions and retired from the position of President & Group Chief Executive Officer of PETRONAS in June 2020, after a 37 year tenure at the national oil company. While there, he was appointed as Chairman of the National Trust Fund, which was set up in 1988 to ensure optimal use of Malaysia's natural resources while benefitting the nation and its future generations. He was also appointed as council member at the East Coast Economic Region Development Council and the Northern Corridor Implementation Authority.

He was a Director of Exxon Mobil Corporation, a Texas-based oil and gas company. Besides, he was also a member of the World Economic Forum's ("WEF") Stewardship Board of System Initiative on Shaping the Future of Energy, as well as a member of WEF's Oil & Gas Governors Forum. In education, Tan Sri Wan Zulkiflee held the role of Pro Chancellor of Universiti Teknologi PETRONAS and sits on the Board of Trustees at the Razak School of Government, dedicated to the development of public sector leadership. He is an Adjunct Professor at the Kulliyyah of Economics and Management Sciences and is also on the Board of Governors of the International Islamic University of Malaysia.

OTHER PRESENT DIRECTORSHIPS

- Listed Issuers: DRB-HICOM Berhad
- Other Public Companies: Malaysia Aviation Group Berhad, Malaysia Airlines Berhad



He has no family relationship with any Director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has not been convicted for any offences within the past five years. There was no public sanction or penalty imposed on him by any regulatory bodies during the financial year.

BOARD SKILLS AND EXPERIENCE MATRIX



Accounting/Finance



Legal/Regulatory



Economics



Board of Directors' Profile

TAN SRI CHE KHALIB BIN MOHAMAD NOH

Non-Independent Non-Executive Director

GENDER Male

NATIONALITY AGE Malaysian

BOARD ATTENDANCE IN 2022

DATE OF APPOINTMENT

Director - 1 July 2013

58











MEMBERSHIP OF BOARD COMMITTEE(S)

Member of Gas Procurement & Tariff Setting Committee

QUALIFICATION

- Member of the Malaysian Institute of Accountants
- Fellow Member of the Association of Chartered Certified Accountants, United Kingdom

RELEVANT EXPERIENCE

Began his career with Messrs. Ernst & Young in 1989 and later joined Bumiputra Merchant Bankers Berhad. Between 1992 and 1999, he served in several companies within the Renong Group. In June 1999, Tan Sri Che Khalib joined Ranhill Utilities Berhad as Chief Executive Officer. He then assumed the position of Managing Director and Chief Executive Officer of KUB Malaysia Berhad. Tan Sri Che Khalib was then appointed as the President/Chief Executive Officer of Tenaga Nasional Berhad ("TNB") on 1 July 2004 where he served TNB for eight years until the completion of his contract. He later joined DRB-HICOM Berhad as the Chief Operating Officer of Finance, Strategy and Planning in July 2012. Tan Sri Che Khalib was previously a member of the Board and the Executive Committee of Khazanah Nasional Berhad from year 2000 to 2004. He also served as a Board member within the United Engineers Malaysia Group of companies and Bank Industri & Teknologi Malaysia Berhad. On 17 October 2022, he was appointed as a Chairman of Universiti Sultan Zainal Abidin.

Tan Sri Che Khalib is currently the Group Managing Director of MMC Corporation Berhad.

OTHER PRESENT DIRECTORSHIPS

- Listed Issuers: Malakoff Corporation Berhad
- Other Public Companies: MMC Corporation Berhad, Aliran Ihsan Resources Berhad, Bank Muamalat Malaysia Berhad, Johor Port Berhad, Kontena Nasional Berhad, MMC Engineering Group Berhad, NCB Holdings Berhad and Northport (Malaysia) Bhd



He has no family relationship with any Director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has not been convicted for any offences within the past five years. There was no public sanction or penalty imposed on him by any regulatory bodies during the financial year.







Board of Directors' Profile

NOBUHISA KOBAYASHI

Non-Independent Non-Executive Director

GENDER Male AGE 65

NATIONALITY Japanese

5/5

BOARD ATTENDANCE IN 2022

DATE OF APPOINTMENT

Director - 1 April 2019





- · Chairman of Risk & Compliance Committee
- Member of Gas Procurement & Tariff Setting Committee

QUALIFICATION

• Bachelor of Commerce and Management, Hitotsubashi University, Japan

RELEVANT EXPERIENCE

Nobuhisa Kobayashi is currently an Advisor of Tokyo Gas Co., Ltd ("Tokyo Gas") and Chairman of Tokyo Gas Asia.

He joined Tokyo Gas in 1981 and was appointed as the Deputy Chief Representative, Kuala Lumpur Office in 1992 and Deputy Chief Representative, Singapore Office in 1995, respectively. In 1996, he was appointed as General Manager, Seibu Office, Commercial Sales Department and subsequently in 1999 was appointed as General Manager, Section 2, Commercial Sales Department. In 2004, he assumed the role of General Manager, Strategy Planning Section, Home Service Planning Department. Subsequently, in 2006 he was appointed as Senior General Manager, Home Service Planning Department and in 2007 was appointed as Senior General Manager, Living Planning Department.

In 2009, he assumed the role of General Manager, General Administration Department, Japan Gas Association and in 2012, he was appointed as Senior General Manager, Energy Planning Department. Then in 2014, he was appointed as Managing Director, Tokyo Gas Asia and subsequently in 2015 was appointed as Executive Officer, Asia Region, Tokyo Gas/Managing Director, Tokyo Gas Asia. In 2019, he was appointed to his current position in Tokyo Gas.

OTHER PRESENT DIRECTORSHIPS

- Listed Issuers: None
- Other Public Companies: None



DECLARATION

He has no family relationship with any Director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has not been convicted for any offences within the past five years. There was no public sanction or penalty imposed on him by any regulatory bodies during the financial year.

BOARD SKILLS AND EXPERIENCE MATRIX



Accounting/Finance



Legal/Regulatory



Economics



Engineering/Technical

Board of Directors' Profile

KAMALBAHRIN BIN AHMAD

Non-Independent Non-Executive Director

GENDER AGE NATIONALITY
Male 59 Malaysian

BOARD ATTENDANCE IN 2022

5/5

DATE OF APPOINTMENT

Director - 19 July 2017



MEMBERSHIP OF BOARD COMMITTEE(S)

Member of Risk & Compliance Committee

QUALIFICATION

- Bachelor's Degree in Chemical Engineering, University of Texas at Austin, United States of America
- Advanced Management Programme, Harvard Business School

RELEVANT EXPERIENCE

He joined Petroliam Nasional Berhad ("PETRONAS") in 1987 as a Project Engineer for PETRONAS Penapisan Terengganu expansion project. In 1992, Kamalbahrin moved to PETRONAS Penapisan Melaka for commissioning and operation of Phase 1 and later Phase 2 of the refinery. He spent his career in Melaka for almost 10 years before mobilised to PETRONAS Gas Berhad ("PGB") as the Senior General Manager, Gas Processing Plant.

During his stint in PGB, Kamalbahrin led the "Plant Operational Performance Improvement Programme" and successful implementation of the Gas Processing Plant new business model from Tolling to Performance Based Business Model.

In 2009, Kamalbahrin moved to upstream business, managing drilling activities and projects for PETRONAS Carigali domestic and international. In 2011, Kamalbahrin was seconded to Durban, South Africa to spearhead a transformation programme of PETRONAS subsidiary Engen Refinery. In 2014, he became Managing Director/Chief Executive Officer ("MD/CEO") of PETRONAS Penapisan Melaka Sdn Bhd where Kamalbahrin steered a smooth transition of the refinery operation post full acquisition of the asset from a joint venture with Philipsó6 to PETRONAS wholly owned.

Kamalbahrin was previously the Vice President, Gas & Power and MD/CEO of PETRONAS Gas Berhad from year 2017 to 2020. During the tenure, he helped to navigate PGB in entering the regulated business under IBR (Incentive Based Regulation) through close engagement with the relevant authorities like the Energy Commission (EC) as well the customers.

Kamalbahrin is currently the Senior Vice President and Chief Executive Officer of PETRONAS Refinery and Petrochemical Corporation Sdn Bhd where one of his key focuses is driving the sustainability or ESG (Environmental, Social and Governance) agenda. Apart from disclosed below, he is also a Board Member for various companies in PETRONAS.

OTHER PRESENT DIRECTORSHIPS

- Listed Issuers: None
- Other Public Companies: None



DECLARATION

He has no family relationship with any Director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has not been convicted for any offences within the past five years. There was no public sanction or penalty imposed on him by any regulatory bodies during the financial year.







Board of Directors' Profile

DATUK SYED ABU BAKAR BIN S MOHSIN ALMOHDZAR

Non-Independent Non-Executive Director (Redesignated from Independent to Non-Independent Director on 7 April 2023) GENDER Male

AGE NATION Malay

NATIONALITY Malaysian

DATE OF APPOINTMENT

Director - 16 August 2011

BOARD ATTENDANCE IN 2022

5/5









- Member of Nomination & Remuneration Committee
- Member of Risk & Compliance Committee

QUALIFICATION

- Fellow Member of the Association of Chartered Certified Accountants, United Kingdom
- Member of the Malaysian Institute of Accountants

RELEVANT EXPERIENCE

Held various senior positions in public listed companies in Malaysia. He was formerly the Managing Director of Tradewinds (M) Berhad and Executive Vice President of Tradewinds Corporation Berhad. He is currently the Managing Director of the World Islamic Economic Forum Foundation and a director of King George Financial Corp. (Inc) (Canada).

OTHER PRESENT DIRECTORSHIPS

Listed Issuers: None

• Other Public Companies: None



DECLARATION

He has no family relationship with any Director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has not been convicted for any offences within the past five years. There was no public sanction or penalty imposed on him by any regulatory bodies during the financial year.

BOARD SKILLS AND EXPERIENCE MATRIX



Accounting/Finance



Legal/Regulatory



Economics



Engineering/Technical

Board of Directors' Profile

DATUK PUTEH RUKIAH BINTI ABD. MAJID

Independent Non-Executive Director

GENDER Female

AGE 70

NATIONALITY

Malaysian

DATE OF APPOINTMENT

Director - 16 August 2011

BOARD ATTENDANCE IN 2022





MEMBERSHIP OF BOARD COMMITTEE(S)

- Member of Audit Committee
- Member of Nomination & Remuneration Committee

QUALIFICATION

- Master of Economics from Western Michigan University, United States of America
- Bachelor of Economics (Honours) Degree, University of Malaya, Malaysia

RELEVANT EXPERIENCE

Began her career in the civil service in 1976 as an Assistant Director in the Economic Planning Unit, Prime Minister's Department. She continued to serve the Government of Malaysia in the Ministry of Finance from 1992 and held various posts in the Ministry. Her various appointments included being the Principal Director of the Budget Division and as Undersecretary, Investment and Privatisation and Minister of Finance Incorporated Division. From 2006 until March 2011, she was the Deputy Secretary General (Systems and Controls), at the Ministry of Finance. Datuk Puteh Rukiah was previously a member of the Board of Pos Malaysia Berhad from year 2013 to 2022. Apart from disclosed below, Datuk Puteh Rukiah is currently the Chairperson of Mudharabah Innovation Fund (MIF) Investments Ltd.

OTHER PRESENT DIRECTORSHIPS

- Listed Issuers: Zelan Berhad
- Other Public Companies: None



She has no family relationship with any Director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. She has not been convicted for any offences within the past five years. There was no public sanction or penalty imposed on her by any regulatory bodies during the financial year.







Board of Directors' Profile

TAN LYE CHONG

Independent Non-Executive Director

GENDERMale

AGE 67

NATIONALITY Malaysian

5/5

BOARD ATTENDANCE IN 2022

DATE OF APPOINTMENT

Director - 16 August 2011











- · Chairman of Audit Committee
- Member of Gas Procurement & Tariff Setting Committee

QUALIFICATION

- Fellow Member of the Association of Chartered Certified Accountants, United Kingdom
- Member of the Malaysian Institute of Accountants

RELEVANT EXPERIENCE

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 28 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 is currently practicing as an Approved Company Auditor. 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 35 years of working experience; primarily in the accounting profession and has extensive experience in auditing, financial reporting and corporate finance.

OTHER PRESENT DIRECTORSHIPS

- Listed Issuers: None
- Other Public Companies: None



DECLARATION

He has no family relationship with any Director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has not been convicted for any offences within the past five years. There was no public sanction or penalty imposed on him by any regulatory bodies during the financial year.

BOARD SKILLS AND EXPERIENCE MATRIX



Accounting/Finance



Legal/Regulatory



Economics



Engineering/Technical

Other Information

Board of Directors' Profile

DATUK OOI TEIK HUAT

Independent Non-Executive Director

GENDER Male

NATIONALITY AGE 63 Malaysian

BOARD ATTENDANCE IN 2022

DATE OF APPOINTMENT

Director - 16 May 2013











MEMBERSHIP OF BOARD COMMITTEE(S)

Member of Audit Committee

QUALIFICATION

- Member of the Malaysian Institute of Accountants and CPA Australia
- Bachelor's Degree in Economics, Monash University, Australia

RELEVANT EXPERIENCE

Began his career with Messrs. Hew & Co., Chartered Accountants, before joining Malaysian International Merchant Bankers Berhad. He subsequently joined Pengkalen Securities Sdn Bhd as Head of Corporate Finance, before leaving to set up Meridian Solutions Sdn Bhd where he is presently a Director.

OTHER PRESENT DIRECTORSHIPS

- Listed Issuers: DRB-HICOM Berhad and Malakoff Corporation Berhad
- Other Public Companies: MMC Corporation Berhad and Johor Port Berhad



He has no family relationship with any Director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has not been convicted for any offences within the past five years. There was no public sanction or penalty imposed on him by any regulatory bodies during the financial year.

Board of Directors' Profile

MALIKI KAMAL BIN MOHD YASIN

Independent Non-Executive Director

GENDER AGE NATIONALITY
Male 59 Malaysian

BOARD ATTENDANCE IN 2022

(From the date of his appointment)

DATE OF APPOINTMENT

Director - 1 September 2022



QUALIFICATION

· Bachelor of Laws (Hons), International Islamic University Malaysia

RELEVANT EXPERIENCE

Began his career as an Advocates & Solicitors in Kuala Terengganu, Terengganu. In June 1990, he joined Petroliam Nasional Berhad ("PETRONAS") as a legal officer and has continued to serve in various senior management roles. His area of legal advisory has been predominantly in Downstream Business and Corporate & Commercial matters where he served as a Legal Head/General Counsel/Senior General Counsel for PETRONAS Penapisan (Terengganu) Sdn Bhd, Legal Corporate & Technology, PETRONAS Chemical Group Berhad, Refinery and Petrochemical Integrated Development (RAPID) Project, Legal Finance and Corporate Secretarial and Legal Downstream, Finance and Technology prior to being appointed as the Vice President and Group General Counsel on 1 June 2017. On 1 January 2019, he was accorded the role of Senior Vice President and Group General Counsel of PETRONAS. He served in this role until his retirement from PETRONAS in June 2021.

During his service, Maliki Kamal also sat as a Board Member and Company Secretary to various entities within PETRONAS's Group of Companies (local and overseas) and has twice served as Company Secretary of PETRONAS.

OTHER PRESENT DIRECTORSHIPS

- Listed Issuers: Ancom Nylex Berhad
- Other Public Companies: None



DECLARATION

He has no family relationship with any Director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has not been convicted for any offences within the past five years. There was no public sanction or penalty imposed on him by any regulatory bodies during the financial year.

BOARD SKILLS AND EXPERIENCE MATRIX











Engineering/Technical

Board of Directors' Profile

SHARIZA SHARIS BINTI MOHD YUSOF

Non-Independent Non-Executive Director

NATIONALITY GENDER AGE **Female** 48 Malaysian

DATE OF APPOINTMEN Director - 9 November 2017 (Alternate Director to Kamalbahrin bin Ahmad) **BOARD ATTENDANCE IN 2022**











Our Sustainability Journey

- Fellow of the Institute of Chartered Accountants in England and Wales
- Member of the Malaysian Institute of Accountants
- Bachelor of Science Degree in Economics & Accounting from University of Bristol, United Kingdom

RELEVANT EXPERIENCE

Started her career with Petroliam Nasional Berhad ("PETRONAS") in 2001 as an Executive in PETRONAS Corporate Finance. A year later, she was assigned to PETRONAS President/CEO's Office as an analyst before joining PETRONAS Dagangan Berhad as Financial Accounting Manager in 2005.

In 2007, she was seconded overseas to Dragon LNG, then a PETRONAS joint venture in United Kingdom, as Head of Finance & Administration. Upon her return to Malaysia in 2008, she was appointed as Senior Manager for Strategic Planning (Corporate and Americas) at PETRONAS Group Strategic Planning. In 2011, she joined PETRONAS Chemicals Group Berhad as Head of Group Accounts and Performance Planning and assumed the position of Financial Controller the following year.

With close to 22 years of experience in finance and planning across PETRONAS's businesses, she was previously the Chief Financial Officer of PETRONAS Gas Berhad ("PGB") from year 2017 to 2022. Shariza Sharis is currently the Senior General Manager, Finance and Enterprise Risk of PETRONAS Refinery and Petrochemical Corporation Sdn Bhd.

OTHER PRESENT DIRECTORSHIPS

- Listed Issuers: None
- Other Public Companies: None

She has no family relationship with any Director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. She has not been convicted for any offences within the past five years. There was no public sanction or penalty imposed on her by any regulatory bodies during the financial year.









Introduction Overview of Gas Malaysia Message from the Leaders

Strategic Context





Group Chief Executive Officer



SHAHRIR BIN SHARIFF

Director of Commercial

Other Information



Key Senior Leadership's Profile



AHMAD HASHIMI BIN ABDUL MANAP

Group Chief Executive Officer

GENDER Male AGE 59 **NATIONALITY**

Malaysian

DATE OF APPOINTMENT

12 February 2015

PRESENT DIRECTORSHIP IN LISTED ISSUERS:

Ni

PRESENT DIRECTORSHIP IN PUBLIC COMPANIES:

Nil

QUALIFICATIONS

- Bachelor of Science in Civil Engineering from Oklahoma State University, United States of America
- Advanced Management Programme at Wharton Business School, United States of America
- Council Member, Malaysian Gas Association
- Member, Institution of Engineers Malaysia

WORKING EXPERIENCE

- · Chief Operating Officer, Technical, Gas Malaysia Berhad
- Senior General Manager, Operations & Maintenance, Gas Malaysia Berhad
- Started as Engineering Manager in Gas Malaysia Sdn Bhd
- Pipeline Engineer, MMC Engineering Sdn Bhd
- Began his career as Structural/Civil Engineer with a local consulting firm

DIRECTORSHIPS

 Sits on the board of Gas Malaysia Energy and Services Sdn Bhd, Gas Malaysia Energy Advance Sdn Bhd, Gas Malaysia Virtual Pipeline Sdn Bhd, Gas Malaysia Synergy Drive Sdn Bhd, Gas Malaysia Retail Services Sdn Bhd, Sime Darby Gas Malaysia BioCNG Sdn Bhd, Gas Malaysia Ventures Sdn Bhd, Gas Malaysia Venture 1 Sdn Bhd, Gas Malaysia Venture 2 Sdn Bhd and Pelantar Teknik (M) Sdn Bhd

- 1. Any family relationship with any Director and/or Major Shareholder of Gas Malaysia Berhad.
- 2. Any conflict of interest with Gas Malaysia Berhad.
- 3. Any conviction for offences within the past five years other than traffic offences, public sanction or penalty imposed by its relevant regulatory bodies during the financial year under review.

Key Senior Leadership's Profile



SHAHRIR BIN SHARIFF

Director of Commercial

GENDER Male

Our Sustainability Journey

AGE 58

NATIONALITY

Malaysian

DATE OF APPOINTMENT

2 October 2015

PRESENT DIRECTORSHIP IN LISTED ISSUERS:

Nil

PRESENT DIRECTORSHIP IN PUBLIC COMPANIES:

Nil

QUALIFICATIONS

- Bachelor of Science in Economics and Accountancy, City University London, United Kingdom
- Member, Malaysian Institute of Accountants
- Attended 8th ASEAN Senior Management Development Programme, Harvard Business School Alumni Club Malaysia

WORKING EXPERIENCE

- Chief Executive Officer, Gas Malaysia Energy and Services Sdn Bhd
- Director, Project Development and International Business, MMC International Sdn Bhd: was involved in the development of Jazan Economic City Project, Saudi Arabia
- Chief Operating Officer, GIIG Holdings Sdn Bhd: was involved in the proposed development of an Aluminium Smelter project in Sarawak
- Hold various positions in Petronas: was involved in numerous projects such as KLCC project and Putrajaya development project
- Senior Auditor, Arthur Andersen & Co, Kuala Lumpur
- Began his career as Trainee Auditor in KPMG Peat Marwick, London, where
 he was subsequently admitted to the membership of the Institute of Chartered
 Accountants in England & Wales upon completing his articleship in London
 in 1990

DIRECTORSHIPS

Sits on the boards of Gas Malaysia Energy Advance Sdn Bhd, Gas Malaysia
Retail Services Sdn Bhd, Gas Malaysia Ventures Sdn Bhd, Gas Malaysia
Venture 1 Sdn Bhd, Gas Malaysia Venture 2 Sdn Bhd, Gas Malaysia Virtual
Pipeline Sdn Bhd, Sime Darby Gas Malaysia BioCNG Sdn Bhd and Gas
Malaysia Synergy Drive Sdn Bhd

- 1. Any family relationship with any Director and/or Major Shareholder of Gas Malaysia Berhad.
- 2. Any conflict of interest with Gas Malaysia Berhad.
- 3. Any conviction for offences within the past five years other than traffic offences, public sanction or penalty imposed by its relevant regulatory bodies during the financial year under review.

Key Senior Leadership's Profile



MOHD NISHARUDDIN BIN MOHD NOOR

Director of Technical & Operations

GENDER Male **AGE** 58

NATIONALITY

Malaysian

DATE OF APPOINTMENT

1 June 2019

PRESENT DIRECTORSHIP IN LISTED ISSUERS:

Nil

PRESENT DIRECTORSHIP IN PUBLIC COMPANIES:

Nil

QUALIFICATIONS

- Bachelor of Science in Mechanical Engineering, Syracuse University, New York, United States of America
- Certificate of Competency, Gas Engineering Supervisor by Suruhanjaya Tenaga
- Management Development Programme, Asian Institute of Management,
 Asian Institute of Management,
- Attended 9th ASEAN Senior Management Development Programme, Harvard Business School Alumni Club Malaysia

WORKING EXPERIENCE

- Chief Executive Officer, Gas Malaysia Distribution Sdn Bhd
- General Manager, Operations & Maintenance Department
- General Manager, Technical Services Department
- Manager, Engineering & Construction, Technical Services Department
- Operations Engineer, Esso Malaysia Berhad
- Assistant Mill Manager, Perbadanan Kilang Felda
- Began his career at Malaysia Shipyard and Engineering Sdn Bhd

DIRECTORSHIPS

 Sits on the board of Gas Malaysia Energy Advance Sdn Bhd and Gas Malaysia Virtual Pipeline Sdn Bhd

- 1. Any family relationship with any Director and/or Major Shareholder of Gas Malaysia Berhad.
- 2. Any conflict of interest with Gas Malaysia Berhad.
- 3. Any conviction for offences within the past five years other than traffic offences, public sanction or penalty imposed by its relevant regulatory bodies during the financial year under review.

Our Sustainability Journey

The Way We are Governed

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Key Senior Leadership's Profile



ZAFIAN BIN SUPIAT

Chief Financial Officer

GENDER Male

AGE 48

NATIONALITY

Malaysian

DATE OF APPOINTMENT

3 January 2019

PRESENT DIRECTORSHIP IN LISTED ISSUERS:

Nil

PRESENT DIRECTORSHIP IN PUBLIC COMPANIES:

Nil

QUALIFICATIONS

- Member, Institute of Chartered Accountants, England and Wales, United Kingdom
- Member, Malaysian Institute of Accountants
- Bachelor of Science, Accounting & Finance, London School of Economics & Political Science, United Kingdom

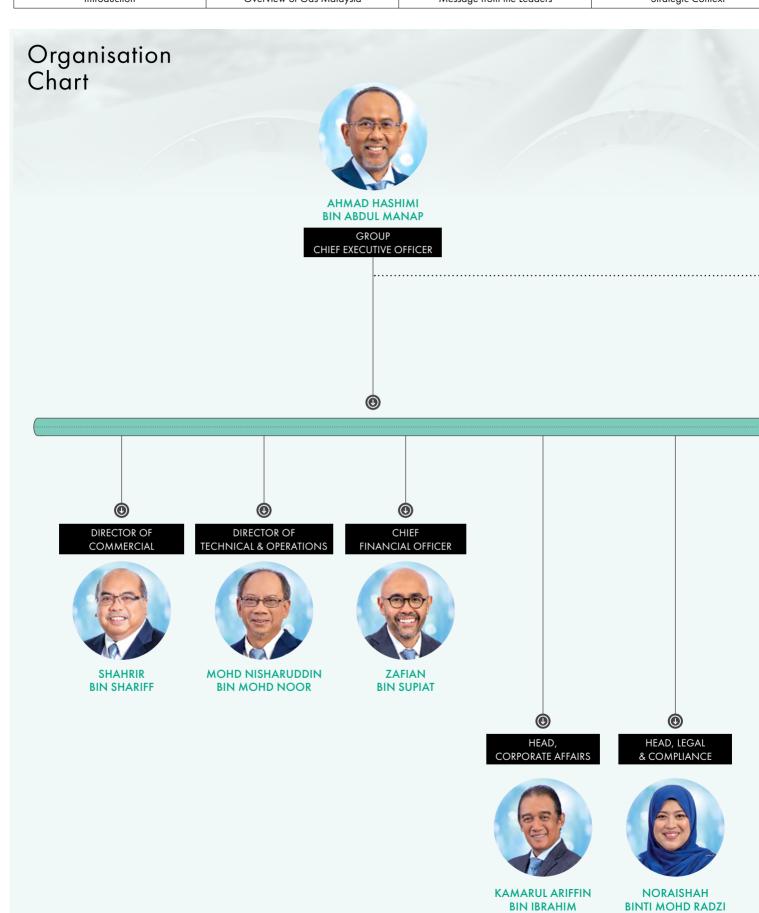
WORKING EXPERIENCE

- General Manager, Finance, MMC Corporation Berhad
- Chief Financial Officer, Johor Port Berhad
- Group Accountant, Pos Malaysia Berhad
- Audit Manager, Ernst & Young, Malaysia

DIRECTORSHIPS

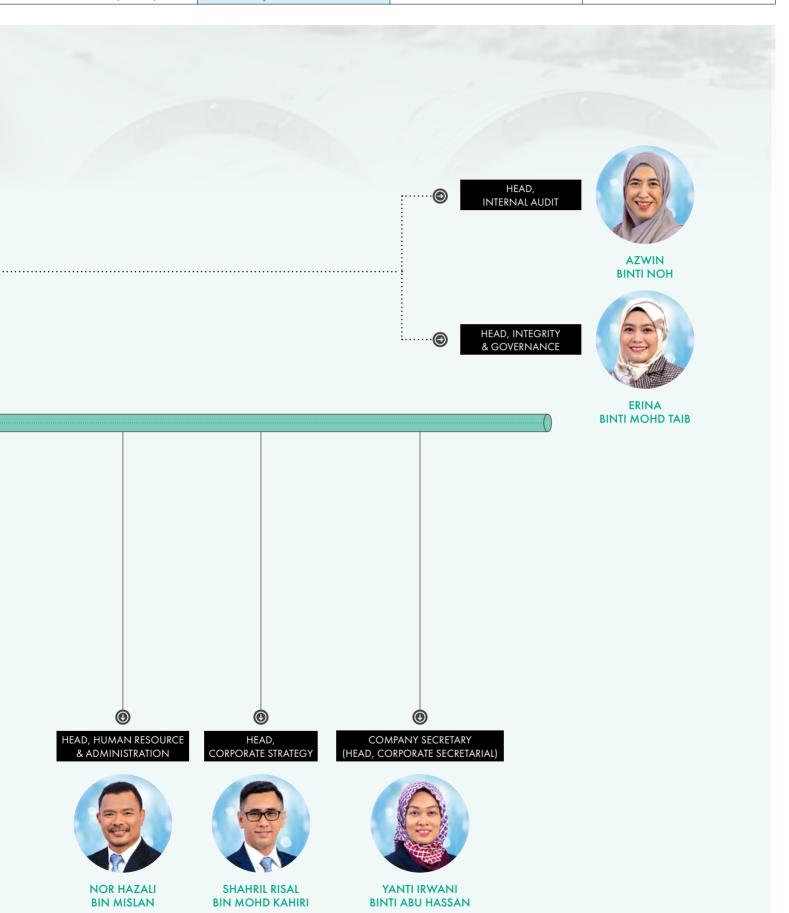
• Sits on the board of Gas Malaysia Distribution Sdn Bhd, Pelantar Teknik (M) Sdn Bhd and Malakoff Gas Malaysia Cogen O&M Sdn Bhd

- 1. Any family relationship with any Director and/or Major Shareholder of Gas Malaysia Berhad.
- Any conflict of interest with Gas Malaysia Berhad.
 Any conviction for offences within the past five years other than traffic offences, public sanction or penalty imposed by its relevant regulatory bodies during the financial year under review.



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Overview of Gas Malaysia

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Management Team

Introduction

KAMARUL ARIFFIN BIN IBRAHIM
Head, Corporate Affairs



A DRIVEN AND GOAL-ORIENTED MANAGEMENT TEAM

Our business operations are led by a highly capable management team that is focused on ensuring that our performance are delivered through effective collaboration, innovation and progress.

NOR HAZALI BIN MISLAN

Head, Human Resource & Administration



AZWIN BINTI NOH
Head, Internal Audit



SHAHRIL RISAL
BIN MOHD KAHIRI
Head, Corporate Strategy



Our Sustainability Journey



YANTI IRWANI
BINTI ABU HASSAN
Company Secretary
(Head, Corporate Secretarial)



ERINA BINTI MOHD TAIB
Head, Integrity & Governance

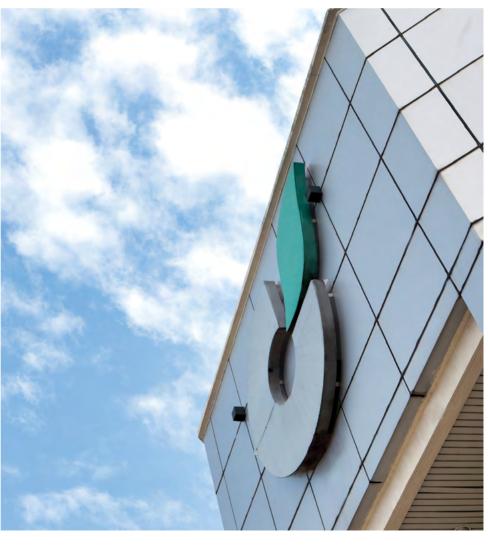
Corporate Governance Overview Statement

The Board of Directors (the "Board") acknowledges the importance of corporate governance practice in enhancing shareholders' value by implementing and maintaining high standards of corporate governance principles at all levels within the Group whilst ensuring the long-term sustainability of the Group's businesses and operations.

The Board believes that the Practices set out in the Malaysian Code on Corporate Governance updated on 28 April 2021 ("MCCG 2021") have, in all material respects, been applied to achieve their Intended Outcomes as set out in this statement and to the extent that they were found to be suitable and appropriate to the Group's circumstances.

The Corporate Governance Overview Statement is prepared in compliance with Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR") and it is to be read together with the Corporate Governance Report ("CG Report") which is made available on the Company's website at www.gasmalaysia.com. The CG Report elaborates on the Company's application of each Principle of the MCCG 2021 for the year under review.





Corporate Governance Overview Statement



Our Sustainability Journey

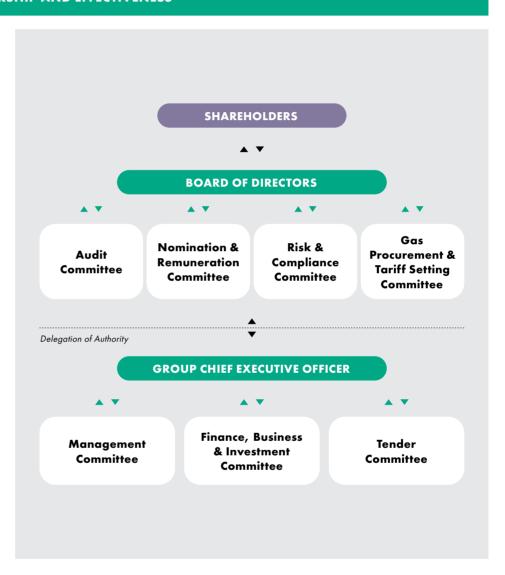
PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

The Board is collectively responsible for promoting the long-term success of the Group, driving both shareholders value and contribution to wider society. Its role is to provide leadership of the Group within a framework of prudent and effective controls which enables risk to be assessed and managed.

The Board has established four (4) Board Committees. The Committees focus on their own areas as delegated by the Board through respective terms of reference. This enables the Board meetings to focus on strategy, governance and compliance thereby making the best use of the Board's time. The Committees' Chairmen report to the full Board at each Board meeting following their sessions, ensuring a good communication flow while retaining the ability to escalate items to the full Board's agenda if required.

In order to ensure orderly and effective discharge of its responsibilities, the Board has in place a Governance Structure for the Group where specific powers of the Board are delegated to the relevant Board Committees and the Group Chief Executive Officer ("GCEO"), as illustrated:



The Board Charter

The Board has adopted a Board Charter which sets out the roles and responsibilities of the Board and Board Committees, and the rights, processes and procedures of the Board. In accordance with the Board Charter, the Board has delegated certain responsibilities to Committees which operate in accordance with Board Charter approved by the Board and delegated the day-to-day management of the business of the Group to Management and the GCEO subject to an agreed authority limit. The roles of Committees are further detailed in the respective Committees' Terms of Reference.

The position of the Chairman and the GCEO are held by different individuals with clear and distinct roles and responsibilities spelt out in the Board Charter.

The Board Charter is made available on Gas Malaysia's website at www.gasmalaysia.com.

Corporate Governance Overview Statement



PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

The Board and Senior Management in Sustainability

The Board has an overall responsibility for the Group sustainability and, the Board's Risk & Compliance Committee ("RCC") has the oversight on steering and evaluating the sustainability efforts and the Sustainability Reporting. The RCC is supported by a Management Committee ("MC") comprising senior management which reports to the GCEO. The GCEO and MC are responsible for providing guidance to developing and implementing Gas Malaysia's sustainability goals and strategies. The MC also reviews and recommends appropriate sustainability strategies and goals to the RCC. The Board ensures that the Company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Details of the Group's sustainability initiatives are reported in the Sustainability Statement on pages 36 to 59 of this Annual Report.

II. BOARD COMPOSITION

Composition of the Board

The Board comprises six (6) Independent Directors and three (3) Non-Independent Directors, composed of members who bring experience from various disciplines primarily, accounting, finance, legal/regulatory, economics, commercial, engineering/technical, and gas and utilities.

During the year under review, there has been a change to the composition of the Board with the appointment of Encik Maliki Kamal Mohd Yasin as the Independent Non-Executive Director on 1 September 2022. The Board also maintained at least one (1) woman director on the Board.

In accordance with the MMLR, none of the members of the Board hold more than five (5) directorships in listed companies.

The profile of each of the member of the Board is as presented on pages 62 to 71 of this Annual Report.

Tenure of Independent Directors

As of the date of this Annual Report, the following Independent Non-Executive Directors ("IDs") have exceeded a cumulative term of nine (9) years in 2023:

- Datuk Puteh Rukiah binti Abd. Majid (11 years, 9 months by AGM 2023);
- Datuk Syed Abu Bakar bin S Mohsin Almohdzar (11 years, 9 months by AGM 2023);
- Encik Tan Lye Chong (11 years, 9 months by AGM 2023); and
- Datuk Ooi Teik Huat (10 years by AGM 2023).

The Board, save for the abovementioned IDs, has determined that the IDs have fulfilled the criteria under the definition of an independent director as stated in the MMLR of Bursa Securities and are able to maintain their independent and objective judgements, and contribute positively to the business strategies, operations and corporate governance of the Company and the Group.

The Board is of the view that the length of service by the IDs on the Board does not impair their exercise of independent and objective judgement, and the discharge of their fiduciary duties in the best interests of the Company and the Group. In addition, the expertise, skills and knowledge of the IDs enable them to facilitate effective discussion of issues during deliberation and decision making by the Board, and to contribute positively to the Company's and Group's business strategies, operations and corporate governance.

The Board Charter has been revised to set a policy limiting the tenure of IDs to 12 years pursuant to the Enhanced Director Amendments of MMLR.

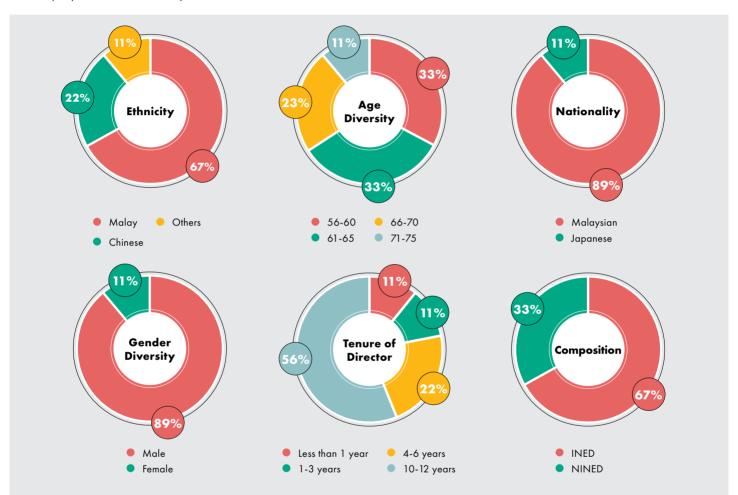
Boardroom Diversity

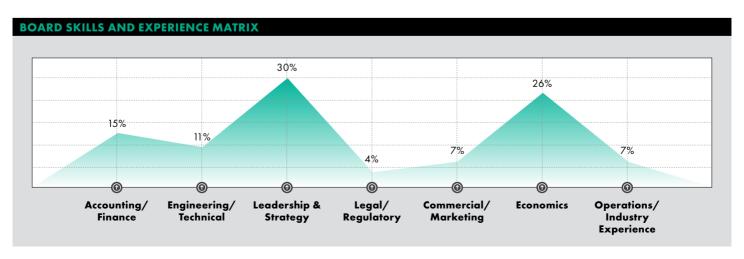
The Board is committed to provide fair and equal opportunities and nurturing diversity within the Group and acknowledges the importance of boardroom diversity in terms of age, gender, nationality and ethnicity. The Board also believes that the appointments of the existing Directors were guided by their skills, experience, competency, commitment and knowledge while taking into consideration gender diversity. The skills and experience of each Director are stipulated in our Annual Report on pages 62 to 71.

Corporate Governance Overview Statement

The Company's boardroom diversity is illustrated below:

Our Sustainability Journey





Corporate Governance Overview Statement



PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

Attendance of Meetings

The number of Board and Committee Meetings held in FY2022 and the attendance of each member of the Board at the respective Board and Committee meetings are as follows:

		Meeting Attendance				
Name of Directors	Designation	Board of Directors	Nomination & Remuneration Committee	Audit Committee	Risk & Compliance Committee	Gas Procurement & Tariff Setting Committee
Tan Sri Wan Zulkiflee	Independent,					
bin Wan Ariffin	Non-Executive					
	 Chairman of Board 	5/5	5/5	-	-	1/1
	of Directors,					
	 Chairman of NRC 					
Tan Sri Che Khalib	Non-Independent,	E / E				1 /1
bin Mohamad Noh	Non-Executive	5/5	-	-	-	1/1
Nobuhisa Kobayashi	Non-Independent,					
	Non-Executive	5/5	-	-	2/2	1/1
	 Chairman of RCC 					
Kamalbahrin bin Ahmad	Non-Independent,	F / F			0.70	
	Non-Executive	5/5	-	-	2/2	-
Tan Lye Chong	Independent,					
	Non-Executive	5/5	-	5/5	-	1/1
	 Chairman of AC 					
Datuk Syed Abu Bakar	Independent,	F / F	F /F		0.70	
bin S Mohsin Almohdzar	Non-Executive	5/5	5/5	-	2/2	-
Datuk Puteh Rukiah	Independent,	F / F	F / F	r /r		
binti Abd. Majid	Non-Executive	5/5	5/5	5/5	-	-
Datuk Ooi Teik Huat	Independent,	F / F	-	5/5	-	
	Non-Executive	5/5				-
Maliki Kamal	Independent,	1 /1				
bin Mohd Yasin*	Non-Executive	1/1	-	-	-	-

Note:

Code of Conduct and Ethics

The Company's Code of Ethics for Directors and Code of Conduct and Discipline for Employees (hereinafter collectively referred to as "Code of Conduct") continue to govern the standards of ethics and good conduct expected from Directors and employees. This Code of Conduct is based on the principles of sincerity, integrity, responsibility and corporate social responsibility.

Meanwhile the Board is guided by a high standard of ethical conduct in accordance with the Code of Ethics for Company Directors as issued by the Companies Commission of Malaysia, which was provided upon their appointments.

Whistleblower Policy

The Whistleblower Policy encourages employees and third parties dealing with the Group to report genuine concerns in relation to breach of a legal obligation including negligence, criminal activity, breach of contract and breach of law, miscarriage of justice, danger to health and safety or to the environment and the cover-up of any of these in the workplace.

Employees are well-informed on the Whistleblower Policy as well as the relevant procedures including the whistleblowing avenues available for them.

The Company's Whistleblower Policy is available on Gas Malaysia's website at www.gasmalaysia.com.

^{*} Reflects the number of meetings held/attended during FY2022 after his appointment as Director.

Corporate Governance Overview Statement

Fit and Proper Policy

Our Sustainability Journey

Following the amendments made to the MMLR of Bursa Securities, the Board has in June 2022 adopted a Directors' Fit and Proper Policy which sets out the approach, guidelines and procedures to ensure that a formal, rigorous and transparent process is adhered to for the appointment, re-appointment and/or re-election of the Directors of the Group.

The Fit and Proper Policy is available on Gas Malaysia's website at www.gasmalaysia.com.

Company Secretaries

The Company Secretaries are to provide unhindered advice and services to the Directors, as and when the need arises, to enhance the effective functioning of the Board and to ensure statutory and regulatory compliance. The Company Secretaries are suitably qualified, competent and capable of carrying out the duties required of the role.

The Company Secretaries constantly update themselves with the latest developments on statutory and regulatory requirements through courses, trainings and conferences conducted by relevant bodies such as Companies Commission of Malaysia, Bursa Securities, Malaysian Association of Company Secretaries and Malaysian Institute of Chartered Secretaries & Administrators.

III. BOARD REMUNERATION

The Board has established practices, policies and procedures on the remuneration for the Board and the Senior Management in its Remuneration Policy which takes into account several factors, including competitiveness to ensure long-term success of the Group.

The level of remuneration should be aligned with the business strategy and long-term objectives of the Group, complexity of the Group's activities, and reflects the experience and level of responsibilities undertaken by the Directors and Senior Management.

The Board with the assistance of NRC, reviews the overall Remuneration Policy of the Non-Executive Directors and Senior Management. The Company has established its Remuneration Policy which sets out the criteria to be used in recommending the remuneration package of Non-Executive Directors and Senior Management.

Details of NRC activities are reported in the Nomination & Remuneration Committee Report on pages 97 to 101 of this Annual Report.

Remuneration of Key Senior Management

Details of Key Senior Management remuneration as at 31 December 2022 on a named basis (including benefits-in-kind) are as follows:

		Total Remuneration Range in Year 2022 (in RM'000)			ar 2022
Name of Senior Management	Designation	750- 1,000	1,000- 1,500	1,500- 2,000	2,500- 3,000
Ahmad Hashimi bin Abdul Manap	Group Chief Executive Officer				√
Shahrir bin Shariff	Director of Commercial			$\sqrt{}$	
Mohd Nisharuddin bin Mohd Noor	Director of Technical & Operations		$\sqrt{}$		
Zafian bin Supiat	Chief Financial Officer	$\sqrt{}$			

Corporate Governance Overview Statement



PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE ("AC")

The AC comprises three (3) Independent Directors:

Name of Directors	Designation
Tan Lye Chong	Independent,
(Chairman)	Non-Executive
Datuk Puteh Rukiah binti Abd. Majid	Independent,
	Non-Executive
Datuk Ooi Teik Huat	Independent,
	Non-Executive

The AC's key roles are:

- To 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;
- To 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, codes of conduct and applicable legal and regulatory requirements;
- To review related party transactions and recurrent related party transactions to ensure the transactions are carried out on armslength basis, on normal commercial terms, in the best interest of the Group and are not detrimental to the minority shareholders;
- Serve as an independent and objective party from Management in the review of the financial information of the Company and 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 and the Group to ensure their independence from Management;
- To evaluate the quality of audits conducted by the internal and external auditors on the Company and the Group; and
- Oversight of the whistleblowing system and review investigation reports arising from whistleblowing and ensure that appropriate actions are taken to address reports on Improper Conduct.

Details of AC activities are reported in Audit Committee Report on pages 102 to 107 of this Annual Report.

II. RISK MANAGEMENT AND INTERNAL CONTROL

The Board manages and performs its risk management and internal control through the Risk & Compliance Committee ("RCC"). The RCC assessed, reviewed and monitored the Group's risk profile, the internal controls enforced in managing and mitigating those risks and ensuring those controls are adequate and effective by challenging management actions and control activities.

Risk & Compliance Committee

The RCC comprises:

Name of Directors	Designation
Nobuhisa Kobayashi	Non-Independent,
(Chairman)	Non-Executive
Datuk Syed Abu Bakar	Independent,
bin S Mohsin Almohdzar	Non-Executive
Kamalbahrin bin Ahmad	Non-Independent,
	Non-Executive

The RCC's key roles, among others are:

- To oversee the establishment and implementation of the risk management system of the Group of which the effectiveness of the system is reviewed annually; and
- To review and approve the risk management framework and policies to be adopted by the Group.

During the year, RCC met two (2) times to discuss the risk profiles and review the adequacy and effectiveness of internal controls. The RCC also discussed the financial resilience and examined the ability of the Group to respond to changing business, law, political, economy and social environment.

The Group's key risks and further information on the Group's system of risk management are outlined in the Statement of Risk Management and Internal Controls on pages 91 to 96 of this Annual Report.

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PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. ENGAGEMENT WITH STAKEHOLDERS

The Company is actively engaging with stakeholders through various platforms, including the announcements via Bursa LINK and disclosure on the Company's website and 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.

The Board entrusted the Management through the Corporate Affairs Department ("CAD") to formulate and implement a long-term strategic communications plan, to outline a proactive strategic engagement plan as well as managing stakeholders' relationship. Various engagement and dialogue with institutional shareholders, analysts, media and respective government agencies were held through CAD's yearly communications plan.

II. CONDUCT OF GENERAL MEETINGS

To ensure that shareholders are able to participate, engage the Board and Senior Management effectively, and make informed voting decisions at general meetings, the Board, with the assistance of the Company Secretary, has provided shareholders with sufficient notice and time to consider the resolutions that will be discussed and decided at the AGM by issuing the notice for AGM at least 28 days before the meeting. Notice for the 31st AGM held on 19 May 2022 was sent to shareholders on 20 April 2022. The notice includes details of the resolutions to be tabled and explanation on the resolutions proposed along with background information and reports or recommendations that are relevant.

The Company also encouraged the shareholders to submit pre-AGM questions in advance on the AGM resolutions and Annual Report 2021 before the commencement of the 31 st AGM.

In view of the COVID-19 pandemic and as part of the Company's precautionary measures, the 31st AGM was held virtually through live streaming and using Remote Participation and Electronic Voting ("RPEV") facilities.

The Chairman, one Independent Director, the GCEO and key Senior Management were physically present at the Broadcast Venue. The other members of the Board were in attendance virtually via live streaming and using RPEV facilities. The shareholders, corporate representatives and proxies attended the 31st AGM via RPEV facilities which were available on Boardroom Share Registrars Sdn Bhd's website.

During the virtual AGM, shareholders were given the opportunity to engage with the Board members and Senior Management via RPEV facilities which had enhanced the quality of engagement with shareholders and facilitate participation by shareholders at the AGM. All resolutions were passed by the shareholders via RPEV platform.

The minutes of the 31st AGM had been published on the Company's website on 10 June 2022.

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Key Focus Areas and Future Priorities

Since the release of the updated MCCG 2021, the Group has been focusing on and remain committed to apply the Principle and Practices introduced and for the disclosure of application of the Principle and Practices in the annual report for the financial year ended 31 December 2022. The Company has applied and adopted all the Practices under MCCG 2021, with the exception of Practices that are listed in the table below.

The summary of the Practices that were in 'Departure' from the practices listed in MCCG 2021, their alternatives and action plans to address these departures are as follow:

Principle A - Board Leadership and Effectiveness

Practice 1.4 -

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.

Currently, the Board is chaired by Tan Sri Wan Zulkiflee bin Wan Ariffin, an Independent Director who also assume the position of the Chairman of the NRC.

The NRC and the Board had concurred that the Chairman is able to conduct himself professionally and thus will not impair the objectivity when deliberating on observations and recommendation put forth by the NRC.

This is strengthened by the presence of other Board members to ensure there is a check and balance as well as objective review by the Board.

Principle A - Board Leadership and Effectiveness

Practice 5.9 -

The board comprises at least 30% women directors.

The percentage of women on the Board as at 31 December 2022 is 11%, lower than the 30% as prescribed in this Practice. Currently the Board has one (1) female Director. The Company however complied with the Paragraph 15.02(1)(b) of the MMLR which stipulates the requirement for listed issuers with market capitalization of RM2 billion and above to have at least one (1) woman director on the Board.

The Board is committed to provide fair and equal opportunities and nurturing diversity within the Group and recognises the importance of boardroom diversity in terms of experience, skills, competence, age, gender and ethnicity.

The Board through its NRC has also assessed that the current Board composition is appropriate and effective. Nevertheless, the Board supports the move to appoint more female Directors to the Board. The Board is guided by the principal that appointment of new Board members shall not be based solely on gender but rather the candidate's skill set, competencies, experience and knowledge.

Principle A - Board Leadership and Effectiveness

Practice 8.2 -

The board discloses on a named basis the top five (5) senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

The Company believes that the disclosure of the Key Senior Management's remuneration in the respective band is sufficient to allow shareholders to understand the link between Senior Management's remuneration and the Company's performance as well as skills and experience required.

The remuneration of Key Senior Management has been disclosed on named basis in the Corporate Governance Overview Statement in the Annual Report.

Principle C - Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Practice 12.2 -

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

The Board acknowledges that integrated reporting goes beyond a mere combination of a financial statement and sustainability report into a single document.

Nevertheless, there are coordinated efforts among cross-functional departments in preparing the various statements and reports in the Annual Report.

The Board believes that the current reporting structure and depth of disclosures in the Annual Report is sufficient to enable stakeholders to make informed decisions.

The Board will look into integrated reporting based on a globally recognised framework in the future.

Statement on Compliance with the Requirements of Bursa Securities in Relation to Application of Principles of MCCG 2021 Pursuant to Paragraph 15.25 (1) of the MMLR

The Board has reviewed, deliberated and approved this Corporate Governance Overview Statement and is pleased to report to its shareholders that to the best of its knowledge, the Company has complied with and shall remain committed to continuously apply the Principle laid down in the MCCG 2021, save as disclosed above.

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board of Directors dated 21 March 2023.

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Statement on Risk Management and Internal Control

Introduction

Gas Malaysia Berhad ("Company") and its subsidiaries ("Group") are operating in a dynamic and challenging corporate environment. Acknowledging this, the Board of Directors ("Board") upholds its responsibility of ensuring effective and efficient administration of risk and compliance management, and internal control systems throughout the Group, via administering pertinent policies and procedures. Constant monitoring of risks and internal controls by the Board and Management will ensure adherence to and compliance with relevant laws and regulations. It shall also ensure that various assets and investments of the Group, as well as interests of other stakeholders, are safeguarded.

The Risk & Compliance Management Committee ("RCMC") in its meeting on 4 January 2023 had reviewed and accepted the business risks presented by the Group. The Management continuously monitors the Group's risks and presents them to the Risk & Compliance Committee ("RCC") at its half-yearly meetings.

Risk Management and Internal Control System Description

The Board is assisted by the Management and internal auditors in ensuring the following objectives are fulfilled:

- A Provide a policy and organisational structure for the management of risks within the Group.
- Define risk management roles and responsibilities within the Group and outline procedures to mitigate risks.
- © Ensure consistent and acceptable risk management practices throughout the Group.
- Define the reporting framework to ensure clear communication on all risk management activities and reporting.
- Accommodate the changing risk management needs of the Group while maintaining control of the overall risks.
- Details the approved methodology for risk assessment.
- O Provide centralized consolidation of risk management data and reporting.

We strive to identify and estimate the potential risks while at the same time, perform monitoring roles and continuously improve the internal control system within the Group. All the controls are designed to provide a practical and realistic assurance instead of the absolute affirmation against the risk of occurrence of material errors, fraud or losses. The description of related key elements of the Group's risk management, internal control and business continuity practices are as follows:



RISK MANAGEMENT

GROUP'S RISK AND COMPLIANCE MANAGEMENT POLICIES AND PROCEDURES FRAMEWORK

The Board has devised its own risk and compliance management policies and procedures framework with the purpose of managing risks and compliance in the Group. It shall act as a guiding manual and reference in identifying, evaluating, monitoring and developing processes and techniques for managing risk.

Constant supervision and reassessment are practised to ensure that the systems of internal control remain effective at all times. In addition to that, it is also designed to minimise the impact of risks rather than stifle new opportunities that come with inherent risks. Otherwise, such prevention may disrupt the Group from achieving its objectives and goals.

For efficiency, the Management formulated continual processes for identifying, evaluating and managing any major risks faced by the Group. The Management remains vigilant of any situations which may affect the well-being of the Group, its employees, assets, profits as well as stakeholders.

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2 REPORTING STRUCTURE

The management of risks is considered as an integral part of the Group's management process. Accordingly, it is incorporated into the operational processes of the Group. The reporting structure can be described as follows:



Note 1:

Risk and Compliance Management Committee

The RCMC is responsible to assist the RCC in carrying out the implementation of risk management in the Group. It is formed with a comprehensive responsibility for monitoring the risk and compliance management activities of the Group. The function includes executing appropriate risk management procedures and measurement methodologies across the Group.

The responsibilities and duties of RCMC are as follows:

- A Ensure continuous development of risk management system in the Group and supervise the implementation of risk management in compliance with the Enterprise Risk Management ("ERM") Policy and Framework.
- B Conduct RCMC meetings on a half-yearly basis.
- Ensure that risks identified are reviewed prior to reporting to the RCC.
- Decide on the status and further action on matters arising with regards to the identified risks.
- Identify key risks at the Group that needs to be escalated to the RCC.
- F Review and enhance the Group's risk management structure to sustain the ERM framework and support the on-going delivery of risk management objectives.
- © Review and enhance the Group's Risk Assessment process.
- H Ensure that the ERM Policy and Framework has been adopted accordingly.

The Group Chief Executive Officer leads the RCMC as the Chairman with Heads of Companies ("HOCs") and all Head of Departments ("HODs") as members. The HOCs and HODs play a significant role in managing and controlling all the identified risks and compliance issues that are related to their particular departments and companies. In addition, the Management is required to assure that the risk and compliance policies, as well as procedures, are incorporated and go hand in hand with the business strategies and plans. All these risks and compliance related matters shall be reported to the RCMC twice (2) a year. Subsequently, the reported matters would be compiled by the RCMC for submission to the RCC.

Other Information

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Note 2:

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Risk and Compliance Committee

The RCC is responsible to assist the Board to oversee the establishment and implementation of an enterprise risk management system. The RCC is also responsible to review the effectiveness of the system annually.

The RCC consists of at least three (3) Board members including the Chairman, who is a Non-Executive Director. The RCC is required to determine the Group's level of risk appetite. Furthermore, they are to assess and examine key business risks so that the shareholders' investments and the Group's assets are safeguarded.

The scope, duties and responsibilities of RCC are as follows:

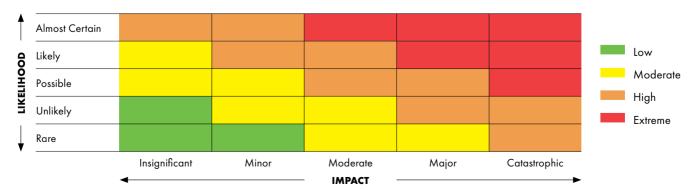
- A To review the processes for determining and communicating the Group's risk appetite.
- B To oversee the establishment and implementation of the risk management system of the Group of which the effectiveness of the system is reviewed annually.
- C To review and approve the risk management framework and policies to be adopted by the Group. The framework is constantly monitored and reviewed to ensure risks and controls are updated to reflect current situation and ensure relevance at any given time.
- D To review Management's processes for identifying, analysing, evaluating and treating risks, as well as communicating the identified risks across the Group.
- To review periodic reports on risk management of the Group and deliberate on key risk issues highlighted by the RCMC.
- To report to the Board on the key risks of the Group and the action plans to mitigate these risks.
- To carry out such other assignments as may be delegated by the Board.

The RCC presents its reports to the Board twice (2) a year. This allows the Board to keep abreast and updated on the major risks within the Group. At the same time, they will be able to ensure that timely actions are taken by the Management to alleviate the risks.

RISK IDENTIFICATION PROCESS AND ANALYSIS

Risk identification starts with the risk coordinators from each department. The appointed risk coordinators seek to identify risks which may in any way affect the Group's objectives. The consideration shall include economic, reputation and compliance objectives. The risks will then be measured and registered in terms of likelihood and impact of incidence.

The main objective of this process is to appropriately identify, evaluate and respond to the risks identified in order to protect the Group from loss, uncertainty and loss of opportunities.



The main responsibility of risk coordinators would be to identify risks and subsequently map them to the risk register. Next, the compiled risks will be communicated to the respective HOCs and HODs. Risks that are categorised as major will be forwarded to the RCMC for its deliberation.

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GAS MALAYSIA RISK REGISTER ("GRR")

All risks previously identified will be recorded in the GRR. The compilation will then be reviewed by the RCMC.

After the completion of the reviewing process, the RCC will be informed about the most significant risks identified. The rating or score is determined based on the consequences, root cause and the current capability of controls the Group has to mitigate the resultant impact.

5 BUSINESS CONTINUITY MANAGEMENT MANUAL ("BCMM")

BCMM was created with the objective of achieving the Group's goal which is to minimise the effect of any incident on employees, business partners, local community and environment. It is of utmost importance that business functions will continue to function even in the event of a crisis.

BCMM covers two (2) major elements, which are Emergency Management ("EM") and Business Continuity Management ("BCM"). EM is a programme created to control the overall culmination of a physical incident within a business unit. The programme integrates both operations response to an emergency as well as supporting staff functions such as law, insurance, public affairs and human resources.

On the other hand, BCM's main function is to protect corporate assets from an actual or potential threat caused by either a catastrophic incident, a non-physical event or series of negative developments which escalate to crisis proportions. BCMM underlines the strategies and actions to be taken during the incident. It relies on an equalised evaluation of probable impact on the Group's operations, image and liability. Through systematic management in place, BCMM strives to handle those impacts so that the business recovery can be accelerated.

In order to ensure that sufficient resources are readily accessible, the plan undergoes constant reassessment, testing and auditing process. These continuous updates and improvements are significant to ensure that it remains relevant and allows the Group to effectively and efficiently face the challenges posed by any incidents.

As a means to facilitate the above, the Group has prepared the following:

▲ Emergency Response Plan ("ERP")

The creation of ERP is an embodiment of the Group's commitment towards responding effectively to all emergencies that affect the Group. The plan strives to assure that immediate and effective response can be taken during emergency situations. This is achieved by providing training as well as maintaining adequate resources in dealing with crisis. The main goal of ERP is to minimise the after-effect of an emergency by minimising the risk to the public and employees and at the same time, protecting property and limiting damages to the environment.

Generally, the ERP revolves around on-site procedures which are to be performed by related personnel when an emergency occurs. The main priority of this measure would be the safety of the employees, the protection of the public as well as the conservation of the environment wherein the damage must be kept as minimal as possible. However, it is important to note that due to the volatile and irregular nature of emergencies, most procedures are presented as general guidelines rather than inflexible rules.

Computer Disaster Recovery Centre ("CDRC")

CDRC is a coordinated process of restoring crucial systems, data and infrastructures that are required to sustain the key on-going business operations during a crisis. The Group has set up its own CDRC, where core and main servers for the Group's IT operations are replicated outside the main operation buildings. The centre will also host the backup Operation Control Room ("OCR") in which, it has a similar function as the main OCR located at the Head Office. All these will make it possible for the critical data to remain safely intact and uncorrupted when disaster occurs.

Health, Safety, Environment and Quality ("HSEQ") Policy

The HSEQ Policy outlines the strong commitment of the Group towards its employees, business partners and the general public. Each and every practical and possible step identified will be considered and monitored by the HSEQ committee. As a result, risks of occupational injury and health illness amongst personnel and damages to the environment can be managed and minimised. At the same time, the quality of services will be enhanced as well.

Statement on Risk Management and Internal Control



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KEY ELEMENTS OF INTERNAL CONTROL SYSTEM ("ICS")

Outlined below are the other essential components of the Group's internal control system:

GOVERNANCE AND CONTROL ENVIRONMENT

- Delegation of responsibilities between the Board and the Management are clearly defined. This is done via proper documentation of authorisation procedures as well as line of accountability for authorisation, approval and control procedures. In line with that, a Limits of Authority framework is prepared to establish the availability of limits to govern the functions within the scope. Significant transactions such as major tenders, acquisitions and disposals must be approved by the Board.
- The Standard Operating Procedures ("SOPs") are regularly updated parallel with the latest developments in the Group to ensure that they will remain relevant at all times. The SOPs would document the internal control procedures including how specific objectives can be achieved based on respective processes.
- ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO/IEC 27001:2013 are certifications obtained for the Group's operational processes.

RISK ASSESSMENT

Regular meetings will be held amongst the HOCs and HODs to discuss any recent major risk issues affecting the Group and control procedures to mitigate those risks. These meetings allow quality decisions to be made and at the same time, promoting teamwork in problem-solving.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND **FRAMEWORK**

The Group is committed to conduct its business professionally, ethically and with the highest standards of integrity. Taking into cognizance Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 that came into force in June 2020, the Group therefore adopted and implemented an Anti-Bribery and Anti-Corruption Policy and Framework, which was later revised and approved by the Board of Directors on 12 May 2022. The Anti-Bribery and Anti-Corruption Policy and Framework emphasises the Group's zero-tolerance approach against all forms of bribery and corruption as well as the Group's commitment to uphold all applicable laws in relation to anti-bribery and corruption.

CONTROL ACTIVITIES

Control activities are performed at all levels within the Group through policies and procedures to ensure that Management's directives to mitigate risks in achieving business objectives are carried out. Relevant control activities within the Group include operational controls, financial reporting controls, internal and external audits and whistleblowing policy.

INFORMATION AND COMMUNICATION

The implementation of an Enterprise Resource Planning system facilitates a smooth flow of information among critical business functions within the Group. In return, it increases the quality of control and efficiency of operations.

MONITORING

- The Internal Audit Department has been assigned the responsibility to conduct reviews on the governance, risk management and internal controls of the Group. Subsequently, recommendations will be proposed to the Management should there be any room for improvement. The findings and recommendations will then be reported to the Audit Committee. The Committee shall act as the representative of the Board to put all the notions into consideration regarding the efficiency and sufficiency of the Group's internal controls.
- Every month, the monthly performance will be analysed against the budget and the comparative preceding year's performance by Accounting and Finance Department. The findings will be tabled to the Management during the monthly Management Committee meeting. This is done prior to the data being reported to the Audit Committee and the Board on a quarterly basis. This allows constant and timely performance monitoring. As such, any issues which impede the budget achievement goal is addressed early in an effective manner.
- The External Auditors will highlight any weaknesses in internal controls noted during the course of their audit of the statutory financial statements of Gas Malaysia Berhad and its subsidiaries. They will also provide recommendations to mitigate those weaknesses in internal controls and to seek the management action plans, and thereafter, report to the Audit Committee.

The Board and Management acknowledge the importance of constant monitoring of the Group. This is due to the ever-changing nature of the risks faced by the Group. Hence, to ensure the process is up to date, improvement and enhancement of the internal control must be conducted on an on-going basis to ensure that all probable impact of the identified risks can be mitigated timely.

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Risk Management and Internal Control System Effectiveness

The regular assessment by the Board to ensure an effective risk management and internal control systems of the Group is conducted through the following mechanisms:

- To begin with, the Board utilises numerous data and tools to measure whether the current risk management and internal control systems are still effective and relevant with the current condition. The data and tools include comparison between actual and planned performance, key financial as well as operational performance.
- Subsequently, the Management shall keep the Board updated on
 the Group's performance in relation to the plans and developments
 of both internal and external aspects. These discussions will be held
 on a quarterly basis. In addition, specific transactions, projects
 or opportunities will be discussed with the Board when the need
 arises. This allows the Board to determine if there are any new
 risks which need to be addressed as well as highlight elements
 of action plans and internal controls which must be enhanced for
 better results.
- Afterwards, all the improvements required will be addressed appropriately. These actions were carried out based on the results of reviews by the internal auditors. The outcome of the reviews will be discussed with the Audit Committee while the follow-up monitoring tasks will be carried out by the Management and internal auditors.
- Ultimately, the overall risk management activities and risk registers
 will be presented to the Board at least twice (2) a year. This is done
 to provide a complete overview of the Group's key risks and how
 they are being managed.

Commentary on The Adequacy and Effectiveness of Risk Management and Internal Controls Systems

The Board agrees that the risk management and system of internal control practices as described above are effective and cover 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 satisfied that the system of internal controls and risk management processes are adequate and sound in providing 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 the 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 inquiries, information and assurances provided by the Group Chief Executive Officer and Chief Financial Officer, the Board is of the view that the Group's risk management and system of internal controls are operating adequately and effectively, in all material respects.

This Statement on Risk Management and Internal Control ("SORMIC") has been prepared in line with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia, guided by the SORMIC: Guidelines for Directors of Listed Issuers and Malaysian Code on Corporate Governance ("MCCG") 2021. This Statement is made in accordance with a resolution of the Board of Directors dated 21 March 2023.

Review by External Auditors

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad MMLR, the external auditors have reviewed this Statement on Risk Management and Internal Control and reported to the Board that nothing has come to their attention that causes them to believe that the SORMIC intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the SORMIC factually inaccurate. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 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.

Nomination & Remuneration Committee Report

Our Sustainability Journey

The Nomination & Remuneration Committee ("NRC") Report is prepared in accordance with Paragraph 15.08A(3) of Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR"). This report sets out the activities of the NRC in discharging its duties for the year under review.

The composition of the NRC complies with Paragraph 15.08A(1) of the MMLR of Bursa Securities which states that a nominating committee shall comprise exclusively of non-executive directors, a majority of whom must be independent.

The details of NRC members and their attendance records at the NRC meetings held during the financial year ended 31 December 2022 are as follows:

No.	Name of Directors Tan Sri Wan Zulkiflee bin Wan Ariffin Chairman	Designation Independent, Non-Executive	Meetings Attended 5/5
2.	Datuk Puteh Rukiah binti Abd. Majid Member	Independent, Non-Executive	5/5
3.	Datuk Syed Abu Bakar bin S Mohsin Almohdzar Member	Independent, Non-Executive	5/5

Currently, the NRC is chaired by Tan Sri Wan Zulkiflee bin Wan Ariffin, an Independent Director, who is also the Chairman of the Board.

The Board concurred that the Chairman is able to conduct himself professionally and thus will not impair the objectivity when deliberating on observations and recommendation put forth by the NRC. This is strengthened with the presence of the other Board members to ensure there is a check and balance as well as objective review by the Board.

There was no change to the NRC's composition in the financial year under review.

The NRC's key roles, among others are:

- To consider and recommend to the Board suitable persons for appointment as Board Members and GCEO/Executive Director of the Company, its Committees and its Subsidiaries;
- To annually review the performance of the Board Members, its Committees and Boards of Subsidiaries;

- To annually assess the size and effectiveness of the Board as a whole, its Committees, the contribution of each individual Director, including Independent Directors ("IDs"), as well as the GCEO;
- To review and recommend to the Board the succession plan of the
- To review and recommend the general remuneration policy of the Company;
- To review and recommend the appointment and promotion of Senior Management of the Company;
- To review the compensation of Directors; and
- To recommend suitable short and long-term incentive plans including the setting of appropriate performance targets and programme for management development.

During the financial year under review, the NRC met five (5) times and carried out, among others the following activities:

- Reviewed and recommended to the Board on matters regarding Key Performance Indicators of the GCEO;
- Reviewed and recommended to the Board regarding annual increment and performance bonus for employees;
- Reviewed and assessed the size, required mix of skills, experience, diversity and other qualities, including core competencies and effectiveness of the Board, as a whole, the Board Committees and each individual Director;
- Assessed the annual performance of the Board, Board Committees and individual directors, including IDs and thereafter recommended for re-election of directors at the AGM;
- Reviewed the succession planning on Management Critical Positions and recommended to the Board;
- Reviewed and recommended to the Board the adoption of Fit and Proper Policy of the Group;
- Reviewed and recommended to the Board the appointment of an Independent Director; and
- Reviewed and recommended to the Board the salary range competitive diagnosis for employees.

Written Terms of Reference of the NRC is available on Gas Malaysia's website at www.gasmalaysia.com.

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Nomination & Remuneration Committee Report



RECRUITMENT AND ANNUAL ASSESSMENT OF DIRECTORS

One (1) of the key functions of the NRC is to manage the nomination and selection of candidates to the Board. For the assessment and selection of Directors, the NRC is guided by the Fit and Proper Policy of the Group and shall consider the following factors of the prospective Directors:

- Character, experience, skills, knowledge, expertise and competence;
- Professionalism;
- Commitment (including time commitment), contribution and performance;
- Integrity;
- In the case of candidates for the position of Independent Non-Executive Directors, the NRC will evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors; and
- Boardroom diversity.

During the year under review, the NRC had deliberated on the need to refresh the Board's composition with the impending Independent Directors tenure exceeding 12 years by August 2023. Encik Maliki Kamal bin Mohd Yasin was nominated by the Chairman of the Board as an Independent Director. The NRC had reviewed and assessed his experience, skills, expertise, time and commitment and was satisfied that he had fulfilled the required criteria set by the Company's Fit and Proper Policy. With the recommendation of the NRC and having reviewed his vast knowledge and experience in the national oil and gas company, the Board approved his appointment as an Independent Director of the Company with effect from 1 September 2022.

The NRC undertakes an annual assessment on the effectiveness of the Board as a whole, its Committees, the contribution of each individual Director, including IDs, as well as the required mix of skills, experience and other qualities of the Board members, including core competencies which IDs should bring to the Board.

For the year under review, the evaluation was conducted through the questionnaires circulated to the Board covering various aspects pertaining to Board effectiveness such as Board mix and composition, principal responsibilities of the Board, Board process, GCEO performance and succession planning, Board governance and Environmental, Social & Governance ("ESG") issues.

Additional questionnaires on independent directorship were provided to all IDs. Outcomes of the evaluations are generated based on the Directors' feedbacks on the questionnaires. Upon evaluation, the NRC will consider and recommend measures to upgrade the effectiveness of the Board and its Committees. All evaluations carried out by the NRC in the discharge of all its functions are properly documented.

Based on the evaluation conducted for the financial year under review, the Board opined that the existing structure of the Board is highly effective due to the following:

- The Company has a well-balanced Board. The Board is of the right size and comprises of individuals who have diverse skills, knowledge, experience and expertise that combines to provide different perspectives and effective board dynamics. Thus, it enables effective and constructive deliberations whereby any decision made is founded on detailed and balance considerations;
- The Directors are committed, continuously remain highly
 effective by demonstrating good jugdement, credibility,
 strategic thinking, industry knowledge and decision making
 ability, and have discharged their responsibilities and fiduciary
 duties as members of the Board; and
- The Board has sound knowledge and understanding of the Group's business and challenges as well as the industry in which the Group operates and is able to chart strategic direction of the Group.

In conclusion, based on the evaluation conducted for the financial year under review, the Board is satisfied of its existing number and composition and of the view that, with the current mix of skills, knowledge, experience and strength, the Board as a whole is able to discharge its duties effectively.

The results of these evaluation form the basis of the NRC's recommendations to the Board for the re-election of Directors and retention of IDs at the forthcoming AGM of the Company.

Nomination & Remuneration Committee Report



Our Sustainability Journey

DIRECTORS' REMUNERATION

The details of the Directors' remuneration comprising remuneration received/receivable from the Company for the financial year ended 31 December 2022 are as follows:

		Other	
		allowances	
	Directors' Fees	[Note (a)]	Total
Name of Directors	(in RM′000)	(in RM′000)	(in RM′000)
Tan Sri Wan Zulkiflee bin Wan Ariffin	396	46	442
Tan Sri Che Khalib bin Mohamad Noh	126 [Note (b)]	84 [Note (c)]	210
Nobuhisa Kobayashi	174	24	198 [Note (d)]
Kamalbahrin bin Ahmad	126	29	155
Datuk Syed Abu Bakar bin S Mohsin Almohdzar	150	86	236
Datuk Puteh Rukiah binti Abd. Majid	150	56	206
Tan Lye Chong	174	68	242
Datuk Ooi Teik Huat	126	95	221
Maliki Kamal bin Mohd Yasin (appointed w.e.f 1 September 2022)	34	4	38
Total	1,456	492	1,948

Notes:

- (a) Other allowances comprise the meeting allowances, telephone allowance, annual token and annual leave passage.
- (b) Tan Sri Che Khalib bin Mohamad Noh received half of the Directors' Fees and Board Committee's Fees, another half amounting to RM63,000 was paid to MMC Corporation Berhad.
- (c) Tan Sri Che Khalib bin Mohamad Noh received half of the meeting allowance, another half amounting to RM8,000 was paid to MMC Corporation Berhad.
- (d) All Directors' Fees and Other allowances amounting to RM198,000 were paid to Tokyo Gas-Mitsui Co. Holdings Sdn Bhd.

Nomination & Remuneration Committee Report



DIRECTORS' TRAINING

In line with the requirement under Paragraph 15.08 of the MMLR of the Bursa Securities, the Directors are mindful of the importance of continuing education and the need to enhance knowledge and expertise to keep abreast of latest developments in the industry and to enable the directors to effectively discharge their duties. The Board is encouraged to attend relevant training programs with facilitation by the Company Secretaries for the programme registration.

The Board assessed the training needs of individual directors and is satisfied that all directors have met their training needs. During the financial year under review, all Directors attended training/seminar/conference, as follows:

Name of Directors	Training/Seminar/Conference Attended	Date
Tan Sri Wan Zulkiflee	International Directors Summit	26 September 2022 –
bin Wan Ariffin		28 September 2022
	Environmental, Social & Governance (ESG) and Sustainability	4 October 2022
	GMB Board Retreat Session	17 October 2022
Tan Sri Che Khalib	Sesi Perbincangan – Persepsi Terhadap Pelaburan Langsung Asing (FDI)	26 January 2022
bin Mohamad Noh	ke Malaysia bersama YB Dato' Sri Mustapa Mohamed, Menteri di Jabatan	
	Perdana Menteri (Ekonomi)	
	Webinar: High-Income and Advanced Nation	25 February 2022
	[Chaired by YB Dato' Sri Mustapa Mohamed, Menteri di Jabatan Perdana	
	Menteri (Ekonomi)]	
	Sesi Libat Urus – Pelan Air Negara	4 April 2022
	Shariah Non-Compliance Risk Management in Islamic Banking & Finance	30 May 2022
	Invest ASEAN 2022 Malaysia – ASEAN Framing a Future	8 June 2022
	Conference Panellist at the 2 nd Annual Clean Power New Energy 2022 –	21 July 2022
	Shaping the future of energy in Asia	
	Topic: Advanced Engineering in Renewables BMMB Shariah Structured Training: Latest Product Development & New	27 September 2022
	Offering to the Market	·
	Khazanah Megatrends Forum 2022 – Development and its Complexities;	3 October 2022 –
	Steering our Way Through a Perfect Storm	4 October 2022
	Environmental, Social & Governance (ESG) and Sustainability	4 October 2022
	GMB Board Retreat Session	17 October 2022
	Perdana Leadership Foundation CEO Forum 2022: Plenary Session	1 November 2022
	"Malaysia's Signposts and Hotspots: The Next Decade's Trends and	
	Growth Areas"	
	Panellist CEO Forum, themed "Major Trends Impacting the Malaysian	
	Economy (and You)"	
Nobuhisa Kobayashi	Environmental, Social & Governance (ESG) and Sustainability	4 October 2022
-	GMB Board Retreat Session	17 October 2022
Kamalbahrin bin Ahmad	Environmental, Social & Governance (ESG) and Sustainability	4 October 2022
	GMB Board Retreat Session	17 October 2022

Our Sustainability Journey

Other Information

Nomination & Remuneration Committee Report

All CD1	T 1 1 /0 1 /0 / 1 1 1	
Name of Directors	Training/Seminar/Conference Attended	Date
Tan Lye Chong	Audit Oversight Board's Conversation with Audit Committees	7 April 2022
	Audit Committee Conference 2022	23 May 2022 –
		24 May 2022
	ISA 570 (Revised) On Going Concern Assessment & Evaluation	29 September 2022
	Environmental, Social & Governance (ESG) and Sustainability	4 October 2022
	MFRS/IFRS Technical Update 2022	12 October 2022
	GMB Board Retreat Session	17 October 2022
	Audit Oversight Board's Conversation with Audit Committees	6 December 2022
Datuk Syed Abu Bakar	#iEmPOWER: Global Trade Outlook 2022 and Beyond	22 February 2022
bin S Mohsin Almohdzar	WIEF SOCIAL ENTERPRISE – Rebuilding Social Enterprise	28 February 2022
	13th WIEF Global Discourse on Immersive Technologies	26 May 2022
	#iEmPOWER: e-Wallet: Embracing a Cashless Transformation	15 June 2022
	JumpStart – Digitising Your Ideas Modules 1 to 7	2 August 2022 –
		30 August 2022
	WIEF Roundtable Penang - Economic Rebound: Transforming the Future	27 September 2022
	GMB Board Retreat Session	17 October 2022
	#iEmPOWER: Reactivating Economic Opportunities through Tourism	15 November 2022
	Dialogue – Tomorrow's Economic Navigators: Building Back Better	15 December 2022
Datuk Puteh Rukiah	Webinar on The Audit Committee	27 June 2022
binti Abd Majid	Seminar on Assessment of the Board, Board Committees & Individual	20 July 2022
	Directors - The rationale for such an assessment and the mechanisms on	,
	how it is conducted, including the use of its outcomes	
	Environmental, Social & Governance (ESG) and Sustainability	4 October 2022
	GMB Board Retreat Session	17 October 2022
Datuk Ooi Teik Huat	TCFD Climate Disclosure Training Programme – TCFD102	9 March 2022
2 4.0.1 2 0.1 10.11 1.0 4.	Economic Outlook and Lookout by Maybank Investment Bank	4 August 2022 –
	Dialing Up the ESG Agenda – Doing More by AT Kearny & Board Alignment	5 August 2022
	Workshop on Culture by Cultures Partners	3 Augusi 2022
	Operationalising ESG Priorities: Findings from WTW's Global Research	30 September 2022
		4 October 2022
	Environmental, Social & Governance (ESG) and Sustainability GMB Board Retreat Session	
		17 October 2022
Maliki Kamal bin Mohd Yasin	Mandatory Accreditation Programme (MAP)	15 February 2022 –
		17 February 2022
	Corporate Governance Guide 4th Edition: Rise Together	22 March 2022
	GMB Board Retreat Session	17 October 2022

All Directors have attended the Mandatory Accreditation Programme prescribed by Bursa Securities.

This NRC Report is made in accordance with the resolution of the Board of Directors dated 21 March 2023.

Audit Committee Report

The Audit Committee ("AC") provides critical oversight of the Group financial reporting process, monitoring the external and internal auditing processes, compliance with relevant legal and statutory matters and other matters delegated by the Board to the AC through its approved Terms of Reference ("TOR"), which was last reviewed on 17 March 2022. The AC TOR is accessible to the public for reference on Gas Malaysia's website at https://www.gasmalaysia.com/investor-relations/corporate-governances/.

The Board of Directors of the Company is pleased to present the Audit Committee Report for the financial year ended 31 December 2022.



AUDIT COMMITTEE COMPOSITION AND MEETINGS HELD

- The AC comprises three (3) Independent Directors as of 31 December 2022, all of whom are Non-Executive Directors. This composition is aligned with Paragraph 15.09 (1) (a) and (b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), which states that the AC must be composed of not fewer than three (3) members and all the members must be non-executive directors, with majority of them being independent directors.
- The Chairman of AC, Tan Lye Chong, is not the Chairman of Gas Malaysia Board which is in line with the Malaysian Code on Corporate Governance ("MCCG") 2021.
- Two (2) members of the AC fulfil the requirements of Paragraph 15.09 (1) (c) (i) of MMLR. Tan Lye Chong and Datuk Ooi Teik Huat are members of the Malaysian Institute of Accountants ("MIA").

- During the financial year ended 31 December 2022, five (5) AC meetings were held. This satisfies Paragraph 5.1 of the AC TOR, which requires the AC to meet at least four (4) times a year. The meetings are normally attended by the Group Chief Executive Officer ("GCEO"), Director of Commercial, Director of Technical & Operations, Chief Financial Officer ("CFO"), Internal Auditors and upon invitation, the External Auditors.
- Four (4) of the meetings held were planned quarterly meetings while one (1) was a special meeting.
- The details of AC members and their attendance records at the AC meetings held during the financial year ended 31 December 2022 are as follows:

No	Name of Directors	Status of Directorship	Independent	No. of Meetings Attended
1	Tan Lye Chong Chairman	Non-Executive Director	Yes	5/5
2	Datuk Puteh Rukiah binti Abd. Majid Member	Non-Executive Director	Yes	5/5
3	Datuk Ooi Teik Huat Member	Non-Executive Director	Yes	5/5

The Company Secretary acts as the secretary to the AC. Minutes of each meeting are distributed to each AC and Board member. The Chairman of the AC reports key matters discussed at each AC meeting to the Board.

Audit Committee Report



Our Sustainability Journey

SUMMARY OF ACTIVITIES OF THE AC

During the financial year ended 31 December 2022, the AC discharged its functions and carried out its duties by undertaking the following activities:

Internal Control

- Reviewed the adequacy and effectiveness of the system of internal controls based on the findings from internal and external auditors' reports presented during the AC meetings. The AC was satisfied with the internal auditors' and external auditors' recommendations and the management responses to mitigate and overcome the weaknesses highlighted. The AC will continue to monitor the implementation of any recommendations thereon.
- Reviewed the Statement on Risk Management and Internal Control ("SORMIC"), which was included in the Annual Report. The AC was satisfied with the adequacy and effectiveness of the internal control systems in all material aspects. In connection with the SORMIC, the GCEO and the CFO had given their assurances to the Board that the risk management and internal control systems of the Group for the financial year ended 31 December 2022 were operating effectively and efficiently in all material respects. As required by Paragraph 15.23 of the Bursa Malaysia MMLR, the external auditors have reviewed the SORMIC, and their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the MIA, which 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 the procedures performed by the external auditors, they have reported to the Board that nothing has come to their attention that causes them to believe that the SORMIC was not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the SORMIC: Guidelines for Directors of Listed Issuers, nor was the SORMIC factually inaccurate.

Financial Reporting

 Reviewed the quarterly financial results for announcement to Bursa Malaysia before recommending the same for approval by the Board upon being satisfied that, they comply with applicable approved Malaysian Financial Reporting Standards ("MFRS") issued by the Malaysian Accounting Standards Board, International Financial Reporting Standards ("IFRS") and MMLR.

- Reviewed the annual statutory consolidated financial statements of the Company prior to submission to the Board for its consideration and approval, upon being satisfied that, they were drawn up in accordance with the applicable approved MFRS, IFRS and the requirements of the Companies Act 2016 in Malaysia. The AC had reviewed the external auditors' report to the AC on their audit of the statutory consolidated financial statements, discussed the key audit matters included in the external auditors' report on the statutory consolidated financial statements, and was satisfied that all significant matters highlighted had been satisfactorily dealt with.
- Deliberated on any changes or implementation of major accounting policies and compliance with accounting standards and other legal requirements.

Annual Reporting

- The Corporate Governance Overview Statement, Audit Committee Report, Management Discussion & Analysis and SORMIC for the financial year ended 31 December 2022 for inclusion in the Company Annual Report 2022 were reviewed and recommended for Board approval by the AC on 16 March 2023. The AC had obtained assurance from the management that all the statements and reports have complied with MMLR.
- The Corporate Governance Report for the financial year ended 31 December 2022 was reviewed and recommended for Board approval by the AC on 16 March 2023.

Related Party Transaction and Conflict of Interest

- Reviewed all the Related Party Transactions ("RPTs") and Recurrent Related Party Transactions ("RRPTs") entered into by the Group in accordance with the Group's RPT Policies & Procedures to monitor, track and identify RPTs and RRPTs so as to ensure the transactions are at all times carried out on arms-length basis, on normal commercial terms, in the best interest of the Group and are not to the detriment of minority shareholders.
- Reviewed on a quarterly basis, the status update on RPTs and RRPTs, and monitored that the RRPTs transacted were within the approved shareholders' mandate obtained. The AC ensured that any conflict of interests in the deliberation of a transaction was appropriately declared in advance.

Audit Committee Report



SUMMARY OF ACTIVITIES OF THE AC

Internal Audit

- Reviewed and approved the Annual Internal Audit Plan for 2023, to ensure the adequacy of scope and coverage; competency and resources available; and that Internal Audit has the necessary authority to carry out its work.
- Reviewed and deliberated on the internal auditors' reports issued on the adequacy and effectiveness of governance, risk management and internal controls, audit recommendations and the Management's responses to the issues highlighted.
- Reviewed and deliberated on follow-up audits on the adequacy and effectiveness of agreed corrective actions undertaken and implemented by Management on prior audit issues and to ensure non-recurrence.
- AC was updated quarterly on internal audit activities carried out, status of audit assignments and corrective actions for reports issued earlier, as well as staffing status and other assignments performed during the quarter.
- Reviewed and endorsed the draft revised TOR for the Board's approval. The changes made to the TOR took into consideration the updates to be in line with MCCG 2021, as well as improvement on the AC TOR document.
- AC reviewed internal audit's organisational independence declaration for the financial year 2022, which was prepared in accordance with the Institute of Internal Auditors ("IIA") Standard 1100 (Independence and Objectivity). It was brought to the AC's attention that there has been no conflict-of-interest situation arising from internal audit's audit engagements for the financial year 2022.
- AC took note on status of Internal Audit Quality Assurance and Improvement Programme ("QAIP") for the financial year 2022.
- Evaluated and discussed the effectiveness of the internal audit functions and recommended areas for improvement.
- Met with the internal auditors without the presence of the Management to ensure there was no restriction on the scope of works and to discuss any other matter that the internal auditors wish to escalate to the AC.

External Audit

- Reviewed the Audit Plan with the external auditors to ensure that the audit is carried out effectively and efficiently for the Company and for the Group.
- Reviewed the external auditors' reports on the statutory audit and the half-yearly condensed consolidated interim financial information on areas of concern relating to audit and accounting (including internal control weaknesses) matters and recommended solutions to address the concerns to ensure that all material issues were appropriately dealt with.
- Conducted an annual assessment on the performance and independence of the external auditors, Messrs. PricewaterhouseCoopers PLT ("PwC"), for the financial year ended 31 December 2022. The assessment was based particularly on independence and objectivity, effectiveness and timely completion of audit, effectiveness of audit communication, technical competencies, quality assurance review, and adequacy of resources. On the basis of the assessment results and after considering the Annual Transparency Report 2022 issued by Messrs. PwC, the AC had recommended to the Board to re-appoint Messrs. PwC for the ensuing financial year.
- Reviewed the External Auditors' fees prior to recommending it to the Board for approval.
- In relation to the auditors' remuneration for audit related fee and non-audit related fee of the Group for the financial year ended 31 December 2022, the amounts incurred were (i) statutory audit, which was RM301,300; (ii) other audit related service, which was RM71,100; and (iii) non-audit related service, which was RM8,000. The other audit related service was in respect of review of the half-yearly interim financial information for announcements and SORMIC. The AC had received confirmation from the external auditors that they were not aware of any non-audit related services that had compromised their independence as external auditors of the Group. The AC, based on its review, was satisfied that the other audit related, and non-audit related services did not impair the independence and objectivity of the external auditors.

Audit Committee Report



INTERNAL AUDIT FUNCTION

- Obtained written assurance from the external auditors that they were independent in accordance with the By-Laws on Professional Independence of the MIA.
- AC exercised its rights, as stipulated in the TOR, to hold meetings
 with the external auditors without the presence of Management
 to ensure an adequate level of cooperation between the external
 auditors and management, and for the external auditors to
 highlight any issues encountered during the course of audit.

Others

Our Sustainability Journey

- The AC members have attended various relevant development and training programs which are set out on page 101 of the Nomination & Remuneration Committee Report in the Annual Report.
- The AC conducted an evaluation of its own performance for the financial year ended 31 December 2022, and the evaluation results were tabled and discussed at the AC and Board meetings.
- During the financial year under review, the Board assessed the performance of the AC through an annual assessment evaluation.
- The AC and the Board were satisfied and were of the view that the AC members have discharged their functions, duties, and responsibilities in accordance with the TOR.

- Internal Audit Department ("IAD") is established by the Board
 to provide independent and objective assurance that the
 Group's internal control, governance and risk management
 processes are operating effectively throughout the financial
 year and designed to add value and improve the Group's
 operations.
- The in-house IAD is headed by Ms. Azwin Noh, who is a Fellow of the Association of Chartered Certified Accountants (FCCA) United Kingdom, holds a Master of Business Administration from University of Sunderland, United Kingdom and also a Bachelor of Accounting (Honours) from International Islamic University, Malaysia. She is also a Chartered Accountant with the MIA and a professional member of the Institute of Internal Auditors Malaysia.
- The internal audit function of the Group is carried out by the inhouse IAD and is supported by MMC Corporation Berhad's
 ("MMC") Group Internal Audit Department.
- IAD has an independent status in the organisation, with direct reporting to the AC and an administrative reporting to the GCEO. IAD maintained their impartiality, proficiency and due professional care at all times as outlined in its Internal Audit Charter.

Practice and Framework

- IAD is guided by internal policies and procedures, as well as
 the Internal Control Framework of the Committee of Sponsoring
 Organisation of the Treadway Commission ("COSO"), in
 assessing and reporting the adequacy and effectiveness of
 the design and implementation of the organisation's overall
 system of internal controls, risk management and governance.
- To effectively manage its functions and perform the audit activities, IAD also adopts the standards and principles outlined in the International Professional Practices Framework ("IPPF") of the IIA, which comprises the Core Principles for the Professional Practice of Internal Auditing, the International Standards for the Professional Practice of Internal Auditing, the Definition of Internal Auditing and Code of Ethics.

Introduction Overview of Gas Malaysia

Message from the Leaders

Strategic Context

Audit Committee Report



INTERNAL AUDIT FUNCTION

Scope and Coverage

- IAD's purpose, objectives, authority and responsibilities are spelt
 out in the Internal Audit Charter which was endorsed by the AC and
 approved by the Board, with last revision date on 14 November
 2018
- IAD's mission is to provide independent and objective assurance on governance, risk management and internal control systems reviewed that will improve and add value to the Group.
- The internal audits were undertaken to provide independent assessments on the adequacy, efficiency and effectiveness of the Group's internal control systems in anticipating potential risks exposures over key financial and business processes within the Group.
- IAD prepared its Annual Internal Audit Plan using a risk-based approach, taking into consideration the company's strategies, audit history and risks against the core and support processes of the organisation, as well as inputs from the AC and the Management.
- IAD is also responsible for the administration of the Group's Whistleblower Policy, with the latest revision on 5 February 2021, which provides an avenue for employees and third parties dealing with the Group to disclose cases of improper conduct. The Whistleblower Policy is accessible to the public for reference on Gas Malaysia's website at https://www.gasmalaysia.com/investor-relations/corporate-governances/.

Resources, Professional Qualifications and Continuous Development

- There were six (6) staff in IAD during the financial year, comprising five (5) internal auditors and one (1) non-audit staff.
- Updates are obtained on the developments in the internal audit profession and staff are sent for internal audit trainings to enable them to be competent and adequately equipped in carrying out their duties and responsibilities.

- The company is a corporate member of The Institute of Internal Auditors Malaysia.
- As of 31 December 2022, the professional qualifications and certifications for the IAD staff are as follows:

Professional Bodies	No. of Staff
Institute of Internal Auditors (IIA)	2
Association of Chartered Certified Accountants (ACCA) – Fellow	1
Association of Chartered Certified Accountants (ACCA) – Affiliate	1
Malaysian Institute of Accountants (MIA) – Chartered Accountant	1

Note: Some staff have more than one (1) professional membership

- The total cost incurred by IAD during the financial year ended 31 December 2022 was RM951, 122.85.
- AC TOR has been revised and approved by the Board on 17 March 2022 which includes the updates to be in line with MCCG 2021, as well as improvement on the AC TOR document.
- Internal Audit Standard Operating Procedures ("SOP") GMB/ IAD/SOP/01 (Issue No: 3) has been revised on 4 April 2022 which includes the enhancement of the Internal Audit process.
- Participated in quarterly knowledge sharing sessions with internal audit function of MMC Group.

Other Information

Audit Committee Report



Our Sustainability Journey

SUMMARY OF ACTIVITIES BY INTERNAL AUDITORS

- Quarterly updates were prepared for the AC detailing the following:
 - Status of Audit Plan 2022 on assignments completed, in progress and outstanding.
 - Status of issues and corrective actions.
 - Staff movement and recruitment to enable the AC to assess the adequacy of the competencies, skills, and resources to provide adequate assurance on the governance, risk management and internal controls of the areas audited.
 - Status of fraud, whistleblowing, and anti-bribery cases, if any reported.
 - Results of Customer Satisfaction Survey for the AC's information.
- Provided independent and objective assurance on the adequacy of internal controls implemented to mitigate risk exposures. The reports on audits performed which consist of observations, risks and recommendations, Management action plans, deadlines, and the persons responsible for the implementation of corrective actions were issued to the respective auditees, Management and AC.
- A total of eight (8) planned audit assignments were conducted covering the governance, risk management and internal controls in the areas, as follows:
 - Resource Planning & Payroll Management;
 - Information System Security Assessment;
 - Warehouse Management;
 - Documents Control & Fire Safety Management;
 - Management of Customers and Gas Supply;
 - Related Party Transactions;
 - Management of Stock Take for 2nd Half of 2022; and
 - Management of Contract, Billing and Credit Control.
- Performed twelve (12) follow-up audits to monitor and assess if the actions required to resolve the governance, risk management and internal control matters reported earlier have been implemented adequately and timely, covering the areas, as follows:
 - Facilities and Asset Management;
 - Management of Stock Take for 2nd Half 2020;
 - Human Resource Planning & Development;
 - Management and Monitoring of Maintenance Services;
 - Control Systems & Environment and Risk Management;

- Staff Advance and Management of Cheque and Cash Payment;
- Procurement & Contracts;
- Overtime Management;
- Audit Committee Report Internal Control Recommendations for Financial Year Ended 31 December 2021;
- Management of Equipment & Stock;
- Cybersecurity Risk Assessment Gas Distribution Management; and
- Cybersecurity Risk Assessment Information System.
- IAD also conducted reviews of the Group's RPT Policies & Procedures to provide assurance to the AC that the Policies & Procedures conform to the requirements of Bursa Malaysia and operations adhered to the Policies & Procedures.
- Developed and maintained a QAIP, which comprises all aspects of internal audit activities. The improvement initiatives identified as part of QAIP were derived based on improvements suggested during the internal assessment and external assessment. The QAIP activities are monitored on a quarterly basis and reported to the AC. The assessment was conducted to evaluate whether the internal audit activities conform with the standards and principles of IPPF, and whether internal auditors apply the IIA Code of Ethics.
- IAD provided assertions on its independence and objectivity and conformance to the IPPF of IIA in its provision of assurance services on governance, risk management and internal control reviews.
- None of the internal audit staff has any family relationship with any Director and/or Major Shareholder of Gas Malaysia and its subsidiaries, nor any conflict of interest with Gas Malaysia and its subsidiaries.
- All internal audit staff had confirmed that during the financial year 2022, they had carried out their function and worked in an independent and objective manner, in accordance with the terms of the relevant professional and regulatory requirements.

The Audit Committee Report has been approved by the Board of Directors at its meeting on 21 March 2023.

Additional Compliance Information

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

No proceed was raised by the Company from any corporate proposal.

AUDIT AND NON-AUDIT FEES

The amount of audit fees paid to external auditors of the Group and the Company for the financial year ended 31 December 2022 amounted to RM372,400.00 and RM128,300.00 respectively.

The amount of non-audit fees paid to external auditors by the Group and the Company for services rendered amounted to RM8,000.00.

MATERIAL CONTRACT

There was no material contract (not being contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiaries which involve Directors' and Major Shareholders' interests during the financial year ended 31 December 2022.

CONTRACTS RELATING TO LOAN

There was no contract relating to loan by the Company involving Directors and Major Shareholders.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT")

At the 31st AGM held on 19 May 2022, Gas Malaysia had obtained shareholders' mandate to allow the Gas Malaysia Group to enter into RRPT with related parties that are necessary for the day-to-day operations. The RRPT mandate is valid until the conclusion of the forthcoming 32nd AGM of the Company.

In accordance with Paragraph 3.1.5 of Practice Note 12 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements, the details of the RRPT conducted during the financial year ended 31 December 2022 pursuant to the said shareholders' mandate are as follows:

Related Parties	Companies within our Group	Name of Interested Related Parties	Value of transactions for FYE 2022	Nature of transactions
PETRONAS Dagangan Berhad ("PDB")	Gas Malaysia Group	Interested Major Shareholders PETRONAS ^(a) PGB ^(b)	RM11,335,353.56	Purchase of Liquefied Petroleum Gas by Gas Malaysia Group from PDB.
		Interested Directors Kamalbahrin bin Ahmad ^(c) Shariza Sharis binti Mohd Yusof ^(d)		
		Interested Persons Connected None		

Additional Compliance Information

Related Parties	Companies within our Group	Name of Interested Related Parties	Value of transactions for FYE 2022	Nature of transactions
Petroliam Nasional Berhad ("PETRONAS") Group	Gas Malaysia Group	Interested Major Shareholders PETRONAS ^(a) PGB ^(b)	RM76,798,701.37	Tolling fees paid by PETRONAS Group to Gas Malaysia Group for the transportation of gas to PETRONAS's customers.
PGB	Gas Malaysia Group	Interested Directors Kamalbahrin bin Ahmad ^(c) Shariza Sharis binti Mohd Yusof ^(d) Interested Persons Connected None	RM241,688.21	Tenancy of land from PGB to Gas Malaysia Group for odoriser stations and right of way for a total estimated of 30 stations and the sizes ranges from 50 square meters to 2,000 square meters located in various locations in Peninsular Malaysia.
				The payment is made annually, and the tenancy agreement is automatically renewed every three (3) years.
PETRONAS Group	Gas Malaysia Group	_	RM523,300.00	Cash contribution paid by Gas Malaysia Group to PETRONAS Group for the construction of new city gate stations and all other necessary facilities and the upgrading of existing facilities by PETRONAS Group.
PETRONAS Group	Gas Malaysia Group	_	RM6,866,236,758.65	Purchase of Natural Gas ("NG") by Gas Malaysia Group from PETRONAS Group.
PETRONAS Group	Gas Malaysia Group	_	RM0.00*	Purchase of spot Liquified Natural Gas ("LNG") cargo by Gas Malaysia Group, from PETRONAS Group.
PETRONAS Group	Gas Malaysia Group	_	RM0.00**	Tolling fees paid by Gas Malaysia Group to PETRONAS Group for regasification and transportation of gas.

Notes

Our Sustainability Journey

- * No transaction for the financial year under review due to unavailability of slot for cargo delivery.
- ** No transaction for the financial year under review due to non-utilisation of the facilities.

Additional Compliance Information

Related Parties	Companies within our Group	Name of Interested Related Parties	Value of transactions for FYE 2022	Nature of transactions
DRB-HICOM Group	Gas Malaysia Group	Interested Major Shareholders TSM ^(e) ICSB ^(f)	RM10,634,577.38	Purchase of Compressed Natural Gas by DRB-HICOM Group from Gas Malaysia Group.
DRB-HICOM Group	Gas Malaysia Group	STJSB(9) MMC(h)	RM10,711,804.27	Supply of NG by Gas Malaysia Group.
Tradewinds Corp Group	Gas Malaysia Group	- AOA ⁽ⁱ⁾ Interested Directors Tan Sri Wan Zulkiflee bin Wan Ariffin ⁽ⁱ⁾ Datuk Ooi Teik Huat ^(k) Interested Persons Connected	RM99,209.97	Supply of NG by Gas Malaysia Group.
		None		
BERNAS Group	Gas Malaysia Group	Interested Major Shareholders TSM ^(e)	RM169,162,790.84	Supply of NG by Gas Malaysia Group.
Horsedale Development Berhad	Gas Malaysia Group	ICSB ^(f) STJSB ^(g) MMC ^(h) AOA ⁽ⁱ⁾	RM427,683.12	Supply of NG by Gas Malaysia Group.
		Interested Directors None		
		Interested Persons Connected None		
Mitsui & Co.	Gas Malaysia Group	Interested Major Shareholders Mitsui & Co ^(l) Mitsui & Co.(M) ^(m) TGM ⁽ⁿ⁾	RM0.00*	Purchase of spot LNG cargo by Gas Malaysia Group, from Mitsui & Co.
		Interested Directors Nobuhisa Kobayashi ^(q)		
		Interested Persons Connected None		
GMEA	Gas Malaysia Group	Interested Major Shareholders TG ^(o) TGIH ^(p) TGM ⁽ⁿ⁾	RM 137,863,719.28	Supply of NG by Gas Malaysia Group.
		Interested Directors Nobuhisa Kobayashi ^(q)		
		Interested Persons Connected None		

Note:

^{*} No transaction for the financial year under review due to unavailability of slot for cargo delivery.

Other Information

Additional Compliance Information

Notes:

Our Sustainability Journey

- (a) PETRONAS is deemed interested in Gas Malaysia through its shareholding in PGB pursuant to Section 8 of the Act.
- (b) PGB is a Major Shareholder of Gas Malaysia with a direct shareholding of 14.8%.
- (c) Kamalbahrin bin Ahmad is the Director of Gas Malaysia and Senior Vice President & CEO, PETRONAS Refinery and Petrochemical Corporation Sdn Bhd.
- (d) Shariza Sharis binti Mohd Yusof is the Alternate Director to Kamalbahrin bin Ahmad.
- (e) Tan Sri Dato' Seri Syed Mokhtar Shah bin Syed Nor ("TSM") is deemed interested in Gas Malaysia through his shareholding in Indra Cita Sdn Bhd ("ICSB") pursuant to Section 8 of the Act.
- (f) ICSB is deemed interested in Gas Malaysia through its shareholding in Seaport Terminal (Johore) Sdn Bhd ("STJSB") pursuant to Section 8 of the Act.
- (g) STJSB is deemed interested in Gas Malaysia through its shareholding in MMC Corporation Berhad ("MMC") pursuant to Section 8 of the Act.
- (h) MMC is deemed interested in Gas Malaysia through its shareholding in Anglo-Oriental (Annuities) Sdn Bhd ("AOA") pursuant to Section 8 of the Act.
- (i) AOA is a Major Shareholder of Gas Malaysia with a direct shareholding of 30.93%.
- Tan Sri Wan Zulkiflee bin Wan Ariffin is a Chairman of Gas Malaysia and Chairman of DRB-HICOM.
- Datuk Ooi Teik Huat is a Director of Gas Malaysia and DRB-HICOM.
- Mitsui & Co. is deemed interested in Gas Malaysia through its shareholding in Mitsui & Co. (Malaysia) Sdn Bhd ("Mitsui & Co. (M)") pursuant to Section 8 of the Act.
- mi Mitsui & Co. (M) is deemed interested in Gas Malaysia through its shareholding in Tokyo Gas Mitsui & Co. Holdings Sdn Bhd ("TGM") pursuant to Section 8 of the Act.
- (n) TGM is a Major Shareholder of Gas Malaysia with a direct shareholding of 18.5%.
- Tokyo Gas Co. Ltd ("TG") is deemed interested in Gas Malaysia through its shareholding in Tokyo Gas International Holdings B.V. ("TGIH") pursuant to Section 8 of
- (p) TGIH is deemed interested in Gas Malaysia through its shareholding in TGM pursuant to Section 8 of the Act.
- Nobuhisa Kobayashi is the Director of Gas Malaysia and Director of TGM.

STATUS OF COMPLIANCE ON PLOTS OF LAND ERECTED WITH GAS MALAYSIA'S STATIONS WHICH ARE NOT DESIGNATED FOR GAS STATION USE

On 1 December 2015, Gas Malaysia announced that an application for an extension of time for Gas Malaysia to comply with the condition imposed by Securities Commission ("SC") to identify those plots of land erected with stations which are not designated for gas station use and rectify the non-compliance ("the Conditions") was submitted to SC.

Further thereto, Gas Malaysia had on 6 January 2016 announced that SC has decided that Gas Malaysia will no longer be required to observe the stipulated timeframe resolving the Conditions imposed by SC on the outstanding Affected Stations. Instead, Gas Malaysia is required to continue to pursue the matter with the relevant authorities subject to the following:

- (a) Gas Malaysia is to provide an undertaking that they will resolve the non-compliances of the nine (9) outstanding Affected Stations;
- (b) Gas Malaysia is to disclose the efforts taken by them and status of compliance of the nine (9) outstanding Affected Stations in the annual report until such time the non-compliance is resolved; and
- (c) Maybank Investment Bank Berhad/Gas Malaysia is to update the SC when such disclosure is made in the annual report.

Over the years, the Condition in respect of six (6) out of the nine (9) outstanding Affected Stations have been rectified and resolved, as follows:

- (a) District station located at Jalan Bukit Kemuning, Shah Alam, Selangor:

 Terminated and dismantled on 17 February 2016. The affected customers of this station continue to receive the gas supply through another district station located on a piece of industrial land.
- (b) District station located at Jalan Haji Sirat, Taman Klang Utama, Klang, Selangor:

 Terminated and dismantled on 27 June 2019. The customer from this station continues to receive the gas supply through the new district station located within the customer's premise, where the land express condition is for industrial use.
- (c) District station located at Jalan Tun Sambanthan, Kuala Lumpur:

 The landlord has forwarded a copy of the title deed on 17 November 2019 stating that the land express condition is for commercial purposes.

 Hence, the Condition has been complied with in respect of this station as Gas Malaysia is currently supplying to commercial customers i.e Hilton Hotel, Le Meridian Hotel, St Regis Hotel and Suasana Sentral.

Introduction

Additional Compliance Information

(d) District station located at Tampoi Industrial Estate, Johor Bahru:

Terminated and dismantled on 12 December 2019 following the customer's decision to cease the operations.

Overview of Gas Malaysia

(e) District Station located at Lot 1202, Batu 3½, Pantai Kundur, Tangga Batu, 76400 Melaka:

Terminated and fully dismantled subsequent to the commissioning of a newly constructed district station in Tangga Batu Industrial area on 28 April 2021.

Message from the Leaders

Strategic Context

(f) District station located at Tebrau IV, Tebrau Industrial Estate:

A certified true copy of the title deed dated 8 April 2014 has been provided by the landlord, stating that the land express condition is for medium industrial purposes. Hence, the Condition has been complied with in respect of this station as this station is currently supplying gas to industrial factories within the vicinity.

To date, there are a total of three (3) remaining Affected Stations with their status of compliance as follows:

No.	Location	Title particulars of the land	Existing use	Efforts taken and status of compliance
1.	PLO 171A, Jalan Angkasa Mas, Tebrau II Industrial area, Johor	HS(D) 281750, PTD 64065, Mukim Tebrau, Daerah Johor Bahru, Johor	District station	As opposed to submitting an application to covert the category of land use and express condition of the said land to industrial use, Gas Malaysia is currently exploring other alternatives as advised by the landlord such as relocating the district station to another location.
				The option to acquire the land has also been considered by Gas Malaysia. However, this is subject to further negotiation with the landlord.
2.	Jln Petaling, Off Jalan Tampoi (Perisind Auto)	HS(D) 29209, PTB 12374, Bandar Johor Bahru, Daerah Johor Bahru, Johor	District station	The landlord is currently following up with the Land Office to get guidance on the steps required to resolve the non-compliance.
3.	Lot 11, Mukim Tanjung 12, Teluk Panglima Garang, Kuala Langat, Klang	N/A	District station	The land title of the said land has not been transferred and issued to the landlord, Telekom Malaysia Berhad ("TM"). According to the land search, the category of land use is "Industrial" with the express condition that the land is to be used as "tapak telefon".
				As TM's network infrastructure is erected on the land and Gas Malaysia only occupied a small plot of the land as district station, Gas Malaysia would like to seek further guidance from the Land Office on the steps required to resolve this potential non-compliance.

Financials

Other Information

Directors' Responsibility Statement

in respect of the Audited Financial Statements

Our Sustainability Journey

The Companies Act 2016 (the "Act") requires the Directors to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act in Malaysia.

The Directors are responsible to ensure that the financial statements provide a true and fair view of the state of financial position of the Group and the Company as at 31 December 2022, and of the financial performance and cash flows of the Group and of the Company for the financial year ended 31 December 2022.

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; and
- used the going concern basis for the preparation of the financial statements.

The Directors are responsible to ensure that the Group and the Company keep 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 reasonable 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 21 March 2023.

Directors' Report

For the Financial Year ended 31 December 2022

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Tan Sri Wan Zulkiflee bin Wan Ariffin
Tan Sri Che Khalib bin Mohamad Noh
Kamalbahrin bin Ahmad
(Alternate Shariza Sharis binti Mohd Yusof)
Datuk Puteh Rukiah binti Abd. Majid
Datuk Syed Abu Bakar bin S Mohsin Almohdzar
Tan Lye Chong
Datuk Ooi Teik Huat
Nobuhisa Kobayashi
Maliki Kamal bin Mohd Yasin (Appointed on 1 September 2022)

In accordance with Clause 107 of the Company's constitution, Encik Maliki Kamal bin Mohd Yasin shall retire at the forthcoming Annual General Meeting and being eligible, offers himself for re-election as a Director.

In accordance with Clause 101 of the Company's constitution, Tan Sri Che Khalib bin Mohamad Noh, Datuk Puteh Rukiah binti Abd. Majid and Tan Lye Chong shall retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election as Directors.

DIRECTORS OF SUBSIDIARIES

The Directors in office during the financial year and during the period from the end of the financial year to the date of this report for the subsidiaries in the Group are:

Ahmad Hashimi bin Abdul Manap Shahrir bin Shariff Mohd Nisharuddin bin Mohd Noor Zafian bin Supiat Mohamad Farid bin Ghazali

Financials

Other Information

Directors' Report

For the Financial Year ended 31 December 2022 (Continued)

PRINCIPAL ACTIVITIES

The principal activities of the Company are the provision of management services and investment holdings.

The principal activities of the subsidiaries consist of:

- (a) developing, operating and maintaining the distribution pipeline and to deliver gas through the distribution pipeline;
- (b) selling, marketing and promotion of natural gas, liquefied petroleum gas ("LPG") and other gaseous fuel and providing related services and energy solution to industrial, commercial and residential sector;
- (c) selling of LPG via a reticulation system and providing related services and energy solution to commercial and residential sectors;
- (d) sale, supply and transport of Compressed Natural Gas ("CNG");
- (e) property holding; and
- (f) investment 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 RM′000	Company RM'000
Net profit for the financial year	389,543	281,31 <i>7</i>

RESERVES AND PROVISIONS

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

SHARE CAPITAL

There were no changes in the issued and paid up capital of the Company during the financial year.

DIRECTORS' BENEFITS

Total Directors' remuneration incurred by the Group and the Company for the financial year ended 31 December 2022 was RM1,948,000. Further details are disclosed in Directors' Remuneration section of this Directors' Report on page 117.

During and at the end of the financial year ended 31 December 2022, 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.

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 Directors' Remuneration section of this Directors' Report on page 117) 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.

Directors' Report

For the Financial Year ended 31 December 2022 (Continued)

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains a liability insurance for the Directors and Officers of the Group and of the Company throughout the financial year, which provides appropriate insurance cover for the Directors and Officers of the Group and of the Company for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The amount of insurance premium paid for the financial year ended 31 December 2022 was RM31,492.

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its subsidiaries during the financial year except as follows:

	Number of ordinary shares				
	Balance at		B1 1	Balance at	
	1.1.2022	Acquired	Disposed	31.12.2022	
Director with direct interest in the Company					
Tan Lye Chong	50,000	-	-	50,000	

DIVIDENDS

The dividends paid or declared by the Company since 31 December 2021 are as follows:

In respect of the financial year ended 31 December 2021, as reported in the Directors' Report for the previous financial year:

	RM′000
Second interim dividend paid on 31 March 2022:	
- 6.00 sen per ordinary share	77,040
Final dividend paid on 27 July 2022:	
- 6.87 sen per ordinary share	88,211
	165,251

Financials

Other Information

Directors' Report For the Financial Year ended 31 December 2022 (Continued)

DIVIDENDS (CONTINUED)

In respect of the financial year ended 31 December 2022:

	RM′000
First interim dividend paid on 28 October 2022:	
- 5.90 sen per ordinary share	75,756
Second interim dividend declared on 16 February 2023*:	
- 8.24 sen per ordinary share	105,802
Final dividend declared on 21 March 2023*:	
- 8.62 sen per ordinary share	110,681
	292,239

The above second interim and the final dividend declared subsequent to the financial year ended 31 December 2022 will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2023.

DIRECTORS' REMUNERATION

Directors' remuneration for the financial year is as follows:

	Group and Company
	RM′000
Fees	1,456
Other benefits	492
	1,948

Directors' Report

For the Financial Year ended 31 December 2022 (Continued)

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
 - (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statement of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.
- (d) No contingent or other liability of any company in the Group 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 Company and its subsidiaries to meet their obligations as and when they fall due.
- (e) 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 of the Group and of the Company which would render any amount stated in the respective financial statements misleading.
- (f) In the opinion of the Directors:
 - (i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (ii) 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 and of the Company for the financial year in which this report is made.

Our Sustainability Journey The Way We are Governed Financials Other Information

Directors' Report

For the Financial Year ended 31 December 2022 (Continued)

SUBSIDIARIES

(a) Details of subsidiaries

Details of subsidiaries are set out in Note 14 to the financial statements.

(b) Auditors' reports on the financial statements of the subsidiaries

None of the subsidiaries' financial statements were qualified for the financial year ended 31 December 2022.

(c) Subsidiaries' holding of shares in the holding company and other related companies

None of the subsidiaries hold any shares in the holding company and other related companies for the financial year ended 31 December 2022.

AUDITORS' REMUNERATION

Auditors' remuneration for the financial year is as follows:

	Group RM'000	Company RM'000	
	KW. 000	KM, 000	
Auditors' remuneration:			
- statutory audit	301	57	
- other audit related services	71	<i>7</i> 1	
- non-audit services	8	-	
	380	128	

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146) have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 21 March 2023. Signed on behalf of the Board of Directors:

TAN SRI WAN ZULKIFLEE BIN WAN ARIFFIN

TAN LYE CHONG

CHAIRMAN

DIRECTOR

Shah Alam

Statement by Directors

Pursuant to Section 251 (2) of the Companies Act 2016

We, Tan Sri Wan Zulkiflee bin Wan Ariffin and Tan Lye Chong, being two (2) of the Directors of Gas Malaysia Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 125 to 200 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of the financial performance of the Group and of the Company for the financial year ended on that date in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution dated 21 March 2023.

TAN SRI WAN ZULKIFLEE BIN WAN ARIFFIN

TAN LYE CHONG

CHAIRMAN

DIRECTOR

Shah Alam

Statutory Declaration

Pursuant to Section 251 (1) of the Companies Act 2016

I, Zafian bin Supiat, 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 125 to 200 are, in my opinion, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtues of the provisions of the Statutory Declarations Act 1960 in Malaysia.

ZAFIAN BIN SUPIAT

(MIA No. 46711)

Subscribed and solemnly declared by the abovenamed Zafian bin Supiat at Shah Alam in the State of Selangor Darul Ehsan on 21 March 2023.

Before me:

COMMISSIONER FOR OATHS

Independent Auditors' Report

TO THE MEMBERS OF GAS MALAYSIA BERHAD (Incorporated in Malaysia)
Registration No. 199201008906 (240409-T)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Gas Malaysia Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 125 to 200.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

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

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report

TO THE MEMBERS OF GAS MALAYSIA BERHAD (Incorporated in Malaysia)
Registration No. 199201008906 (240409-T)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters

Accrual for gas costs

The Group recognised gas cost accrual of RM479.3 million as at 31 December 2022 as disclosed in Note 25 to the financial statements. As there is a timing difference between the supply of gas and the receipt of the actual billing from the gas supplier as at the end of the reporting period, the unbilled gas cost is accrued based on the gas volume supplied by its gas supplier to its gas network.

Refer to Note 3(aa)(ii), Note 5 and Note 25 to the financial statements.

How our audit addressed the key audit matters

We performed the following:

We tested the design and operating effectiveness of management's key controls on the comparison between the total customers' meter readings against the total natural gas supplied to determine the volume of gas supplied but had not been billed by the supplier as at the end of the reporting period.

For billings that have been issued by the supplier and received by management subsequent to the reporting date, we traced these billings to the accruals recorded at the reporting date.

For billings that have not been issued by the supplier subsequent to the reporting date, we tested the management's computation of the gas volume consumed against the gas volume sold to the customers.

We tested management's steps to address the variances in gas volume above the threshold set by management, which is based on historical data for the gas losses in-transit between the supply pipeline and the pipeline connection at the customers' premises.

We reviewed the gas supply agreements signed between the Group and the supplier, and reviewed the legal opinion by an external solicitor to ascertain the Group's obligation in accruing the gas cost.

Based on the procedures performed, there were no material exceptions.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, Statement on Risk Management and Internal Control and Audit Committee Report, which we obtained prior to the date of this auditors' report, and Management Discussion and Analysis, Sustainability Report and Chairman's Statement and the other sections of the 2022 annual report, which is expected to be made available to us after that date. Other information does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Information

Independent Auditors' Report

TO THE MEMBERS OF GAS MALAYSIA BERHAD (Incorporated in Malaysia) Registration No. 199201008906 (240409-T)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of the Directors for the financial statements

Our Sustainability Journey

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditors' Report

TO THE MEMBERS OF GAS MALAYSIA BERHAD (Incorporated in Malaysia)
Registration No. 199201008906 (240409-T)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT

LLP0014401-LCA & AF 1146 Chartered Accountants **NURUL A' IN BINTI ABDUL LATIF**

02910/02/2025 J Chartered Accountant

Kuala Lumpur 21 March 2023

Statements of Comprehensive Income For the Financial Year Ended 31 December 2022

		Group		Company	
	-	2022	2021	2022	2021
	Note	RM′000	RM′000	RM′000	RM′000
Revenue	4	7,649,364	5,851,600	267, 852	232,938
Cost of sales, net of reversal	5	(7,031,488)	(5,451,249)	27,639	(13,329)
Gross profit		617, 876	400,351	295,491	219,609
Administrative expenses	5	(78,933)	(65,798)	(5, 204)	(2,502)
Selling and distribution expenses	5	(1,075)	(629)	-	-
Other operating income		2,715	2,368	578	1,081
Profit from operations	6	540, 583	336,292	290,865	218, 188
Finance costs	9	(10, 179)	(10,431)	(4)	(3)
Share of results in joint ventures (net of tax)		4, 512	(672)	-	-
Finance income	9	11, 858	5,209	136	1,831
Profit before zakat and taxation		546,774	330,398	290,997	220,016
Zakat		(3,500)	(3,500)	(100)	(100)
Tax expense	10	(153, 731)	(77,276)	(9,580)	(4,091)
Net profit for the financial year		389,543	249,622	281, 317	215,825
Other comprehensive (loss)/income (net of tax):					
Items that will be reclassified to profit or loss					
Share of other comprehensive (loss)/income of a joint venture	е				
- Cash flow hedge		(247)	618	-	-
Total comprehensive income for the financial year		389, 296	250,240	281, 317	215,825
Net profit attributable to:					
- Owners of the Company		389, 543	249,622	281, 317	215,825
Total comprehensive income attributable to:					
- Owners of the Company		389, 296	250,240	281, 317	215,825
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Earnings per ordinary share attributable to the equity holders of the Company:	i				
- Basic and diluted earnings per share (RM)	11	0.30	0.19		

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As at 31 December 2022

		Gro	оир	Company	
		2022	2021	2022	2021
	Note	RM′000	RM′000	RM′000	RM′000
NON-CURRENT ASSETS					
Property, plant and equipment	12	1, 616, 047	1,532,554	292	342
Right-of-use assets	13	16,807	17,440	-	-
Investments in subsidiaries	14	-	-	1, 284, 447	1,274,447
Investments in joint ventures	15	7 6, 110	66,377	-	-
Amounts due from subsidiaries	16	-	-	45,639	36,540
Trade and other receivables	17	15, 215	16,959	-	-
Deferred tax assets	23	2,233	1,714	645	707
		1, 726, 412	1,635,044	1, 331, 023	1,312,036
CURRENT ASSETS					
Trade and other receivables	1 <i>7</i>	824, 769	750,486	2,994	2,620
Tax recoverable		4,653	26,950	3, <i>7</i> 51	20, 187
Investment funds with licensed financial institutions	18	-	413,000	-	4,000
Cash and cash equivalents	19	591, 297	42,947	17, 523	8,592
		1, 420, 719	1,233,383	24, 268	35,399
Total assets		3,147,131	2,868,427	1,355,291	1,347,435
EQUITY AND LIABILITIES					
Share capital	20	642,000	642,000	642,000	642,000
Cash flow hedge reserve		3,200	3,447	· -	-
Retained profits	21	633, 135	484,599	491,628	451,318
Total equity		1, 278, 335	1,130,046	1, 133, 628	1,093,318
NON-CURRENT LIABILITIES					
Redeemable preference share	22	_*	_*	_*	_*
Deferred tax liabilities	23	226, 168	199,036	_	_
Contract liabilities	24	-	1,262	_	_
Borrowings	26	80,000	11,000	_	_
Lease liabilities	27	2,074	2,351	_	-
	<u> </u>	308,242	213,649	_	-

^{*} Denotes RM0.50

The accompanying notes to the financial statements form an integral part of these financial statements.

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Statements of Financial Position

As at 31 December 2022 (Continued)

		Gro	oup	Com	pany
		2022	2021	2022	2021
	Note	RM′000	RM′000	RM′000	RM′000
CURRENT LIABILITIES					
Trade and other payables	25	1, 361, 886	1, 191, 881	5,222	46, 134
Contract liabilities	24	1, 254	6,889	-	-
Amounts due to subsidiaries	16	-	-	216,441	207,983
Borrowings	26	161, 233	320, 198	-	-
Lease liabilities	27	1, 184	821	-	-
Tax payable		34,997	4,943	-	-
		1,560,554	1,524,732	221,663	254,117
Total liabilities		1, 868, 796	1,738,381	221,663	254, 117
Total equity and liabilities		3, 147, 131	2,868,427	1, 355, 291	1,347,435

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Statements of Changes in Equity For the Financial Year Ended 31 December 2022

	Note	Share capital RM′000	Cash flow hedge reserve* RM'000	Related profits RM'000	Total RM′000
Group					
At 1 January 2022		642,000	3,447	484, 599	1, 130, 046
Net profit for the financial year		-	-	389,543	389,543
Other comprehensive loss for the financial year	L	-	(247)	-	(247)
Total comprehensive income for the financial year		-	(247)	389,543	389, 296
Transactions with owners:					
Dividend: financial year ended 31 December 2022	28	-	-	(75, 756)	(75, 756)
Dividends: financial year ended 31 December 2021	28	-	-	(165, 251)	(165, 251)
Total transactions with owners			-	(241, 007)	(241, 007)
At 31 December 2022		642,000	3, 200	633, 135	1, 278, 335
At 1 January 2021		642,000	2,829	435,281	1,080,110
Net profit for the financial year		-	-	249,622	249,622
Other comprehensive income for the financial year		-	618	-	618
Total comprehensive income for the financial year		-	618	249,622	250,240
Transactions with owners:					
Dividend: financial year ended 31 December 2021	28	-	-	(61,632)	(61,632)
Dividends: financial year ended 31 December 2020	28	-		(138,672)	(138,672)
Total transactions with owners		-	-	(200,304)	(200,304)
At 31 December 2021		642,000	3,447	484,599	1,130,046

The cash flow hedge reserve is in respect of the Group's share of the cash flow hedge reserve of its joint venture.

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Statements of Changes in Equity For the Financial Year Ended 31 December 2022 (Continued)

	Note	Share capital RM′000	Retained profits RM'000	Total RM′000
Company				
At 1 January 2022		642,000	451,318	1,093,318
Net profit for the financial year /Total comprehensive income for the financial				
year		-	281, 317	281, 317
Transactions with owners:				
Dividend: financial year ended 31 December 2022	28	-	(75, 756)	(75, 756)
Dividends: financial year ended 31 December 2021	28	-	(165, 251)	(165, 251)
Total transactions with owners			(241,007)	(241,007)
At 31 December 2022		642,000	491,628	1, 133, 628
At 1 January 2021		642,000	435,797	1,077,797
Net profit for the financial year /Total comprehensive income for the financial year		-	215,825	215,825
Transactions with owners:				
Dividend: financial year ended 31 December 2021	28	-	(61,632)	(61,632)
Dividends: financial year ended 31 December 2020	28	-	(138,672)	(138,672)
Total transactions with owners		-	(200,304)	(200,304)
At 31 December 2021		642,000	451,318	1,093,318

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Statements of Cash Flows

For the Financial Year Ended 31 December 2022

		Gro	up	Comp	oany
		2022	2021	2022	2021
	Note	RM′000	RM′000	RM′000	RM′000
OPERATING ACTIVITIES					
Profit before zakat and taxation		546,774	330,398	290,997	220,016
Adjustments for:					
Depreciation and amortisation		101, 993	93,806	100	141
Loss allowance on trade receivables	17	4,669	140	-	-
Write back of loss allowance on trade receivables	17	-	(140)	-	-
Gain on disposal of property, plant and equipment		(871)	(515)	-	(100)
Property, plant and equipment written off	12	977	2,840	-	-
Impairment loss on property, plant and equipment		442	-	-	-
Share of results in joint ventures		(4, 512)	672	-	-
Finance costs	9	10, 179	10,431	4	3
Finance income	9	(11, 858)	(5,209)	(136)	(1,831)
Dividend income		-	-	(251, 964)	(214,797)
		647, 793	432,423	39,001	3,432
Changes in working capital:					
Receivables		(73, 780)	21,271	(443)	85,191
Payables and contract liabilities		130, 335	170, 180	(40, 852)	(1,223)
Intercompany balances		-	-	2, 197	(125,024)
Cash flows generated from/(used in)		704, 348	623,874	(97)	(37,624)
Zakat paid		(3,500)	(3,500)	(100)	(100)
Income tax paid		(74, 767)	(76,277)	(3,082)	(938)
Net cash flows generated from/(used in) operating activit	ies	626,081	544,097	(3, 279)	(38,662)

Our Sustainability Journey The Way We are Governed **Financials** Other Information

Statements of Cash Flows

For the Financial Year Ended 31 December 2022 (Continued)

		Gro	ир	Company		
		2022	2021	2022	2021	
	Note	RM′000	RM′000	RM′000	RM′000	
INVESTING ACTIVITIES						
Proceeds from disposal of property, plant and equipment		875	549	-	116	
Purchase of property, plant and equipment	12	(152, 153)	(125,329)	(50)	(71)	
Finance income received		11,685	5,283	145	1,829	
Addition of investment funds with licensed financial institution	S	-	(413,000)	-	(4,000)	
Withdrawal of investment funds with licensed financial institutions		413,000	<i>77</i> ,000	4,000	24,000	
Advances to subsidiaries		-	-	(4, 237)	(1,286)	
Repayment from subsidiaries		-	-	1,399	2,243	
Dividend income received from subsidiaries		-	-	251,964	214, 137	
Dividend income received from a joint venture		660	660	-	660	
Investments in joint ventures		(6, 128)	(840)	-	-	
Advances to a joint venture		(3, 255)	(444)	-	-	
Net cash flows generated from/(used in) investing activities		264,684	(456, 121)	253, 221	237,628	
FINANCING ACTIVITIES						
Dividends paid	28	(241, 007)	(200,304)	(241,007)	(200,304)	
Issuance of Islamic Commercial Papers ("iCP") and Islamic						
Medium Term Notes ("iMTN")		2,350,000	2,465,000	-	-	
Repayment of iMTN and iCP		(2,440,000)	(2,530,000)	-	-	
Lease liabilities paid		(1, 700)	(1,390)	-	-	
Finance cost paid		(9, 708)	(11,170)	(4)	(3)	
Net cash flows used in financing activities		(342,415)	(277,864)	(241,011)	(200,307)	

Statements of Cash Flows

For the Financial Year Ended 31 December 2022 (Continued)

	_ Note	Gre	oup	Com	pany
		2022	2021	2022	2021
		RM′000	RM'000	RM′000	RM′000
NET CHANGE IN CASH AND CASH EQUIVALENTS		548,350	(189,888)	8,931	(1,341)
CASH AND CASH EQUIVALENTS AT BEGINNING OF					
FINANCIAL YEAR		42,947	232,835	8,592	9,933
CASH AND CASH EQUIVALENTS AT END OF					
FINANCIAL YEAR	19	591, 297	42,947	17, 523	8,592

Notes to the statements of cash flows:

a. The following principal non-cash transactions during the financial year have been included in other receivables:

		Group		Com	Company	
		2022	2021	2021 2022		
		RM′000	RM′000	RM′000	RM′000	
(i)	Finance income receivable arising from deposits with					
	financial institutions	253	80	-	9	

- b. During the current financial year, the Company has transferred a tax credit of RM10 million to a subsidiary, Gas Malaysia Energy and Services Sdn. Bhd. ("GMES"). The transfer of tax credit was set-off against intercompany balances.
- c. During the current financial year, the Company's consideration for the acquisition of additional 10,000,000 ordinary shares in GMES amounting to RM10,000,000 will be settled via intercompany balances.
- d. In the previous financial year, the Company's consideration for the acquisition of additional 33,000,000 ordinary shares in Gas Malaysia Ventures Sdn. Bhd. amounting to RM33,000,000 was set-off against intercompany balances.
- e. In the previous financial year, the Company's proceeds for the disposal of 33,000,000 ordinary shares in Gas Malaysia Energy Advance Sdn. Bhd. to Gas Malaysia Venture 1 Sdn. Bhd. amounting to RM33,000,000 was set-off against intercompany balances

Our Sustainability Journey The Way We are Governed **Financials** Other Information

Statements of Cash Flows

For the Financial Year Ended 31 December 2022 (Continued)

Notes to the statements of cash flows: (continued)

f. The changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes are as follows:

	Borrowings	Dividend payable	Lease liabilities	Total
	RM′000	RM′000	RM′000	RM′000
Group				
At 1 January 2022	331, 198	-	3, 172	334,370
Cash flows – net of drawdown and repayment/payment	(99,708)	(241,007)	(1,700)	(342,415)
Non-cash items:				
- Dividends declared	-	241,007	-	241,007
- Finance costs	9,743	-	833	10, 576
- Addition of lease liabilities	-	-	1, 236	1, 236
- Accrual of unpaid lease liabilities	-	-	(283)	(283)
At 31 December 2022	241, 233	-	3,258	244,491
At 1 January 2021	396,720	-	4,405	401, 125
Cash flows – net of drawdown and repayment/payment	(76, 170)	(200,304)	(1,390)	(277,864)
Non-cash items:				
- Dividends declared	-	200,304	-	200,304
- Finance costs	10,648	-	184	10,832
- Accrual of unpaid lease liabilities	-	-	(27)	(27)
At 31 December 2021	331, 198	<u>-</u>	3,172	334,370

Statements of Cash Flows

For the Financial Year Ended 31 December 2022 (Continued)

Notes to the statements of cash flows: (continued)

f. The changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes are as follows: (continued)

	Borrowings	Dividend payable	Total
	RM′000	RM′000	RM′000
Company			
At 1 January 2022	-		
Cash flows – payment	(4)	(241,007)	(241,011)
Non-cash items:			
- Dividends declared	-	241,007	241,007
- Finance costs	4	-	4
At 31 December 2022	-	-	-
At 1 January 2021	-	-	-
Cash flows – payment	(3)	(200,304)	(200,307)
Non-cash items:			
- Dividends declared	-	200,304	200,304
- Finance costs	3	-	3
At 31 December 2021	-	-	-

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For the Financial Year Ended 31 December 2022

1 **GENERAL INFORMATION**

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The principal activities of the Company are the provision of management services and investment holdings.

The principal activities of the subsidiaries consist of:

- developing, operating and maintaining the distribution pipeline and to deliver gas through the distribution pipeline; (a)
- selling, marketing and promotion of natural gas, liquefied petroleum gas ("LPG") and other gaseous fuel and providing related services and energy solution to industrial, commercial and residential sector;
- selling of LPG via a reticulation system and providing related services and energy solution to commercial and residential sectors;
- sale, supply and transport of Compressed Natural Gas ("CNG");
- (e) property holding; and
- investment holding. (f)

Details of the principal activities of the subsidiaries and joint ventures are set out in Notes 14 and 15 to the financial statements.

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 have been approved for issue in accordance with a resolution of the Board of Directors on 21 March 2023.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES 2

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

(a) Profit rate risk

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk

Risk management

The Group's and the Company's exposure to credit risk arises from cash and cash equivalents, as well as credit exposures to customers, including outstanding receivable balances. The Company's exposure to credit risk arises from amounts due from subsidiaries and joint ventures. Risks arising therefrom are minimised through:

- Performing regular reviews of the aging profiles of amounts due from subsidiaries and joint ventures.
- Investing cash assets safely and profitably, which involves placement of cash and cash equivalents and short-term deposits with
 established banks or financial institutions. In addition, the Group and the Company set exposure limits as well as limiting placement
 tenures to less than one year for each of the financial institutions.
- Performing credit evaluations on customers and assessing the credit quality of the customers by taking into account their financial
 positions, past experience and other factors.
- Ensuring the collection risk arising from trade receivables is minimised by imposing a requirement for a 2-month or 3-month financial guarantee on its customers. A credit review committee meets regularly and closely monitors the trade receivables.

Measurement of Expected Credit Loss ("ECL")

The Group and the Company set out three categories of receivables that reflect their credit risks and loss allowance is determined for these categories.

(i) Trade receivables using simplified approach

The Group and the Company classify their trade receivables by nature of the customer accounts i.e. active accounts and terminated accounts. In determining the expected loss rates, the Group and the Company take into consideration the following:

- The collection of a 2-month or 3-month financial guarantee (e.g. collection in the form of cash deposits, issuance of bank guarantees by the customers in the name of the Group, etc.) from the customers prior to the commencement of supply of gas. These financial guarantees are reviewed periodically to ensure that the amounts remain appropriate vis-à-vis the value of the gas supplied or reserved firm capacity.
- Issuance of suspension notice to the customers with payments past due 1 day from the credit terms for gas sales. Thereafter, customers are given a grace period of 7 days from the issuance of the suspension notice, and failure to make payments will entail the disconnection of gas supply to the customer's premise.
- Issuance of suspension notice to the customers with payments past due 14 days from the credit terms for provision of tolling services. Thereafter, customers are given a grace period of 14 days from the issuance of the suspension notice, and failure to make payments will entail the disconnection of tolling services.

These, together with very low default rate, resulted in immaterial credit losses. No significant changes to estimation techniques or assumptions were made during the reporting period.

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Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

Measurement of Expected Credit Loss ("ECL") (continued)

(i) Trade receivables using simplified approach (continued)

The Group's and the Company's maximum exposure to credit risk and loss allowance recognised as at the reporting date are disclosed in Note 17. The remaining amount for which no ECL allowance was recognised is deemed to be recoverable, with low probability of default.

Concentration of credit risk arises when a number of customers are engaged in similar business activities or activities within the same geographic region, or when they have similar risk characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Group continuously monitors its portfolios to identify and assess significant concentration of credit risk.

The Group has no significant concentration of credit risk in the current financial year arising from exposure to a single counterparty or a group of counterparties having similar risk characteristics. This is due to the Group's large number of customers and their wide geographical spread. The Group manages credit risk arising from trade and other receivables through credit quality evaluation, ongoing debt collection, regular monitoring of debtors' account and credit limits and accepting only appropriate bank guarantees (if applicable) issued by renowned financial institutions as well as collecting adequate cash deposits.

(ii) Debt instruments at amortised cost other than trade receivables, using the 3-stage general approach

The Group and the Company use four categories to reflect their credit risk and how the loss allowance is determined for each of the categories. A summary of the assumptions underpinning the Group's and the Company's expected credit loss is as follows:

Category	Definition of category	Basis of recognition of ECL provision
Performing	Debtors have a low risk of default and a strong capacity to meet the contractual cash flows.	12 months expected losses. Where the expected lifetime on an asset is less than 12 months, expected losses are measured at its expected lifetime.
Underperforming	Debtors for which there is a significant increase in credit risk due to actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation.	Lifetime expected losses.
Non-performing	There is evidence indicating the assets is credit-impaired.	Lifetime expected losses.
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.	Asset is written-off.

Based on the above, loss allowance is measured on either 12-month ECL or lifetime ECL using a PD ("Probability of Default") x LGD ("Loss Given Default") x EAD ("Exposure at Default") methodology.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

Measurement of Expected Credit Loss ("ECL") (continued)

(ii) Debt instruments at amortised cost other than trade receivables, using the 3-stage general approach (continued)

In deriving the PD and the LGD, the historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors (such as crude oil prices and gross domestic product growth) affecting the ability of the customers to settle the receivables. The historical loss rates will be adjusted based on expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

For intercompany balances that are repayable on demand, the Company's ECL is based on the following assumptions:

- If the borrower has sufficient accessible highly liquid assets in order to repay the loan if demanded at the reporting date, the ECL is likely to be immaterial.
- If the borrower could not repay the loan if demanded at the reporting date, the Company considers the expected manner of
 recovery to measure the ECL. The recovery manner could be either through 'repayment over time' or a fire sale of less liquid
 assets by the borrower.
- If the recovery strategies indicate that the Company would fully recover the outstanding balance of the loan, the ECL would be limited to the effect of the discounting of the amount due on the loan, at the loan's effective interest rates, over the period until the amount is fully recovered.

All of the Group's and of the Company's debt instruments at amortised cost other than trade receivables are considered to have low credit risks, as these were considered to be performing, have low risks of default and historically there were minimal instances where contractual cash flow obligations have not been met.

The maximum exposure to credit risks for debt instruments at amortised cost other than trade receivables are represented by the carrying amounts recognised in the statements of financial position.

(iii) Financial guarantee contracts

The Company has issued the Kafalah guarantee to a bank for Sukuk Murabahah Programme ("SMP") granted to its subsidiary, as disclosed in Note 26.

The Company is exposed to credit risk arising from the financial guarantee contract given to the bank for its subsidiary's borrowings where the maximum credit risk exposure is the amount of the borrowings utilised by the subsidiary. The Company believes that the financial guarantee contract is considered to be performing, has low risk of default and is unlikely to be called upon by the subsidiary's bank. Accordingly, no loss allowance was identified based on 12 months ECL.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

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Measurement of Expected Credit Loss ("ECL") (continued)

(iii) Financial guarantee contracts (continued)

The table sets out the maximum exposure to credit risk in relation to financial guarantee contracts which have not been reflected in the statement of financial position of the Company:

	Comp	pany
	2022	2021
	RM′000	RM′000
Corporate guarantee provided to a bank on the Sukuk Murabahah Programmes	241, 233	331,198

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 17.

Credit risk from cash and cash equivalent is managed on a group basis. Only independently rated parties with a minimum rating of "A" as assessed by reference to RAM Rating Services Berhad are accepted.

Deposits with banks are neither past due nor impaired and have no history of default.

(c) Liquidity risk

Liquidity risk management implies maintaining sufficient cash and ensuring the availability of funding through an adequate amount of committed credit facilities.

Whilst the Group's and the Company's current liabilities exceeded their current assets by RM139,835,000 (2021: RM291,349,000) and RM197,395,000 (2021: RM218,718,000) respectively, the Directors are of the view that the Group and the Company are able to meet their obligations based on the cash flow forecast of the Group and of the Company for the next twelve months from the reporting date. In addition, the Group and the Company have undrawn committed borrowing facilities of RM959,000,000 (2021: RM669,000,000) as at 31 December 2022.

At the Company level, the future dividend distribution from its subsidiaries are expected to alleviate the liquidity position of the Company.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED) 2

Liquidity risk (continued) (c)

The table below analyses the Group's and the 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 flows:

		Between			
	Less than	3 months	Between	More than	
	3 months RM′000	to 1 year RM'000	1 to 2 years RM'000	2 years RM′000	Total RM′000
Group	KM 000	KM 000	KM 000	KM 000	KM GGG
2022					
Trade and other payables	1, 117, 622	244, 264			1, 361, 886
Borrowings (principal and interest)	152,410	14, 188	3,784	91, 352	261, 734
Lease liabilities (principal and interest)	325	973	1,051	1, 223	3,572
2021					
Trade and other payables	789,906	401,975	-	-	1,191,881
Borrowings (principal and interest)	220,363	104,022	11,475	-	335,860
Lease liabilities (principal and interest)	241	707	785	2,007	3,740
Company					
2022					
Trade and other payables	-	5,222	-	-	5,222
Amounts due to subsidiaries	-	216,441	-	-	216,441
Financial guarantee contracts	261,734	-	-	-	261, 734
2021					
Trade and other payables	40,481	5,653	-	-	46, 134
Amounts due to subsidiaries	-	207,983	-	-	207,983
Financial guarantee contracts	335,860	-	-	-	335,860

Other Information

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Capital management

Our Sustainability Journey

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern while seeking to maximise benefits to shareholders and other stakeholders.

The Group and the Company actively and regularly review and manage their capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and the Company, 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 Company may adjust the amount of dividends paid to shareholders. The Company targets a dividend ratio of not less than 75% of profit after tax.

The Group monitors capital utilisation based on the gearing ratio. This ratio is calculated as total debt divided by total capital. Total debt is calculated as total borrowings (comprising short term and long term borrowings as well as lease liabilities as shown in the statements of financial position). Total capital is calculated as the sum of total equity and total debt.

The gearing ratios as at the reporting date are as follows:

	Grou	Group	
	2022 RM′000	2021 RM′000	
Total debt	244,491	334,370	
Total equity	1, 278, 335	1,130,046	
Total capital	1, 522, 826	1,464,416	
Gearing ratio	16.1%	22.8%	

There were no changes in the Group's approach to capital management during the current financial year. The Group maintains a debt to equity ratio that complied with the debt covenants in respect of the borrowings undertaken by the Group.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value hierarchy

The assets and liabilities carried at fair value are categorized into different levels of fair value hierarchy as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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

The Group's and the Company's financial instruments measured and recognised at fair value are presented in the table below:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM′000
2021				
Group				
Financial asset				
- Investment funds with licensed financial institutions	-	413,000	-	413,000
Company				
Financial asset				
- Investment funds with licensed financial institutions	-	4,000	-	4,000

- (i) There was no financial asset measured and recognised at fair value during the financial year.
- (ii) There were no transfers between level 1 and level 2 of the fair value hierarchy during the financial year.

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Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED) 2

Financial instruments by categories (f)

Our Sustainability Journey

	Financial assets at amortised cost		Financial assets at fair value through profit or loss	
	2022	2021	2021 2022	2021
	RM′000	RM′000	RM′000	RM′000
Group				
Non-current asset:				
Other receivables	15,215	16,959	-	-
Current asset:				
Trade and other receivables (exclude prepayments)	820,962	748,745	-	-
Cash and cash equivalents	591, 297	42,947	-	-
Investment funds with licensed financial institutions	-	-	-	413,000
	1, 427, 474	808,651	-	413,000

		Other financial liabilities at amortised cost		
	2022 RM′000	2021 RM′000		
Non-current liability:				
Borrowings	80,000	11,000		
Current liabilities:				
Trade and other payables	1, 361, 886	1, 191, 881		
Borrowings	161, 233	320, 198		
	1,603,119	1,523,079		

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(f) Financial instruments by categories (continued)

	Financial assets at amortised cost		Financial assets at fair value through profit or loss	
	2022	2021	2022	2021
	RM′000	RM′000	RM′000	RM′000
Company				
Non-current asset:				
Amounts due from subsidiaries	45,639	36,540	-	-
Current asset:				
Trade and other receivables (exclude prepayments)	2,698	2,591	-	-
Cash and cash equivalents	17, 523	8,592	-	-
Investment funds with licensed financial institutions	-	-	-	4,000
Total	65,860	47,723	-	4,000

		Other financial liabilities at amortised cost		
	2022 RM′000	2021 RM′000		
Current liabilities:				
Trade and other payables	5,222	46, 134		
Amounts due to subsidiaries	216,441	207,983		
Total	221,663	254, 11 <i>7</i>		

For the Financial Year Ended 31 December 2022 (Continued)

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

Our Sustainability Journey

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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 judgement in the process of applying the Group and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3(aa).

(i) Amendments and annual improvements to published standards that are effective and relevant to the Group and the Company:

The Group and the Company has applied the following amendments and annual improvements to published standards for the first time for the financial year beginning on 1 January 2022:

- Amendments to MFRS 16 "COVID-19-Related Rent Concessions beyond 30 June 2021"
- Annual Improvements to Illustrative Example accompanying MFRS 16 Leases: Lease Incentives
- Annual Improvements to MFRS 9 "Fees in the '10 per cent' test for Derecognition of Financial Liabilities"
- Amendments to MFRS 3 "Reference to the Conceptual Framework"
- Amendments to MFRS 116 "Proceeds before Intended Use"
- Amendments to MFRS 137 "Onerous Contracts Cost of Fulfilling a Contract"

The Group has adopted the amendments and annual improvements to the existing standards listed above, which resulted in changes in accounting policies. The adoption did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

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

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

For the Financial Year Ended 31 December 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(iii) Amendments to published standards that are applicable to the Group and the Company but not yet effective and have not been adopted by the Group and by the Company

A number of amendments to published standards are effective for the financial years beginning on or after 1 January 2023. The Group and the Company intends to adopt the following pronouncements that are applicable to the Group and the Company when they become effective:

Effective for financial year beginning on or after 1 January 2023

• There are two amendments to MFRS 101 'Presentation of Financial Statements'. The first amendments, 'Classification of liabilities as current or non-current' clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The assessment of whether an entity has the right to defer settlement of a liability at the reporting date is not affected by expectations of the entity or events after the reporting date.

The second amendments, 'Non-current Liabilities with Covenants' specify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification of a liability as current or non-current, even if the covenant is only assessed after the reporting date.

Both amendments are effective for the annual reporting periods beginning on or after 1 January 2024.

The amendments shall be applied retrospectively.

Amendments to MFRS 108 "Accounting policies, changes in accounting estimates and errors" on definition of accounting estimates

The amendments to MFRS 108 redefine accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". To distinguish from changes in accounting policies, the amendments clarify that effects of a change in an input or measurement technique used to develop an accounting estimate is a change in accounting estimate, if they do not arise from prior period errors.

Examples of accounting estimates include expected credit losses; net realisable value of inventory; fair value of an asset or liability; depreciation for property, plant and equipment; and provision for warranty obligations.

Amendments to MFRS 112 on "Deferred Tax related to Assets and Liabilities arising from a Single Transaction" clarify that
the initial exemption rule does not apply to transactions where both an asset and a liability are recognised at the same time
such as leases and decommissioning obligations. Accordingly, entities are required to recognise both deferred tax assets and
liabilities for all deductible and taxable temporary differences arising from such transactions.

The amendments shall be applied prospectively.

For the Financial Year Ended 31 December 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

Our Sustainability Journey

(iii) Amendments to published standards that are applicable to the Group and the Company but not yet effective and have not been adopted by the Group and by the Company (continued)

A number of amendments to published standards are effective for the financial years beginning on or after 1 January 2023. The Group and the Company intends to adopt the following pronouncements that are applicable to the Group and the Company when they become effective: (continued)

Effective for financial year beginning on or after 1 January 2023 (continued)

• Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback

The amendments specify the measurement of the lease liability arises in a sale and leaseback transaction that satisfies the requirement in MFRS 15 'Revenue from Contracts with Customers' to be accounted for as a sale. In accordance with the amendments, the seller-lessee shall determine the "lease payments" or "revised lease payments" in a way that it does not result in the seller-lessee recognizing any amount of the gain or loss that relate to the right of use it retains.

The amendments shall be applied retrospectively to sale and leaseback transactions entered into after the date when the seller-lessee initially applied MFRS 16.

The Group and the Company intends to adopt the following pronouncements that are applicable to the Group and the Company when they become effective:

Effective date yet to be determined by the Malaysian Accounting Standards Board

 Amendments to MFRS 10 "Consolidated Financial Statements" and MFRS 128 "Investments in Associates and Joint Ventures" on Sales or Contribution of Assets between an Investor and its Associate or Joint Venture resolve a current inconsistency between MFRS 10 and MFRS 128.

The accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a "business".

Full gain or loss shall be recognised by the investor where the non-monetary assets constitute a "business". If the assets do no meet the definition of a business, the gain or loss is recognised by the investor to the extent of the other investors' interests. In other words, the elimination of profits or losses resulting from "upstream" and "downstream" transactions between an investor and its associate or a joint venture rule is only applicable if the asset is not a business.

The amendments will only apply when an investor sells or contributes assets to its associate or joint venture. They are not intended to address accounting for the sale or contribution of assets by an investor in joint operation.

There is no material impact to the financial statements of the Group and the Company arising from the amendments to published standards that are applicable, but yet to be effective.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the 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 and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, 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.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquireind as goodwill. If the of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Acquisition-related costs are expensed as incurred.

Inter-company transactions, balances and unrealised gains or losses on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

When necessary, amounts reported by the subsidiaries have been adjusted to conform to the Group's accounting policies.

For the Financial Year Ended 31 December 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Joint ventures

Our Sustainability Journey

A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position. Under the equity method, the investment in a joint venture is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the joint venture in profit or loss, and the Group's share of movements in other comprehensive income of the joint venture in other comprehensive income. Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture, including any long-term interests that, in substance, form part of the Group's net investment in the joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. An impairment loss is recognised for the amount by which the carrying amount of the joint venture exceeds its recoverable amount.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

(d) 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 (if any). The cost of an item of property, plant and equipment initially recognised includes its purchase price, import duties, non-refundable purchase taxes 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. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. See accounting policy Note 3(m) on borrowing costs.

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 recognised as expenses in 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.

Gains and losses on disposals are determined by comparing the net proceeds with the carrying amount and are included in other operating expenses or income.

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. See accounting policy Note 3(f) on impairment of non-financial assets.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Depreciation

Freehold land is not depreciated as it has an indefinite 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
Pipeline and distribution systems 10 to 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.

(f) Impairment of non-financial assets

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 of disposal and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill 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. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss.

(g) Investments

In the Company's separate financial statements, investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses.

On disposal of investments in subsidiaries and joint ventures, the difference between the net disposal proceeds and the carrying amount of the investments are recognised in profit and loss.

The amount due from a subsidiary for which the subsidiary has no repayment obligation is considered as part of the Company's net investment in the subsidiary.

Other Information

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Leases

Our Sustainability Journey

(i) Accounting by lessee

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group and by the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group or the Company is a lessee, the Group and Company have elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

(a) Lease term

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and of the Company and affect whether the Group and the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See note 3(h)(i)(d) on reassessment of lease liabilities.

(b) ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

The upfront payment represents prepaid lease payments for lease of land and is amortised on the straight-line basis over the lease period of 20 to 99 years.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

3 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(h) Leases (continued)

Accounting by lessee (continued)

Lease liabilities (c)

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group and by the Company under residual value guarantees;
- The exercise price of a purchase and extension options if the Group and the Company are reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and in the Company, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group and the Company present the lease liabilities as a separate line item in the statements of financial position. Interest expense on the lease liability is presented within finance costs in profit or loss in the statements of comprehensive income.

(d) Reassessment of lease liabilities

The Group and the Company are also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

During the financial year, the Group and the Company applied the practical expedient to account for a COVID-19-related rent concession that meets all of the following conditions in the same way as they would if they were not lease modification:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, (i) the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

The Group and the Company account for COVID-19 related rent concession as a variable lease payment in the period in which the event or condition that triggers the reduced payment occurs. Impacts of rent concessions are presented within operating expenses.

A change in lease payments (including rent concession except for Covid-19 related rent concession), other than those arising from a change in amounts expected to be payable under residual value guarantees or in an index or rate used to determine lease payments, is accounted for as a lease modification if it is not part of the original terms and conditions of the lease. The lease modification is accounted for as either a new lease or as a remeasurement of an existing lease liability, depending on the criteria set in MFRS 16.

For the Financial Year Ended 31 December 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Leases (continued)

Our Sustainability Journey

- (i) Accounting by lessee (continued)
 - (e) Short-term leases and leases of low-value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

(ii) Accounting by lessor

As a lessor, the Group and the Company determine at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group and the Company consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

(a) Operating leases

The Group and the Company classify a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group and the Company recognise lease payments received under operating lease as lease income on a straight-line basis over the lease term.

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of underlying asset and recognised as an expense over the lease term on the same basis as lease income.

(b) Sublease classification

When the Group and the Company are an intermediate lessor, they assess the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group and the Company apply the exemption described above, then they classify the sublease as an operating lease.

(c) Separating lease and non-lease components

If an arrangement contains lease and non-lease components, the Group and the Company allocate the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices in accordance with the principles in MFRS 15.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) 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. Other receivables generally arise from transactions outside the usual operating activities of the Group and of the Company. If collection is expected in one year or less, they are classified as current assets. Otherwise, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value plus transaction costs. Other receivables are recognised initially at fair value plus transaction costs. Transaction costs include transfer taxes and duties.

After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest method, less loss allowance. See accounting policy note 3(t) on impairment of financial assets.

(j) Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents are held for the purpose of meeting short-term cash commitment rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, bank balances, deposit held at call with financial institutions, other short term and highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(k) 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

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

Distributions to holders of an equity instrument is recognised directly in equity.

(I) Trade and other payables

Trade payables represent liabilities to pay for natural gas, LPG and CNG that have been acquired in the ordinary course of business from suppliers. Other payables generally arise from transactions outside the ordinary course of businesses of the Group and of the Company. Trade and other payables are classified as current liabilities unless payment is not due within 12 months after the reporting period, in which they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value net of transaction costs incurred, which include transfer taxes and duties. Trade and other payables are subsequently measured at amortised cost using the effective profit rate method.

Other Information

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Borrowings and borrowing costs

Our Sustainability Journey

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.

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 prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group and the Company have unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Where the terms of a financial liability are renegotiated and the Group and the Company issue equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

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.

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

(n) Current and deferred income tax

Tax expense for the financial year comprises current and deferred income tax. The income tax expense or credit for the financial year is the tax payable on the current financial year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. 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 Company, its subsidiaries and joint ventures 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.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Current and deferred income tax (continued)

Deferred tax is provided in full, 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 future taxable profits will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the parent and joint venturer and it is probable that the temporary difference will not be reversed in the foreseeable future.

Generally, the joint venturer is unable to control the reversal of the temporary difference for joint ventures. Only where there is an agreement in place that gives the joint venturer the ability to control the reversal of temporary differences, a deferred tax liability is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the deductible temporary difference can be utilised.

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 income 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.

(o) Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where the Group and the Company expect a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

For the Financial Year Ended 31 December 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Functional and presentation currency

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

(q) Income recognition

Our Sustainability Journey

Revenue from contracts with customers

Revenue from contracts with customers is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group and the Company transfers controls of the goods or services promised in a contract and the customer obtains control of the goods and services. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of indirect taxes, returns, rebates and discounts. The transaction price is allocated to each distinct good or service promised in the contract. Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(i) Sale of gas

The Group's and the Company's revenue is mainly derived from the sales of natural gas to industrial, commercial and residential customers. The Group and the Company sell gas to the customers in various forms, namely natural gas, LPG and CNG.

As part of the customer's process to obtain gas supply from the Group and the Company, customers may be required to pay a connectivity charge to the Group and the Company (i.e. payment of capital contribution in order for the Group and the Company to connect the customer's premise to the natural gas distribution system ("NGDS") network). In the case of the Group and of the Company, as the connectivity charge and the supply of gas are highly interdependent on one another to produce the output that the customer requires (i.e. the supply of gas), it is therefore not being capable to be distinct in the context of the supply of goods and services, and is treated as one single performance obligation.

Revenue from gas sales is recognised (net of discount and taxes collected on behalf) as and when the Group's and the Company's customers simultaneously receive and consume the benefits (i.e. the customers are able to utilise the gas for their benefit as and when the gas is being supplied) arising from the Group and the Company performing their obligations based on the terms of the contracts with the customers. Accordingly, revenue from the supply of gas is recognised over time, i.e. as and when the gas supplied is consumed by the customers.

There is no element of financing present as the Group's and the Company's sales are based on a credit term of 25 days from the date of the invoice.

(ii) Provision for tolling services

Revenue from provision of tolling services is recognised in the period in which the tolling activities are performed. There is no element of financing present as sales is based on a credit term of 30 days from the date of invoice.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Income recognition (continued)

Revenue from contracts with customers (continued)

(iii) Provision for metered services

Revenue from metered services comprise charges imposed to retail license holders, who are also the customers of the Group, in respect of billing and payment collection services provided on behalf of the retail license holders to the respective customers. It is recognised in the period in which the activities are performed. There is no element of financing present as sales is based on a credit term of 30 days from the date of invoice.

(iv) Fee from management services

Fee from management services is recognised as revenue over time during the period in which the services are rendered.

Revenue from other sources

(i) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

Other income

(i) Finance income

Finance income is recognised in profit or loss on an accrual basis, using the effective profit rate method of the underlying asset.

Finance income is calculated by applying the effective profit rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective profit rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(ii) Other income

Any other income is recognised on an accrual basis unless collectability is uncertain.

(r) Accounting for zakat

The Group and the Company recognise the obligations towards the payment of zakat on business. Zakat for the current financial year is recognised as and when the Group and the Company have 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 Lembaga Zakat Selangor for 2022 is 2.5% (2021: 2.5%) of the zakat base. The zakat base of the Group and of the Company are determined based on the profit after tax of eligible companies within the Group and the Company 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 financial year in which it is incurred.

For the Financial Year Ended 31 December 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Contingent liabilities

Our Sustainability Journey

The Group and the Company do not recognise a contingent liability other than those arising from business combination, but disclose 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 and of the Company 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.

(t) Financial instruments

- (i) Financial assets
 - (a) Classification

The Group and the Company classify the financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss ("FVTPL"); and
- those to be measured at amortised cost.

The classification depends on Group's and on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss.

The Group and the Company reclassify the debt investments when and only when the business model for managing those assets changes.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ("SPPI").

(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 the Company commit to purchase or sell the asset.

At initial recognition, the Group and the Company measure a financial asset at fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

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

For the Financial Year Ended 31 December 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Financial instruments (continued)

- (i) Financial assets (continued)
 - (c) Subsequent measurement gains and losses

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the financial asset and the cash flow characteristics of the financial asset. There are two (2) measurement categories into which the Group and the Company classify the debt instruments:

Amortised cost:

Financial assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other operating income/(expense).

FVTPL:

Financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income ("FVOCI") are measured at FVTPL. Gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other operating income/(expense) in the period in which it arises.

(d) Subsequent measurement – impairment

Impairment for debt instruments and financial guarantee contracts

The Group and the Company assess on a forward-looking basis the ECL associated with its debts instruments carried at amortised cost and financial guarantee contracts issued. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group and the Company apply the simplified approach permitted by MFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Group and the Company have three types of financial assets that are subject to the ECL model:

- Trade receivables for sales of goods and services;
- Debt instruments carried at amortised cost; and
- Financial guarantee contracts.

In the Company's separate financial statements, intercompany balances are also subject to ECL.

While cash and cash equivalents are also subject to the impairment requirements as set out in MFRS 9, there is no impairment loss identified given the financial strength of the financial institutions in which the Group and the Company have a relationship with.

Other Information

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Financial instruments (continued)

Our Sustainability Journey

- (i) Financial assets (continued)
 - (d) Subsequent measurement impairment (continued)

Impairment for debt instruments and financial guarantee contracts (continued)

ECL represent a probability-weighted estimate of the difference between the present value of cash flows according to the contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument. For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Company expects to receive from the holder, the debtor or any other party.

The measurement of the ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The financial assets of the Group and the Company and the related ECL measurement models are set out below:

Trade receivables using the simplified approach

The Group and the Company apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. Note 2(b) sets out the measurement details of the ECL.

<u>Debt instruments at amortised cost other than trade receivables and financial guarantee contracts issued, using the 3-stage general approach</u>

At each reporting date, the Group and the Company measure ECL through loss allowance at an amount equal to 12-month ECL if the credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required. Note 2(b) sets out the measurement details of the ECL.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Financial instruments (continued)

- (i) Financial assets (continued)
 - (d) Subsequent measurement impairment (continued)

Significant increase in credit risk

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an on-going basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information, such as:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; or
- significant changes in the expected performance or behaviour of the debtor, including changes in the payment status

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group and the Company define a financial instrument as default, which is fully aligned with the definition of creditimpaired, when it meets one or more of the following criteria:

Quantitative criteria:

The Group and the Company define a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- the debtor is in breach of financial covenants.
- concessions have been made by the lender relating to the debtor's financial difficulty.
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.
- the debtor is insolvent.

Financial instruments that are credit-impaired are assessed on an individual basis.

For the Financial Year Ended 31 December 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Financial instruments (continued)

Our Sustainability Journey

- (i) Financial assets (continued)
 - (d) Subsequent measurement impairment (continued)

ECL measured on individual basis

Individual assessment

Trade receivables are assessed individually.

Write-off

Trade receivables

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and the Company, and a failure to make contractual payments for a period greater than 365 days past due.

Impairment losses on trade receivables are presented as net impairment losses within administrative expenses. Subsequent recoveries of amounts previously written off are credited against the same line item.

Debt instruments at amortised cost other than trade receivables

The Group and the Company write off financial assets, in whole or in part, when all partial recovery efforts have been exhausted and there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtors' sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Company may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off are credited against the same line item.

(ii) Financial liabilities

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.

Financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are classified as current liabilities for those having maturity dates of less than twelve months after the reporting date, otherwise, the balances are classified as non-current.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Financial instruments (continued)

(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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(iv) Financial guarantee contracts

Financial guarantee contracts are contracts that require the 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.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required 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.

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9 "Financial Instruments" and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 'Revenue from Contracts with Customers', where appropriate.

(u) Employee benefits

(i) Short-term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as other payables in the statements of financial position.

The Group and the Company recognise 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 and the Company recognise a provision where contractually obliged or where is a past practice that has created a constructive obligation.

(ii) Post-employment benefits

A defined contribution plan is a pension under which the Group and the Company pay fixed contributions into a separate entity (a fund) on a mandatory, contractual or voluntary basis and the Group and the Company have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

The Group's and the Company'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 and the Company have 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.

For the Financial Year Ended 31 December 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Earnings per share

Our Sustainability Journey

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

Basic EPS is calculated by dividing the profit 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 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.

(w) 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.

(x) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each reporting period.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for at fair value through profit or loss. Changes in the fair value are recognised immediately in profit or loss and are included in other gains/(losses). Derivatives that qualify for hedge accounting are designated as either:

- (a) Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
- (b) Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
- (c) Hedges of a net investment in a foreign operation (net investment hedge).

The Group documents at the inception of the hedge relationship, the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other gains/(losses).

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance income/cost at the same time as the interest expense on the hedged borrowings.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Derivatives and hedging activities (continued)

Cash flow hedge (continued)

When the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or property, plant and equipment), the gains and losses previously deferred in equity are reclassified from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of property, plant and equipment.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, the accounting of any cumulative deferred gain or loss and deferred cost of hedging included in equity depends on the nature of the underlying hedged transaction. For cash flow hedge which resulted in the recognition of a non-financial asset, the cumulative amount in equity shall be included in the initial cost of the asset. For other cash flow hedges, the cumulative amount in equity is reclassified to profit or loss in the same period that the hedged cash flows affect profit or loss. When hedged future cash flows or forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred cost of hedging that was reported in equity is immediately reclassified to profit or loss within other gains/(losses).

For the financial year ended 31 December 2022, the Group has continued to apply the reliefs provided by the Amendments to MFRS 9 and MFRS 7 'Interest Rate Benchmark Reform ("IBOR") - Phase 1. The following is applicable upon the application of the Phase 2 amendments related to the IBOR reform:

(a) Hedge designation

When the Phase 1 amendments cease to apply, the Group will amend its hedge designation to reflect changes which are required by IBOR reform, but only to make one or more of the following changes:

- (i) designating an alternative benchmark rate (contractually or non-contractually specified) as a hedged risk;
- (ii) amending the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
- (iii) amending the description of the hedging instrument.

The Group will amend its hedge documentation to reflect this change in designation by the end of the reporting period in which the changes are made. These amendments to the hedge documentation do not require the Group to discontinue its hedge relationships.

(b) Amounts accumulated in the cash flow hedge reserve

When the Group amends its hedge designation as described above, the accumulated amount outstanding in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate. For discontinued hedging relationships, when the interest rate benchmark on which the hedged future cash flows were based has changed as required by IBOR reform, the amount accumulated in the cash flow hedge reserve is also deemed to be based on the alternative benchmark rate for the purpose of assessing whether the hedged future cash flows are still expected to occur.

Other Information

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Contract liabilities

Our Sustainability Journey

A contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or have billed the customer. In the case of the supply of gas, contract liabilities represent the consideration received from customers which had made contributions to the Group for connecting the premises to the Group's natural gas distribution network.

(z) Government grant

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group and the Company will comply with all attached conditions.

Government grants relating to the purchase of assets are presented as a reduction of the carrying amount of the related assets. The government grant is recognised in profit or loss over the life of a depreciable asset as a reduced depreciation expense.

(aa) Critical accounting estimates, assumptions and judgements

Estimates and judgements are continually being 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) Depreciation policy

The depreciation policy of the pipelines system adopted by the Directors, assumes that there are no changes expected to the technology and legal environment in the industry in which the Group operates in, as well as the manner of which the assets are being used. In addition, given the significance of the pipeline network used to supply gas to the end customers, the Group has competitive advantage as it would be difficult for any new entrant to replicate, and therefore the current useful life continues to be reasonable.

Estimates and judgements are continuously 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. Changes in the technology and legal environment in the industry in which the Group operates in, as well as the manner of which the assets are being used could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation charges could be revised if there is an increase in economic useful lives of the pipelines systems.

The Group's carrying amount of the property, plant and equipment as at 31 December 2022 will be increased by approximately RM6,571,000 if the useful lives of the pipelines system that are reaching the end of their useful lives are extended from 30 years to 40 years.

(ii) Accrual for gas costs

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 upon delivery of gas to the Group's pipeline. Any change in the customers' consumption patterns and the terms of business which the Group has with its gas suppliers will have an effect on the accrual for gas costs.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(aa) Critical accounting estimates, assumptions and judgements (continued)

(iii) Revenue recognition arising from the Group's rights and obligations under the Incentive-Based Regulation ("IBR") and Third Party Access ("TPA")

The Directors have applied judgement in applying the revenue recognition policy based on the Group's business model, its relationships and contracts with the customers and its rights and obligations under the IBR and TPA. The judgement includes the assessment of the Group's rights in dealing with and charging the customers, taking into consideration the Group's responsibility for securing and expanding their customer base and bearing the credit risk of the customers.

The Energy Commission ("EC") implemented the TPA on 1 January 2020, which entails the liberalisation of the Malaysian gas market whereby third parties are expected to be involved in the retailing of gas to end customers. IBR allows the distribution licensee (i.e. Gas Malaysia Distribution Sdn. Bhd.) or the EC to propose additional components for revenue adjustment, for which revenue cap and price cap adjustments are part of the components. The revenue cap and price cap adjustments are used by the EC to ensure that the Group is able to pass through the variances arising from the estimated and actual firm capacity reservations.

Under this mechanism, the Group's claims and undertakings are such that any over or under recovery of revenue arising from the variances between actual and forecasted firm capacity reservations used in the determination of tariff rates for the utilisation of the Natural Gas Distribution System ("NGDS") would be payable to or reimbursable from the Government via revenue cap and price cap adjustments. The variance would be recognised as part of revenue in the period when the variances in the firm capacity reservations occur, whereby the submitted forecast and actual firm capacity reservation is submitted to the EC annually.

The Directors have considered the Group's rights and obligations with the customers and the Government under the IBR and TPA in determining the revenue recognition for the financial year as well as the recovery of the outstanding balance as at the reporting date. Any change to the approved submitted forecast and actual firm capacity reservation by the EC will impact the revenue recognised and the recovery of the outstanding balance. Refer to Notes 17 and 25 to the financial statements for further details.

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For the Financial Year Ended 31 December 2022 (Continued)

REVENUE

Our Sustainability Journey

	Group		Comp	Company	
	2022	2021	2022	2021	
	RM′000	RM′000	RM′000	RM′000	
Revenue from contract with customers:					
Sale of gas:					
- Sale of natural gas	7, 557, 173	5,764,660	-	7	
- Sale of LPG	26,414	18 <i>,77</i> 8	-	-	
- Cash contribution for pipelines construction	6,897	4,869	-	-	
Provision for tolling services	48,849	58,146	-	-	
Provision for metered services	10,031	5,147	-	-	
Management fees	-	-	15,888	18,134	
	7,649,364	5,851,600	15,888	18, 141	
Revenue from other source:					
Dividend income	-	-	251, 964	214,797	
	7,649,364	5,851,600	267, 852	232,938	
Timing of revenue from contracts with customers:					
- over time	7,649,364	5,851,600	15,888	18, 141	

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

5 EXPENSES BY NATURE

	Gro	Group		Company	
	2022 RM′000	2021 RM′000	2022 RM′000	2021 RM′000	
Cost of natural gas	6,889,230	5,279,362		-	
Reversal of cost accrual no longer required	(40, 481)	-	(40, 481)		
Cost of LPG	21,975	14,785	-	-	
Staff costs (Note 7)	77,089	<i>7</i> 5,908	12,842	13,329	
Depreciation and amortisation:					
- Property, plant and equipment (Note 12)	100, 124	92, 191	100	141	
- Right-of-use assets (Note 13)	1,869	1,615	-	-	
Net loss allowance on trade receivables (Note 17)	4,669	-	-	-	
Property, plant and equipment written off (Note 12)	977	2,840	-	-	
Impairment loss on property, plant and equipment	442	-	-	-	
Gas licence fee	4,387	3,251	-	-	
Sales commission expenses	1,075	629	-	-	
Other expenses	50, 140	47,095	5, 104	2,361	
	7, 111, 496	5,517,676	(22, 435)	15,831	

The above is a combination of cost of sales, administrative expenses and selling and distribution expenses in the statements of comprehensive income.

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For the Financial Year Ended 31 December 2022 (Continued)

PROFIT FROM OPERATIONS

Our Sustainability Journey

	Group		Com	Company	
	2022	2021	2022	2021	
	RM′000	RM′000	RM′000	RM′000	
Profit from operations is arrived at after crediting:					
Gain on disposal of property, plant and equipment	871	515	-	100	
Write back of loss allowance on trade receivables (Note 17)	-	140	-	-	
and after charging:					
Auditors' remuneration:					
- statutory audit	301	262	57	75	
- other audit related services	<i>7</i> 1	68	71	68	
- non-audit services	8	5	-	-	
Loss allowance on trade receivables (Note 17)	4,669	140	-	-	
Rental of equipment (Note 27)	160	93	8	20	
Rental of premises (Note 27)	381	778	9	8	

STAFF COSTS

	Group		Com	Company	
	2022	2021	2022	2021	
	RM'000	RM'000	RM'000	RM'000	
Wages, bonuses and salaries	69,310	68,232	8,692	8,380	
Defined contribution plan - contributions	10,068	9,955	1, 357	1,316	
Other employee benefits	7, 512	7,074	2,793	3,633	
	86,890	85,261	12,842	13,329	
Less: Staff costs capitalised in property, plant and equipment	(9, 801)	(9,353)	-	-	
	77, 089	<i>7</i> 5,908	12,842	13,329	

The staff costs include Directors' remuneration as disclosed in Note 8.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

8 DIRECTORS' REMUNERATION

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

	Group an	Group and Company	
	2022 RM′000		
Fees	1,456	1,422	
Other benefits	492	353	
	1,948	1,775	

9 FINANCE COSTS AND FINANCE INCOME

	Group		Com	Company	
	2022	2021	2022	2021	
	RM′000	RM′000	RM′000	RM′000	
(a) Finance cost					
Bank charges	1, 189	1,063	4	3	
Profit rate:					
- iMTN	3,666	5,418	-	-	
- iCP	4,888	4, 167	-	-	
Lease liabilities	833	184	-	-	
	10, 576	10,832	4	3	
Less: Finance costs capitalised in property, plant and					
equipment (Note 12)	(397)	(401)	-	-	
	10, 179	10,431	4	3	
(b) Finance income					
Finance income from:					
- Deposits placed with licensed banks and financial					
institutions	11,858	3,600	136	222	
- Other receivables	-	1,609	-	1,609	
	11,858	5,209	136	1,831	

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Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

10 TAX EXPENSE

Our Sustainability Journey

	Group		Com	Company	
	2022	2021	2021 2022	2021	
	RM′000	RM′000	RM′000	RM′000	
Income tax:					
- current financial year	137, 963	57,299	10,331	1,482	
- (over)/under accrual in prior financial year	(10,845)	(4,049)	(813)	2,282	
	127, 118	53,250	9,518	3,764	
Deferred taxation: (Note 23)					
- origination and reversal of temporary difference	26,613	24,026	62	327	
Tax expense	153 <i>, 7</i> 31	77,276	9,580	4,091	

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 of the Company is as follows:

	Group		Com	Company	
	2022	2021	2022	2021	
	RM′000	RM′000	RM′000	RM′000	
Profit before taxation and after zakat	543,274	326,898	290,897	219,916	
Tax calculated at the Malaysian income tax rate of 24%					
(2021: 24%)	130, 386	78,456	69, 815	52,780	
Tax effects of:					
- Income not subject to tax	(1, 315)	(2,362)	(60, 129)	(51,565)	
- Expenses not deductible for tax	2,793	2,271	707	594	
- Difference in tax rate arising from Cukai Makmur	21,016	-	-	-	
- Share of results in joint ventures	(1,083)	161	-	-	
- Utilisation of previously unrecognised temporary differences	-	(726)	-	-	
Under/(Over) accrual of taxes in prior financial year (net)	1,934	(524)	(813)	2,282	
Tax expense	153 <i>, 7</i> 31	77,276	9,580	4,091	

The Finance Act 2021 gazetted on 31 December 2021 enacted the prosperity tax ("Cukai Makmur") on companies that generate chargeable income up to first RM 100 million will be taxed at 24% and the remaining chargeable income will be taxed at one-off rate of 33% for the year of assessment 2022.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

11 EARNINGS PER SHARE

Basic earnings per ordinary share and diluted earnings per ordinary 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.

	Gre	oup
	2022	2021
Net profit for the financial year attributable to equity holders of the Company (RM'000)	389,543	249,622
Weighted average number of ordinary shares ('000)	1, 284, 000	1,284,000
Basic earnings per share (RM)	0.30	0.19
Diluted earnings per share (RM)	0.30	0.19

The Group has no dilutive potential ordinary shares and therefore the diluted EPS is the same as the basic EPS.

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Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

Group	Freehold land RM′000	Buildings RM′000	Motor vehicles RM′000	Office and gas equipment RM′000	Furniture and fittings RM′000	Office renovation RM′000	Pipeline and distribution systems	Capital work-in- progress RM′000	Total RM′000
2022									
Cost									
At 1 January	9,894	22, 228	10,347	75,805	755	10, 835	2, 277, 401	122,328	2, 529, 593
Additions	•	•	3,541	3,954	37	408	2, 358	174,742*	185,040
Disposals	•	•	(1, 399)	(10)	•	•	•	•	(1,409)
Write-off	•	٠	•	•	•	•	(3,438)	•	(3,438)
Reclassifications	•	•	•	5,623	1	•	108, 592	(114, 215)	•
At 31 December	9,894	22, 228	12, 489	85,372	792	11, 243	2, 384, 913	182, 855	2,709,786
Accumulated depreciation									
At 1 January	•	9,804	6,071	49, 754	755	10,270	912, 737	•	989,391
Depreciation for the financial									
year	•	201	1,470	8,264	-	249	89, 639	•	100, 124
Disposals	•	٠	(1, 399)	(9)	•	•	•	•	(1,405)
Write-off	•	•	•	1	1	•	(2, 461)		(2, 461)
At 31 December	•	10, 305	6, 142	58,012	756	10, 519	516'666	•	1,085,649
Accumulated impairment loss									
At 1 January	•	•		•		•	7,648	•	7,648
Impairment for the financial									
year	•	•	•	•	•	•	331	Ε	442
At 31 December	•		•		•	•	7,979	ш	8,090
Net book value									
At 31 December	9,894	11, 923	6,347	27,360	36	724	1, 377, 019	182, 744	1,616,047

For the Financial Year Ended 31 December 2022 (Continued)

Group	Freehold land RM′000	Buildings RM′000	Motor vehicles RM′000	and gas equipment RM′000	and fittings RM′000	Office renovation RM′000	distribution systems RM′000	work-in- progress RM′000	Total RM′000
2021									
Cost									
At 1 January	9,894	22,228	8,967	58,197	755	11,141	2,072,540	175,274	2,358,996
Additions	•	•	2,847	4,607	1	•	36,971 *	132,868	179,293
Disposals	•		(1,467)	(899)	•	•	ı	•	(2, 135)
Write-off	•	•	•	•	•	(336)	(6,225)	•	(6,561)
Reclassifications	•	•	•	11,669	•	30	174,115	(185,814)	•
At 31 December	9,894	22,228	10,347	75,805	755	10,835	2,277,401	122,328	2,529,593
Accumulated depreciation									
At 1 January	•	6,303	6,516	44,296	755	8,507	833,645	•	903,022
Depreciation for the financial									
year	•	501	886	6,126	•	2,099	82,477	•	92, 191
Disposals	•	•	(1,433)	(899)		•	ı	•	(2, 101)
Write-off	•	•		•	•	(336)	(3,385)	•	(3,721)
At 31 December		9,804	6,071	49,754	755	10,270	912,737	•	1686'361
Accumulated impairment loss									
At 1 January/31 December	•	•	•	•	•	1	7,648	•	7,648
Net book value									
At 31 December	9,894	12,424	4,276	26,051		565	1,357,016	122,328	1,532,554

Included in the Group's addition of pipeline and distribution systems during the financial year was finance costs of RM397,000 (2021: RM401,000) which were capitalised at an average rate of 3.06% (2021:

10% | per gapum

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Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Our Sustainability Journey

		Office	
	Motor	and gas	
	vehicles	equipment	Total
Company	RM′000	RM′000	RM′000
2022			
Cost			
At 1 January	277	347	624
Additions	-	50	50
At 31 December	277	397	674
Accumulated depreciation			
At 1 January	27	255	282
Depreciation for the financial year	69	31	100
At 31 December	96	286	382
Net book value			
At 31 December	181	111	292
2021			
Cost			
At 1 January	739	276	1,015
Additions	-	<i>7</i> 1	<i>7</i> 1
Disposals	(462)	-	(462)
At 31 December	277	347	624
Accumulated depreciation			
At 1 January	358	229	587
Depreciation for the financial year	115	26	141
Disposals	(446)	-	(446)
At 31 December	27	255	282
Net book value			
At 31 December	250	92	342

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

a. <u>Impairment assessment</u>

In the current financial year, the Group recorded an impairment of RM442,000 (2021: RM nil) in respect of certain pipeline and distribution system owned by the subsidiaries of the Group in view of the termination of the contracts with the customers. The recoverable amounts of these assets were determined based on the value-in-use approach, computed using the cash flow projection which takes into consideration of the expected cash flows to be generated from these assets based on the Group's future strategy and financial budgets.

b. The net cash outflows for the acquisition of property, plant and equipment during the financial year is as follows:

	Gro	oup	Com	pany
	2022	2021	2022	2021
	RM′000	RM′000	RM′000	RM′000
Acquisition during the financial year	185,040	179,293	50	<i>7</i> 1
Add:				
- Payment for property, plant and equipment acquired				
in the prior financial year	47,077	27,827	-	-
Less:				
- Acquisition of property, plant and equipment not paid				
as at the reporting date (Note 25)	(79, 567)	(81,390)	-	-
- Finance cost capitalised during the financial year				
(Note 9)	(397)	(401)	-	-
Net cash outflows for the acquisition of property, plant				
and equipment	152, 153	125,329	50	<i>7</i> 1

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

13 RIGHT-OF-USE ASSETS

The Group leases several assets including district land, office buildings and office equipment for a period of between 1 to 30 years, but may include extension options. The carrying amount of the lease liabilities have included these extension options.

Lease terms on the rental contracts are negotiated on an individual basis and contain various terms and conditions. The rental contracts do not impose any covenants.

	Land and	Office	
	buildings	equipment	Total
Group	RM′000	RM′000	RM′000
2022			
At 1 January	17,429	11	17, 440
Additions during the financial year	1, 207	29	1, 236
Depreciation for the financial year	(1,833)	(36)	(1,869)
At 31 December	16, 803	4	16,807
2021			
At 1 January	19,009	46	19,055
Depreciation for the financial year	(1,580)	(35)	(1,615)
At 31 December	17,429	11	17,440

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

14 INVESTMENTS IN SUBSIDIARIES

	Company	
	2022	2021
	RM′000	RM′000
Unquoted shares, at cost	1, 284, 447	1,274,447

Details of the subsidiaries are as follows:

			Group's effe	ctive interest
		Country of	2022	2021
Name of company	Principal activities	incorporation	%	<u>%</u>
Direct subsidiaries				
Gas Malaysia Retail Services Sdn. Bhd. ("GMRS")*	Selling of liquefied petroleum gas via a reticulation system and providing related services and energy solution to commercial and residential sectors	Malaysia	100	100
Pelantar Teknik (M) Sdn. Bhd. ("PTSB")*	Property holding	Malaysia	100	100
Gas Malaysia Ventures Sdn. Bhd.*	Investment holding	Malaysia	100	100
Gas Malaysia Distribution Sdn. Bhd. ("GMD")*	Developing, operating and maintaining the distribution pipeline and to deliver gas through the distribution pipeline	Malaysia	100	100
Gas Malaysia Energy and Services Sdn. Bhd. ("GMES")*	Selling, marketing and promotion of natural gas, liquefied petroleum gas and other gaseous fuel and providing related services and energy solution to industrial, commercial and residential sector	Malaysia	100	100
Indirect subsidiaries				
Gas Malaysia Virtual Pipeline Sdn. Bhd. ("GMVP")*	Virtual pipeline	Malaysia	100	100
Gas Malaysia Venture 1 Sdn. Bhd. ("GMV1")*	Investment holding	Malaysia	100	100
Gas Malaysia Venture 2 Sdn. Bhd. ("GMV2")*	Investment holding	Malaysia	100	100

^{*} Audited by PricewaterhouseCoopers PLT, Malaysia.

During the current financial year, the Company had subscribed to an additional 10,000,000 ordinary shares issued by GMES at RM10,000,000.

In 2021, the Company had subscribed to an additional 33,000,000 ordinary shares issued by GMV at RM33,000,000, as the consideration for transferring the Company's equity interest in a joint venture company, Gas Malaysia Energy Advance Sdn. Bhd., to GMV1, which is a wholly-owned subsidiary of GMV.

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Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

15 INVESTMENTS IN JOINT VENTURES

Our Sustainability Journey

	Gro	Group		Company	
	2022	2021	2022	2021	
	RM′000	RM'000	RM′000	RM′000	
Unquoted shares, at cost	45,015	38,887	-	-	
Share of post–acquisition reserves	33,357	29,092	-	-	
Accumulated impairment losses	(282)	(282)	-	-	
Accumulated dividends	(1,980)	(1,320)	-	-	
	<i>7</i> 6, 110	66,377	-	-	

Details of the joint ventures are as follows:

			Group's effective interest	
		Country of	2022	2021
Name of company	Principal activities	incorporation	%	%
Gas Malaysia Energy Advance Sdn. Bhd. ("GMEA")	Combined Heat and Power	Malaysia	66	66
Sime Darby Gas Malaysia BioCNG Sdn. Bhd. ("SDGMB")	Sale and supply of bio-compressed natural gas	Malaysia	49	49
Gas Malaysia Synergy Drive Sdn. Bhd. ("GMSD")	Combined Heat and Power	Malaysia	70	70
Malakoff Gas Malaysia Cogen O&M Sdn Bhd ("MGMCOM")	Operation and maintenance services of Combined Heat and Power plant	Malaysia	49	49

The Directors of the Company have assessed the shareholders' agreements and concluded that the entities above are appropriately classified as joint ventures as the key decisions on relevant activities of these entities require unanimous consent from the shareholders of the entities.

During the current financial year:

- (i) GMV1 had subscribed to its proportion of additional equity interest in GMEA. The subscription of 5, 148,000 shares at a consideration of RM5, 148,000 had no impact to the Group's effective equity interest in GMEA of 66%.
- (ii) GMV1 had subscribed to its proportion of additional equity interest in MGMCOM. The subscription of 979,951 shares at a consideration of RM979,951 had no impact to the Group's effective equity interest in MGMCOM of 49%.

In the previous financial year:

- (i) GMV1 had subscribed to its proportion of additional equity interest in GMSD on 19 March 2021. The subscription of 840,000 shares at a consideration of RM840,000 had no impact to the Group's effective equity interest in GMSD of 70%.
- (ii) The Company had transferred its equity interest in GMEA to GMV1 on 25 August 2021. The transfer of 33,000,000 shares in GMEA at a consideration of RM33,000,000 had settled by way of issuance of 33,000,000 shares in GMV, the immediate holding company of GMV1, had no impact to the Group's effective equity interest in GMEA of 66%.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

15 INVESTMENTS IN JOINT VENTURES (CONTINUED)

In the previous financial year: (continued)

(iii) GMV1 entered into a joint venture agreement ("JVA") with Malakoff Technical Solution Sdn Bhd ("MTSSB"), a wholly owned subsidiary of Malakoff Corporation Berhad, to undertake the business of operations and maintenance services of combined heat and power cogeneration plants through the incorporation of a joint venture company. Accordingly, MGMCOM was incorporated with an issued share capital of RM100 comprising 100 ordinary shares in which 49 ordinary shares are held by GMV1 and 51 ordinary shares are held by MTSSB.

The Group has applied the equity method of accounting for these joint ventures. The joint ventures are unquoted companies and therefore there are no quoted market prices available for their shares.

The following table summarises the financial information of the Group's material joint venture, adjusted for any differences in the accounting policies and reconciles the information to the carrying amount of the Group's interest in the joint venture:

	GME	A
	2022	2021
	RM′000	RM′000
Summarised statement of financial position		
As at 31 December		
Non-current assets	151, 562	158,426
Non-current liabilities	(41, 521)	(50,284)
		00.005
Current assets	45,390	38,325
Current liabilities	(45, 565)	(51,079)
Net current liabilities	(175)	(12,754)
Net assets	109,866	95,388
Included in the statement of financial position are:		
- Deposits, cash and bank balances	9, 109	8 <i>,7</i> 15
- Current financial liabilities (excluding trade and other payables and provisions)	24,834	31,082
- Non-current financial liabilities (excluding trade and other payables and provisions)	41,521	50,284
Summarised statement of comprehensive income		
Financial year ended 31 December		
Revenue	160,461	112,885
Cost of sales (excluding depreciation)	(155, 547)	(119, 106)
Administrative expenses	(2, 158)	(1,092)
Depreciation	(14)	(9)
Finance cost	(853)	(3,780)
Finance income	8,994	9,516
Other income	20	1,292
Taxation	(2,488)	312
Profit after taxation	8,415	18
Other comprehensive (loss)/income	(374)	936
Total comprehensive income	8,041	954

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For the Financial Year Ended 31 December 2022 (Continued)

15 INVESTMENTS IN JOINT VENTURES (CONTINUED)

Our Sustainability Journey

The following table summarises the financial information of the Group's material joint venture, adjusted for any differences in the accounting policies and reconciles the information to the carrying amount of the Group's interest in the joint venture: (continued)

	GMEA	
	2022	2021
	RM′000	RM'000
Reconciliation of net assets to carrying amount		
Group's share of net assets/Carrying amount in the statement of financial position at 31 December	72, 512	62,956
Group's share of results		
Group's share of results for the financial year	5,554	12
Group's share of other comprehensive (loss)/ income for the financial year	(247)	618
Dividend income received	660	660

Set out below are the financial information of all individually immaterial joint ventures on an aggregate basis:

	2022	2021
	RM′000	RM′000
Group's share of net assets/Carrying amount in the statement of financial position at 31 December	3,598	3,421
Group's share of loss for the financial year	(1,042)	(684)

There is no outstanding commitment or contingent liability as at 31 December 2022 and 31 December 2021 in respect of the joint ventures.

16 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Comp	any
	2022	2021
	RM′000	RM′000
Amounts due from subsidiaries		
- Non-current	45,639	36,540
Amounts due to subsidiaries		
- Current	(216, 441)	(207,983)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

16 AMOUNTS DUE FROM/(TO) SUBSIDIARIES (CONTINUED)

The amounts due from subsidiaries classified as non-current asset include an advance given to a subsidiary of RM8,500,000 (2021: RM9,000,000) which is unsecured and carries a profit rate at 4.56% (2021: 4.56%) per annum as at the reporting date for a tenure of 5 years. The profit rate income from the subsidiary has been offset against the finance cost recharged by another subsidiary.

The remaining amounts due from subsidiaries other than the foregoing are unsecured, profit rate free and have no fixed term of repayment. The Company does not expect any repayment of these balances within the next twelve months.

The amounts due to subsidiaries are unsecured, profit rate free and repayable on demand.

17 TRADE AND OTHER RECEIVABLES

	Group		Com	pany
	2022	2022 2021	2022	2021
	RM′000	RM′000	RM′000	RM′000
Current:				
Trade receivables	811, 823	684,278	6,478	6,478
Accumulated loss allowance on trade receivables	(11, 287)	(6,618)	(6, 478)	(6,478)
	800, 536	677,660	-	-
Other receivables	8,958	59,787	2,698	2,591
Deposits	11, 468	11,298	-	-
Prepayments	3,807	1, <i>7</i> 41	296	29
	824,769	<i>7</i> 50,486	2,994	2,620
Non-current:				
Deposits	15, 215	16,959	-	-
	839,984	767,445	2,994	2,620

Included in the Group's and in the Company's other receivables as at the reporting date are amounts of RM5,351,000 (2021: RM2,223,000) and RM1,645,000 (2021: RM1,703,000) due from joint venture companies. The amounts due from joint venture companies are unsecured, profit rate free and repayable on demand.

As at 31 December 2021, included in the Group's other receivables was an amount of RM53,580,000 which represents under-recovery of revenues arising from the variances between the actual and forecasted firm capacity reservations used in the determination of tariff rates for the utilisation of the Natural Gas Distribution System ("NGDS") owned by the Group, for which the Government has confirmed to the Group on the recovery of this balance through the revenue cap adjustment mechanism.

See Note 3(aa)(iii) for the rights and obligations of the Group and of the Company under the IBR and TPA. There is minimal risk of default in payment in respect of the amounts.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

17 TRADE AND OTHER RECEIVABLES (CONTINUED)

Our Sustainability Journey

As at 31 December 2022, trade receivables of RM44,063,000 (2021: RM24,124,000) for the Group 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) are as follows:

	Group		Com	pany
	2022 RM′000	2021 RM′000	2022 RM′000	2021 RM′000
Neither past due nor impaired	756,473	653,536	-	-
Past due but not impaired:				
- Up to 2 months (overdue)	35,779	23,631	-	-
- Over 2 months (overdue)	8,284	493	-	-
Credit-impaired	11, 287	6,618	6,478	6,478
	811, 823	684,278	6, 478	6,478

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 or place cash deposit as collateral. Trade receivables of the Group are secured by bank guarantees and customers' deposits of RM1,739,379,000 (2021: RM1,388,594,000) and RM78,390,000 (2021: RM71,584,000) respectively. Due to these factors, the Group's and the Company's historical experience shows that the impairment loss allowance on trade receivables has been adequate.

As at 31 December 2022, trade receivables amounting to RM11,287,000 (2021: RM6,618,000) for the Group and RM6,478,000 (2021: RM6,478,000) for the Company were impaired and provided for. The individually impaired receivables mainly relate to customers which have defaulted in payment.

Included in the trade receivables of the Group at the end of the reporting period is an amount of RM37,862,000 (2021: RM23,399,000) in respect of the receivables from the related parties, for the sales of natural gas.

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

	Gr	Group		Company	
	2022 RM′000	2021 RM′000	2022 RM′000	2021 RM′000	
At 1 January	6,618	6,618	6, 478	6,478	
Loss allowance (Note 6)	4,669	140	-	-	
Write back of loss allowance (Note 6)	-	(140)	-	-	
At 31 December	11, 287	6,618	6,478	6,478	

Other than as disclosed above, the remaining other receivables were neither past due nor impaired and are deemed to be performing.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

18 INVESTMENT FUNDS WITH LICENSED FINANCIAL INSTITUTIONS

The investments are in relation to the following:

_	Group		Company	
	2022	2021	2022	2021
	RM′000	RM′000	RM′000	RM′000
Investment funds with licensed financial institutions – Unquoted	-	413,000	-	4,000

The unquoted investment funds with licensed financial institutions are measured at fair value and classified as financial assets at fair value through profit or loss. The fair values of these financial assets are based on dealers' quote as at the reporting date.

19 CASH AND CASH EQUIVALENTS

	Group		Com	Company	
	2022 RM′000	2021 RM′000	2022 RM′000	2021 RM′000	
Deposits placed with licensed banks	572, 215	27,905	14, 112	7,062	
Cash and bank balances	19,082	15,042	3,411	1,530	
	591, 297	42,947	17, 523	8,592	

The weighted average profit rates per annum of deposits placed with licensed banks that were effective during the reporting period are as follows:

	Group		Company			
	2022 202	2022 2021 202	2022 2021	2022 2021 202	2022	2021
	%	%	%	%		
	per annum	per annum	per annum	per annum		
Deposits placed with licensed banks	2.32	1.57	2.25	2.15		

Deposits placed with licensed banks of the Group and of the Company have an average maturity period of 17 days and 1 day (2021: 12 days and 11 days) respectively. Bank balances are deposits held at call with licensed banks.

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Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

20 SHARE CAPITAL

Our Sustainability Journey

	Group and Company				
	2022		2022 2021		
	Number of	Number of			
	shares	Value	shares	Value	
	′000	RM′000	′000	RM′000	
Ordinary shares with no par value that is issued and fully paid:					
At 1 January/31 December	1, 284, 000	642,000	1,284,000	642,000	

21 RETAINED PROFITS

The Company may distribute dividends from its entire retained profits under the single-tier tax system. Dividends paid under this system are tax exempt in the hands of shareholders.

22 REDEEMABLE PREFERENCE SHARE

On 23 April 2012, the Company issued one Special Rights Redeemable Preference Share ("RPS") at an issue price of RM0.50 to Petroliam Nasional Berhad ("Special Shareholder" or "PETRONAS") which adopted the special rights attached to the RPS via amendments to the Constitution of the Company ("Constitution").

Salient points of the RPS stated in the Constitution are:

- (a) 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 Constitution and/or the Bursa Malaysia Securities Berhad Listing Requirements ("the Listing Requirements");
- (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;

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

22 REDEEMABLE PREFERENCE SHARE (CONTINUED)

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

- (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 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 shareholders. Save as otherwise provided in the Constitution, the RPS shall confer no other rights to participate in the capital or profits of the Company;
- (h) In the Constitution, the provisions relating to the general meetings, votes of shareholders, 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 Constitution:
 - (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;
 - (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 "percentage 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.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

23 DEFERRED TAXATION

Our Sustainability Journey

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 statements of financial position:

	Grou	Group		Company	
	2022 RM′000	2021 RM′000	2022 RM′000	2021 RM′000	
Deferred tax liabilities	226, 168	199,036	_	-	
Deferred tax assets	(2, 233)	(1,714)	(645)	(707)	
	223,935	197,322	(645)	(707)	
At 1 January	197, 322	173,296	(707)	(1,034)	
Charged to profit or loss (Note 10):					
- Unutilised tax losses	-	264	-	264	
- Property, plant and equipment	29,343	31,038	(11)	42	
- Right-of-use assets	2,500	(271)	-	-	
- Trade and other payables	(5, 183)	(7,280)	73	21	
- Lease liabilities	(47)	275	-	-	
	26,613	24,026	62	327	
At 31 December	223,935	197,322	(645)	(707)	
Subject to income tax:					
Deferred tax assets (before offsetting)					
- Trade and other payables	17, 971	12,788	683	<i>7</i> 56	
- Lease liabilities	687	640	-	-	
	18,658	13,428	683	756	
Offsetting	(16, 425)	(11,714)	(38)	(49)	
Deferred tax assets (after offsetting)	2,233	1,714	645	707	
Deferred tax liabilities (before offsetting)					
- Property, plant and equipment	239,551	210,208	38	49	
- Right-of-use assets	3,042	542	-	-	
	242,593	210,750	38	49	
Offsetting	(16, 425)	(11,714)	(38)	(49)	
Deferred tax liabilities (after offsetting)	226, 168	199,036	-	-	

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

23 DEFERRED TAXATION (CONTINUED)

Subject to the agreement of the Inland Revenue Board of Malaysia, the estimated amount of deferred tax assets calculated at the current tax rate which have not been recognised in the Group's and the Company's financial statements, as the Directors are of the view that it is not probable that sufficient future taxable profits will be available against which the temporary differences and tax losses can be utilised, are as follows:

	Grou	ıp
	2022	2021
	RM′000	RM′000
No expiry period:		
- Unabsorbed capital allowances	6,211	7,163
- Other deductible temporary differences	381	212
	6,592	7,375
Unutilised tax losses expiring in the following financial years:		
- 2029	3,799	3,799
- 2030	690	690
- 2031	613	613
	5, 102	5,102
	11,694	12,477

Under the Malaysia Finance Act 2021 which was gazetted on 31 December 2021, the existing time limit to carry forward unutilised tax losses has been extended to 10 consecutive years of assessment. Accordingly, any accumulated unutilised tax losses brought forward from year of assessment 2018 and thereafter can be carried forward for 10 consecutive years of assessment.

24 CONTRACT LIABILITIES

	Group		
	2022	2021	
	RM′000	RM′000	
Contract liabilities:			
- contribution received from customers	1, 254	8,151	
Analysed as follows:			
- Current liabilities	1, 254	6,889	
- Non-current liabilities	-	1,262	
	1, 254	8,151	

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

24 CONTRACT LIABILITIES (CONTINUED)

Our Sustainability Journey

Capital contribution received from customers is considered as part of the process to obtain gas supply from the Group and therefore, it is considered as one performance obligation. The capital contribution received from the customer will be accounted for as a contract liability which will be recognised as revenue over the contract of the gas supply with the customers.

Movement in the contract liabilities balances are set out below:

	Group		
	2022 RM′000	2021 RM′000	
At 1 January	8, 151	13,020	
Revenue recognised that was included in the contract liabilities balance at the beginning			
of the financial year	(6, 897)	(4,869)	
At 31 December	1, 254	8,151	

There is no unsatisfied performance obligation as the customers simultaneously receive and consume the benefits as and when the Group performs the obligation arising from the contracts entered into with the customers.

25 TRADE AND OTHER PAYABLES

	Group		Company	
	2022	2022 2021	2022	2021
	RM′000	RM′000	RM′000	RM′000
Trade payables	1, 117, 622	985, 191	-	40,481
Other payables	52,540	16,487	1,942	1,504
Customers' deposits	78,390	71,584	-	-
Accruals				
- operating expenditure	33,767	37,229	3, 280	4,149
- capital expenditure	79,567	81,390	-	-
	1, 361, 886	1,191,881	5,222	46, 134

Included in the trade payables of the Group and of the Company at the end of the reporting period is an amount of RM479,260,000 (2021: RM384,459,000) and RM nil (2021: RM40,481,000) respectively in respect of the accruals due to the Group's and to the Company's gas supplier, which is a related party, for the purchase of natural gas.

As at 31 December 2022, included in other payables is an amount of RM33,092,580 which represents over-recovery of revenues arising from the variances between the actual and forecasted firm capacity reservations used in the determination of tariff rates for the utilisation of the Natural Gas Distribution System ("NGDS") owned by the Company, for which the Government has confirmed to the Company on the refund of this balance through the revenue cap adjustment mechanism. See Note 3(aa)(iii) for the rights and obligations of the Company under the IBR framework and TPA.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

26 BORROWINGS

	Grou	p
	2022	2021
	RM′000	RM′000
Current (unsecured):		
- iMTN	11, 233	100, 198
- iCP	150,000	220,000
	161, 233	320, 198
Non-current (unsecured):		
- iMTN	80,000	11,000
	241, 233	331,198
Analysis of repayment schedule:		
- not later than 1 year	161, 233	320, 198
- later than 1 year but not later than 2 years		11,000
- later than 2 years	80,000	-
	241, 233	331, 198

During the financial year, the Company issued eleven iCPs amounting to RM2,270 million for a tenure of one to three months and RM80 million iMTN for a tenure of five years under the Sukuk Murabahah Programme ("SMP"). The Group repaid the iCPs amounting to RM2,340 million and iMTN of RM100 million respectively during the financial year.

During the previous financial year, the Company issued twelve iCPs amounting to RM2,465 million for a tenure of one month under the SMP. The Group repaid the iCPs amounting to RM2,460 million and iMTN of RM70.0 million respectively during the financial year.

The iCPs and iMTNs carry profit rates of 1.99% to 3.90% per annum (2021: 1.98% to 2.10% per annum) and 4.56% to 4.73% per annum (2021: 3.52% to 4.56% per annum) respectively as at the reporting date.

27 LEASE LIABILITIES

	Gro	up
	2022	2021
	RM′000	RM′000
Current	1, 184	821
Non-current	2,074	2,351
	3,258	3,172
Maturity analysis of lease liabilities:		
- not later than 1 year	1, 184	821
- later than 1 year but not later than 2 years	973	816
- later than 2 years	1, 101	1,535
	3,258	3,172

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

LEASE LIABILITIES (CONTINUED) 27

Our Sustainability Journey

The Group has elected not to recognise a lease liability for short-term leases (leases of expected term of 12 months or less) or for leases of lowvalue assets. Payments made under such leases are expensed on a straight-line basis.

The expenses relating to payments not included in the measurement of the lease liabilities are as follows:

	Group		Com	Company	
	2022 RM′000	2021 RM′000	2022 RM′000	2021 RM′000	
Short-term leases	381	778	9	8	
Leases of low-value assets	160	93	8	20	
	541	8 <i>7</i> 1	17	28	

Total cash outflow for leases (including short-term leases and leases of low-value assets) in the financial year ended 31 December 2022 for the Group and the Company amounted to RM2,241,000 (2021: RM2,261,000) and RM17,000 (2021: RM28,000) respectively.

28 **DIVIDENDS**

	Pers	Per share		Total amount	
	2022	2021	2022	2021	
Company	sen	sen	RM′000	RM′000	
Dividends paid during the financial year:					
1) First interim dividend per ordinary share – in respect of:					
- financial year ended 2022	5.90	-	75,756	-	
- financial year ended 2021	-	4.80	-	61,632	
2) Second interim dividend per ordinary share – in respect of:					
- financial year ended 2021	6.00	-	77,040	-	
- financial year ended 2020	-	5.40	-	69,336	
3) Final dividend per ordinary share – in respect of:					
- financial year ended 2021	6.87	-	88,211	-	
- financial year ended 2020	-	5.40	-	69,336	
	18.77	15.60	241,007	200,304	

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

28 DIVIDENDS (CONTINUED)

	Per share		Total amount	
	2022	2021	2022	2021
Company	sen	sen	RM′000	RM′000
Dividends declared subsequent to year end:				
1) Second interim dividend per ordinary share – in respect of:				
- financial year ended 2022*	8.24	-	105,802	-
- financial year ended 2021	-	6.00	-	77,040
2) Final dividend per ordinary share – in respect of:				
- financial year ended 2022*	8.62	-	110,681	-
- financial year ended 2021	-	6.87	-	88,211

^{*} The above second interim and the final dividend declared subsequent to the financial year ended 31 December 2022 will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2023.

29 CAPITAL COMMITMENTS

	Group		Company	
	2022	2021	2022	2021
	RM′000	RM′000	RM′000	RM′000
In respect of purchase of property, plant and equipment:				
Authorised by the Board:				
- Not contracted for	253,862	209,880	-	-
- Contracted but not provided for in the financial statements	24,314	116,816	-	-

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

30 SIGNIFICANT RELATED PARTIES DISCLOSURES

Our Sustainability Journey

Related parties that the Group and the Company transacted with and their relationships with the Group and the Company are as follows:

Related parties	Relationship	Country of incorporation
PETRONAS Energy & Gas Trading Sdn Bhd ("PEGT")	A wholly owned subsidiary of PETRONAS	Malaysia
PETRONAS Dagangan Berhad ("PDB")	A related party to PETRONAS Gas Berhad ("PGB"), a shareholder with significant influence over the Group	Malaysia
Central Sugar Refinery Sdn. Bhd. ("CSR")	A subsidiary of BERNAS Group, a related company to MMC Corporation Berhad ("MMC"), an indirect substantial shareholder	Malaysia
Petroliam Nasional Berhad ("PETRONAS")*	Holding company of PGB, a shareholder with significant influence over the Group	Malaysia
Central Sugar Refinery (Padang Terap) Sdn. Bhd. ("CSRPT")	A subsidiary of BERNAS Group, a related company to MMC	Malaysia
HICOM Automotive Manufacturers (Malaysia) Sdn. Bhd. ("HAMM")	A wholly owned subsidiary of DRB- Hicom Berhad, a related company to MMC	Malaysia
HICOM-Teck See Manufacturing Malaysia Sdn. Bhd. ("HICOM-Teck See")	A subsidiary of DRB-HICOM Berhad, a related company to MMC	Malaysia
Perusahan Otomobil Nasional Sdn. Bhd. ("PROTON")	A subsidiary of DRB-HICOM Berhad, a related company to MMC	Malaysia
JP Logistic Sdn. Bhd. ("JPL")	A wholly owned subsidiary of Johor Port Berhad, a subsidiary of MMC	Malaysia
PETRONAS Gas Berhad ("PGB")	Shareholder with significant influence over the Group	Malaysia
HICOM Diecastings (Malaysia) Sdn. Bhd. ("HICOM Diecastings")	A wholly owned subsidiary of DRB-HICOM Berhad, a related company to MMC	Malaysia
Oriental Summit Industries Sdn. Bhd. ("OSI")	A subsidiary of DRB-HICOM Berhad, a related company to MMC	Malaysia
Honda Malaysia Sdn. Bhd, ("Honda")	An associate of DRB-HICOM Berhad, a related company to MMC	Malaysia
Horsedale Development Berhad ("HDB")	A related company to MMC	Malaysia
THR Hotel (Selangor) Bhd. ("THR")	A subsidiary of Tradewinds Corporation Berhad, a related company to MMC	Malaysia

^{*} PETRONAS owns 1 RPS in the Company. The rights of this RPS state that any variation to the matters spelt out under Clause 14 of the Constitution shall be effective only with written consent of the holder of the RPS as disclosed in Note 22.

PETRONAS is wholly owned by the Government of Malaysia. Therefore, by virtue of PGB being a subsidiary of PETRONAS, the Government of Malaysia and bodies controlled or jointly controlled by the Government of Malaysia are also related parties to the Group and to the Company.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

30 SIGNIFICANT RELATED PARTIES DISCLOSURES (CONTINUED)

Details of subsidiaries and joint ventures are set out in Notes 14 and 15 to the financial statements.

The Group and the Company have transactions that are not significant with other Government-related entities in respect of the provision of sales of natural gas as well as LPG in the normal course of business.

In addition to related party transactions mentioned elsewhere in the financial statements, set out below are other significant related party transactions. The related party transactions listed below were carried out on terms and conditions negotiated and agreed between the parties:

	Gro	Group		Company	
	2022	2021	2022	2021	
	RM′000	RM′000	RM′000	RM′000	
(a) Transactions with subsidiaries					
Advances to:					
- GMV	-	-	4,237	1,286	
Repayment of advances from:					
- GMVP	-	-	(1, 399)	(2,243)	
Recharge of finance costs to:					
- GMVP	-	-	389	455	
Dividend income from subsidiaries:					
- GMD	-	-	161, 883	152,944	
- GMES	-	-	88,421	60, 193	
- GMRS	-	-	1,000	1,000	
- GMV1			660	-	
Management fees from subsidiaries:					
- GMD	-	-	13,829	15 <i>,7</i> 45	
- GMES		-	2,059	2,389	
(b) Transactions with joint ventures					
Natural gas sales to:					
- GMEA	137, 864*	95,239**	-	-	
Dividend income from a joint venture:					
- GMEA	660	660	-	660	
Advances to a joint venture:					
- GMSD	3,255	444	-	-	
(c) Transactions with other related parties					
Natural gas sales to:					
- CSR	119, 281 *	<i>7</i> 4,209**	_	-	
- CSRPT	49,882*	29,125**	_	-	
- HAMM	3,657*	2,436**	_	-	
- HICOM-Teck See	585*	259**		-	
- PROTON	11, 122*	5,226**		-	
- HICOM Diecastings	876*	505**	-	-	
- Honda	4,846*	2,377**	-	-	

Other Information

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

30 SIGNIFICANT RELATED PARTIES DISCLOSURES (CONTINUED)

Our Sustainability Journey

In addition to related party transactions mentioned elsewhere in the financial statements, set out below are other significant related party transactions. The related party transactions listed below were carried out on terms and conditions negotiated and agreed between the parties: (continued)

	Gre	Group		pany
	2022	2021	2022	2021
	RM′000	RM′000	RM′000	RM′000
(c) Transactions with other related parties (continued)				
Natural gas sales to:				
- HDB	428*	151 * *	-	-
- OSI	261 *	136**	-	-
- THR	99*	28**	-	-
Purchase of LPG from PDB	(11, 335)*	(8,591)*	-	-
Purchase of natural gas from PEGT	(6, 866, 237)*	(5,251,788)**	-	-
Tolling fee income charged to PEGT	76, 799 * *	6,074**	-	-
Cash contribution for Citygate construction paid to				
PETRONAS	(523)*	(4,161)*	-	-
Rental fee on leased land payable to PGB	(242)*	(215)*	-	-
Logistic services by JPL	(90)*	(714)*		-

The significant outstanding balances with related parties are disclosed in Note 17 and 25.

^{*} 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.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

30 SIGNIFICANT RELATED PARTIES DISCLOSURES (CONTINUED)

(d) Key management compensation

	Gr	Group		pany
	2022	2021	2022	2021
	RM′000	RM′000	RM′000	RM′000
Salaries and bonuses	12,550	12,079	4,958	4,481
Directors' fees	1,456	1,422	1,456	1,422
Defined contribution plan - contributions	2,073	2,017	819	737
Other benefits	492	353	492	353
	16, 571	15,871	7, 725	6,993

Key Management Personnel ("KMP") are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and Company either directly or indirectly.

The KMP of the Group and Company includes Directors of the Company and certain members of senior management of the Group.

31 SEGMENT REPORTING

The Group's operation is in Malaysia. The chief operating decision-maker, which consists of members of the Management Committee consider that the Group's business consists of two operating segments. The reportable operating segment is an aggregation of the two operating segments as these segments primarily derive the revenue from sales of natural gas as well as contribution from liquefied petroleum gas and tolling fee for transportation of gas. The Board assesses the performance of the operating segment based on a measure of earnings before finance income, zakat, taxation, depreciation and amortisation.

Segment assets consist primarily of property, plant and equipment, right-of-use assets, trade and other receivables, investment funds with licensed financial institutions and cash and cash equivalents.

Segment liabilities comprise trade and other payables, contract liabilities, borrowings and lease liabilities and exclude tax payable and deferred tax liabilities.

Other Information

Notes to the Financial Statements

Financials

For the Financial Year Ended 31 December 2022 (Continued)

31 SEGMENT REPORTING (CONTINUED)

Our Sustainability Journey

	Natural Gas &			
	LPG	Others	Elimination	Total
Group	RM′000	RM′000	RM′000	RM′000
2022				
Revenue:				
Total segment revenue - external	7,649,364	-	-	7,649,364
Inter-segment revenue	-	140	(140)	-
	7,649,364	140	(140)	7,649,364
Results:				
Profit before zakat and taxation	541,979	4,795	-	546,774
Finance income	(11, 858)	-	-	(11,858)
Depreciation and amortisation	101,939	54	-	101,993
Earnings before finance income, zakat, taxation, depreciation				
and amortisation (segment results)	632,060	4,849	-	636,909
Other information:				
Segment assets	3,056,281	7,854	-	3,064,135
Investments in joint ventures	-	<i>7</i> 6, 110	-	7 6, 110
Deferred tax assets	2,233	-	-	2,233
Tax recoverable	4,653	-	-	4,653
Total assets	3,063,167	83,964	-	3, 14 7 , 131
Segment liabilities	(1, 607, 569)	(62)	-	(1,607,631)
Tax payable	(34,997)	-	-	(34, 997)
Deferred tax liabilities	(226, 168)	-	-	(226, 168)
Total liabilities	(1,868,734)	(62)	-	(1, 868, 796)
Other disclosure:				
Capital expenditure incurred	185,040	-	-	185,040
Depreciation and amortisation	101, 939	54	-	101, 993
Loss allowance on trade receivables	4,669	-	-	4,669
Property, plant and equipment written off	977	-	-	977
Impairment on property, plant and equipment	442	-	-	442
Share of results in joint ventures	-	(4, 512)	-	(4, 512)
Finance costs	10, 179	-	-	10, 179

Notes to the Financial Statements

For the Financial Year Ended 31 December 2022 (Continued)

31 SEGMENT REPORTING (CONTINUED)

	Natural Gas &			
	LPG	Others	Elimination	Total
Group	RM′000	RM′000	RM′000	RM′000
2021				
Revenue:				
Total segment revenue - external	5,851,600	-	-	5,851,600
Inter-segment revenue		140	(140)	
	5,851,600	140	(140)	5,851,600
Results:				
Profit before zakat and taxation	331,421	(1,023)	-	330,398
Finance income	(5,209)	-	-	(5,209)
Depreciation and amortisation	93,752	54	-	93,806
Earnings before finance income, zakat, taxation, depreciation				
and amortisation (segment results)	419,964	(969)	-	418,995
Other information:				
Segment assets	2,762,906	10,480	-	2,773,386
Investments in joint ventures	-	66,377	-	66,377
Deferred tax assets	1,714	-	-	1, <i>7</i> 14
Tax recoverable	26,936	14	-	26,950
Total assets	2,791,556	76,871	-	2,868,427
Segment liabilities	(1,534,380)	(22)	-	(1,534,402)
Tax payable	(4,943)	-	-	(4,943)
Deferred tax liabilities	(199,036)	-	-	(199,036)
Total liabilities	(1,738,359)	(22)	=	(1,738,381)
Other disclosure:				
Capital expenditure incurred	179,293	-	-	179,293
Depreciation and amortisation	93, <i>7</i> 52	54	-	93,806
Loss allowance on trade receivables	140	-	-	140
Write back of loss allowance on trade receivables	(140)	-	-	(140)
Property, plant and equipment written off	2,840	-	-	2,840
Share of results in joint ventures	(196)	868	-	672
Finance costs	10,431	-	-	10,431

Corporate Information

As at 7 April 2023

BOARD OF DIRECTORS

TAN SRI WAN ZULKIFLEE BIN WAN ARIFFIN

Chairman

Independent Non-Executive Director

TAN SRI CHE KHALIB BIN MOHAMAD NOH

Non-Independent Non-Executive Director

NOBUHISA KOBAYASHI

Non-Independent Non-Executive Director

KAMALBAHRIN BIN AHMAD

Non-Independent Non-Executive Director

DATUK SYED ABU BAKAR BIN S MOHSIN ALMOHDZAR

Non-Independent Non-Executive Director

TAN LYE CHONG

Independent Non-Executive Director

DATUK PUTEH RUKIAH BINTI ABD. MAJID

Independent Non-Executive Director

DATUK OOI TEIK HUAT

Independent Non-Executive Director

MALIKI KAMAL BIN MOHD YASIN

Independent Non-Executive Director

SHARIZA SHARIS BINTI MOHD YUSOF

Alternate Director to Kamalbahrin bin Ahmad Non-Independent Non-Executive Director

AUDIT COMMITTEE

TAN LYE CHONG (Chairman)

DATUK PUTEH RUKIAH BINTI ABD. MAJID

DATUK OOI TEIK HUAT

NOMINATION & REMUNERATION COMMITTEE

TAN SRI WAN ZULKIFLEE BIN WAN ARIFFIN (Chairman)

DATUK PUTEH RUKIAH BINTI ABD. MAJID

DATUK SYED ABU BAKAR BIN S MOHSIN ALMOHDZAR

RISK & COMPLIANCE COMMITTEE

NOBUHISA KOBAYASHI (Chairman)

DATUK SYED ABU BAKAR BIN S MOHSIN ALMOHDZAR

KAMALBAHRIN BIN AHMAD

GAS PROCUREMENT & TARIFF SETTING COMMITTEE

TAN SRI WAN ZULKIFLEE BIN WAN ARIFFIN (Chairman)

TAN SRI CHE KHALIB BIN MOHAMAD NOH

NOBUHISA KOBAYASHI

TAN LYE CHONG

GROUP CHIEF EXECUTIVE OFFICER

AHMAD HASHIMI BIN ABDUL MANAP

COMPANY SECRETARIES

YANTI IRWANI BINTI ABU HASSAN (SSM PC No. 201908003274) (MACS 01349)

MAZIAH BINTI MARTIN (SSM PC No. 202208000294) (MACS 01864)

INVESTOR RELATIONS

KAMARUL ARIFFIN BIN IBRAHIM
Email : investor@gasmalaysia.com

REGISTERED OFFICE & HEAD OFFICE

No. 5, Jalan Serendah 26/17

Seksyen 26 40732 Shah Alam Selangor Darul Ehsan

Malaysia

Tel : (603) 5192 3000
Fax : (603) 5192 6766/6749
Website : www.gasmalaysia.com
Email : enquiries@gasmalaysia.com

AUDITORS

PricewaterhouseCoopers PLT Level 10, Menara TH 1 Sentral

Jalan Rakvat

Kuala Lumpur Sentral P.O. Box 10192 50706 Kuala Lumpur

Malaysia

Tel : (603) 2173 1188 Fax : (603) 2173 1288

SHARE REGISTRAR & DIVIDEND SERVICE PROVIDER

Boardroom Share Registrars Sdn Bhd 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim

Seksyen 13

46200 Petaling Jaya Selangor Darul Ehsan

Malaysia

Helpdesk Tel : (603) 7890 4700

Fax : (603) 7890 4670

Email : BSR.Helpdesk@boardroomlimited.com

PRINCIPAL BANKER

Malayan Banking Berhad Seksyen 20, Shah Alam No. 19 & 21, Jalan Singa 20/C 40300 Shah Alam

Selangor Darul Ehsan

Malaysia

Tel: (603) 5032 0808

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad (Main Market)

Listed since 11 June 2012 Stock Name: GASMSIA Stock Code: 5209

Shareholding Statistics

As at 31 March 2023

Share Capital RM642,000,000.50 divided into 1,284,000,000 ordinary shares and 1 redeemable preference share

Voting Rights (i) One vote for every ordinary share (on a poll)

(ii) No voting right for redeemable preference share save as circumstances as provided in the Constitution of the Company

No. of Shareholders 6,998

SUBSTANTIAL SHAREHOLDERS (AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS)

		No. of Shares Held		
	Direct	%	Indirect	%
Anglo-Oriental (Annuities) Sdn Bhd	397, 179, 040	30.93	-	-
Tokyo Gas – Mitsui & Co. Holdings Sdn Bhd	237,546,000	18.50	-	-
PETRONAS Gas Berhad	190,010,000	14.80	-	-
Lembaga Tabung Haji	90,801,900	7.07	-	-
MMC Corporation Berhad ⁽¹⁾	-	-	397,179,040	30.93
Seaport Terminal (Johore) Sdn Bhd ⁽²⁾	-	-	397,179,040	30.93
Indra Cita Sdn Bhd ⁽³⁾	-	-	397,179,040	30.93
Tan Sri Dato' Seri Syed Mokhtar Shah bin Syed Nor ⁽⁴⁾	-	-	397,179,040	30.93
Tokyo Gas International Holdings B.V. ⁽⁵⁾	-	-	237,546,000	18.50
Tokyo Gas Co. Ltd ⁽⁶⁾	-	-	237,546,000	18.50
Mitsui & Co. (Malaysia) Sdn Bhd ⁽⁷⁾	-	-	237,546,000	18.50
Mitsui & Co. Ltd ⁽⁸⁾	-	-	237,546,000	18.50
Petroliam Nasional Berhad ⁽⁹⁾	-	-	190,010,000	14.80

Notes:

- (1) Deemed interest through its shareholding in Anglo-Oriental (Annuities) Sdn Bhd
- (2) Deemed interest through its shareholding in MMC Corporation Berhad
- (3) Deemed interest through its shareholding in Seaport Terminal (Johore) Sdn Bhd
- (4) Deemed interest through his shareholding in Indra Cita Sdn Bhd
- (5) Deemed interest through its shareholding in Tokyo Gas - Mitsui & Co. Holdings Sdn Bhd
- (6) Deemed interest through its shareholding in Tokyo Gas International Holdings B.V.
- (7) Deemed interest through its shareholding in Tokyo Gas - Mitsui & Co. Holdings Sdn Bhd
- (8) Deemed interest through its shareholding in Mitsui & Co. (Malaysia) Sdn Bhd
- (9) Deemed interest through its shareholding in PETRONAS Gas Berhad

Other Information

Shareholding Statistics
As at 31 March 2023

ANALYSIS BY SIZE OF SHAREHOLDINGS

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Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shares Held
Less than 100 shares	451	6.44	2,865	0.00
100 to 1,000 shares	1,930	27.58	1,352,914	0.11
1,001 to 10,000 shares	3,398	48.56	14,249,148	1.11
10,001 to 100,000 shares	1,022	14.60	29,097,999	2.27
100,001 to less than 5% of issued shares	193	2.76	323,760,134	25.21
5% and above of issued shares	4	0.06	915,536,940	71.30
TOTAL	6,998	100.00	1, 284, 000, 000	100.00

DIRECTORS' AND GROUP CHIEF EXECUTIVE OFFICER'S INTERESTS

a) Directors' Interest in the Company as per the Register of Directors' Shareholding

	No. of Shares Held			
Name	Direct	%	Indirect	%
Tan Sri Wan Zulkiflee bin Wan Ariffin	-	-	-	-
Tan Sri Che Khalib bin Mohamad Noh	-	-	-	-
Nobuhisa Kobayashi	-	-	-	-
Kamalbahrin bin Ahmad	-	-	-	-
Shariza Sharis binti Mohd Yusof				
(Alternate Director to Kamalbahrin bin Ahmad)	-	-	-	-
Tan Lye Chong	50,000	0.00*	-	-
Datuk Puteh Rukiah binti Abd. Majid	-	-	-	-
Datuk Syed Abu Bakar bin S Mohsin Almohdzar	-	-	-	-
Datuk Ooi Teik Huat	-	-	-	-
Maliki Kamal bin Mohd Yasin	-	-	-	-

^{*} Negligible

b) Group Chief Executive Officer (Who is not a Director)

	No. of Shares Held						
Name	Direct	%	Indirect	%			
Ahmad Hashimi bin Abdul Manap	21,500	0.00*	-	<u>-</u>			

^{*} Negligible

Shareholding Statistics As at 31 March 2023

TOP 30 SECURITIES ACCOUNT HOLDERS

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

No.	Name	No. of Shares Held	% of Shares Held
1	Anglo-Oriental (Annuities) Sdn Bhd	397, 179, 040	30.93
2	Tokyo Gas - Mitsui & Co. Holdings Sdn Bhd	237,546,000	18.50
3	PETRONAS Gas Berhad	190,010,000	14.80
4	Lembaga Tabung Haji	90,801,900	7.07
5	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	53,681,700	4.18
6	Amanahraya Trustees Berhad Amanah Saham Bumiputera	40,000,000	3.12
7	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For AIA Bhd	32,829,200	2.56
8	Kumpulan Wang Persaraan (Diperbadankan)	25,464,100	1.98
9	Citigroup Nominees (Asing) Sdn Bhd Exempt An For Citibank New York (Norges Bank 19)	10,638,700	0.83
10	Amanahraya Trustees Berhad Public Islamic Dividend Fund	9,904,500	0.77
11	Amanahraya Trustees Berhad Public Islamic Select Treasures Fund	7,609,600	0.59
12	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (SHF)	7,604,000	0.59
13	Amanahraya Trustees Berhad Amanah Saham Bumiputera 2	7,000,000	0.55
14	Amanahraya Trustees Berhad Amanah Saham Malaysia 3	6,804,900	0.53
15	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad For Eastspring Investmentssmall-Cap Fund	6,745,300	0.53
16	Cartaban Nominees (Tempatan) Sdn Bhd PAMB For Prulink Equity Income Fund	5,969,800	0.46
17	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (Non Par 1)	3,478,000	0.27
18	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Manulife Investment Al-Fauzan (5170)	3,272,600	0.25
19	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (PHEIM)	3,255,900	0.25

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Other Information

Shareholding Statistics As at 31 March 2023

No.	Name	No. of Shares Held	% of Shares Held
20	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LBF)	3,233,400	0.25
21	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CGS CIMB)	3,210,000	0.25
22	Amanahraya Trustees Berhad Public Islamic Treasures Growth Fund	3,169,400	0.25
23	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Life Insurance Berhad (Life Par)	3,085,300	0.24
24	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (Par 4)	2,662,500	0.21
25	Amanahraya Trustees Berhad Amanah Saham Bumiputera 3 - Didik	2,503,800	0.20
26	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad For Eastspring Investmentsdana Al-Ilham	2,361,500	0.18
27	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Life Insurance Berhad (Life Non Par)	2,306,200	0.18
28	Amanahraya Trustees Berhad Public Dividend Select Fund	2,210,100	0.17
29	Amanahraya Trustees Berhad Amanah Saham Malaysia2 - Wawasan	2,000,000	0.16
30	Amanahraya Trustees Berhad Public Islamic Emerging Opportunities Fund	1,967,800	0.15
	TOTAL	1, 168, 505, 240	91.00

List of Properties

Pursuant to Appendix 9C Part A (25) of the MMLR of Bursa Malaysia.

No.	Location	Description/ Existing use	Tenure	Area (Acres)	Net book value as at 31 December 2022 RM′000	Age of building (years)	Year of acquisition
1	PN 37269 Lot No. 6265 Mukim Sungai Tiram Daerah Johor Bahru Johor Darul Takzim	Vacant land	Leasehold expiring in 2063	27.502	8,129	-	2003
2	No. Hakmilik: 89023 Lot No. 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	5,244	25	1994
3	HS(M) 14 <i>57</i> PT No. 29 <i>57</i> Mukim 06 Seberang Perai Tengah Pulau Pinang	Vacant land	Freehold	3.02	5,270	-	2013
4	No. Hakmilik 26774 Lot No. 85 Sek 87A No. 20, Jalan Gurney 54100 Kuala Lumpur	Office	Freehold	0.191	2,997	14	2011
5	No. Hakmilik 7115 Lot No. 8938 Eastern Regional Office Mukim Sungai Karang Kuantan Pahang Darul Makmur	Office and warehouse	Leasehold expiring in 2064	2.999	1,691	25	1995
6	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	1,670	26	2009

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List of Properties

No.	Location	Description/ Existing use	Tenure	Area (Acres)	Net book value as at 31 December 2022 RM'000	Age of building (years)	Year of acquisition
7	No. Hakmilik 3272 Lot No. 6462	District station land	Leasehold expiring in 2061	0.0375	1,463	-	2000
	No. Hakmilik 6545 Lot No. 5810			0.565			
	No. Hakmilik 6546 Lot No. 6461			0.115			
	HS(D) 34458 PT No. 4101			0.0375			
	No. Hakmilik 5928 Lot No. 5809			0.0375			
	HS(D) 34510 PT No. 1654			0.0783			
	Prai Industrial Park Pulau Pinang						
8	HS(D) 221664 PTD 115555 PLO 343 Jalan Emas Tiga 81700 Pasir Gudang Johor Darul Takzim	Office	Leasehold expiring in 2055	3.0352	115	21	1993
9	No. Hakmilik 33555 Lot No. 41387 No. 30, Jalan 4/12B Seksyen 4 43650 Bandar Baru Bangi Selangor Darul Ehsan	Office	Leasehold expiring in 2097	0.044	228	21	2000
10	HS(D) 108992 Lot No. 4228 No. 34, Jalan Bunga Raya 6 Pusat Perniagaan Senawang 70400 Seremban Negeri Sembilan	Office	Freehold	0.0378	126	24	1995

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-Second Annual General Meeting ("32nd AGM") of Gas Malaysia Berhad ("the Company") will be held virtually from Gas Malaysia Berhad Pusat Sumber dan Latihan, No. 40, Sekitar Business Centre, Jalan Serendah 26/41, Seksyen 26, 40400 Shah Alam, Selangor Darul Ehsan, Malaysia as the Broadcast Venue and via https://meeting.boardroomlimited.my on Monday, 22 May 2023 at 10.00 a.m., for the following businesses:

AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2022 and the Reports of the Directors and Auditors thereon.
 (Note 2)
- 2. To re-elect Tan Sri Che Khalib bin Mohamad Noh who retires by rotation in accordance with Clause 101 of the Company's Constitution and who being eligible offers himself for re-election.

(Ordinary Resolution 1)

Datuk Puteh Rukiah binti Abd. Majid and Encik Tan Lye Chong, who retire by rotation pursuant to Clause 101 of the Company's Constitution, have expressed their intention not to seek re-election and will retire from office upon the conclusion of the 32nd AGM of the Company.

(Refer Explanatory Note A)

3. To re-elect Encik Maliki Kamal bin Mohd Yasin who retires by rotation in accordance with Clause 107 of the Company's Constitution and who being eligible offers himself for re-election.

(Ordinary Resolution 2)

- (Refer Explanatory Note B)
- 4. To approve the payment of Directors' fees of up to RM1,700,000 and benefits payable to the Directors up to an amount of RM600,000 from the date of the forthcoming 32nd AGM until the next AGM.

(Ordinary Resolution 3)

- (Refer Explanatory Note C)
- 5. To re-appoint Messrs. PricewaterhouseCoopers PLT as the Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration.

(Ordinary Resolution 4)

AS SPECIAL BUSINESS

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

6. CONTINUATION IN OFFICE AS INDEPENDENT DIRECTOR - DATUK OOI TEIK HUAT

(Ordinary Resolution 5)

"That approval be and is hereby given to Datuk Ooi Teik Huat, who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Director of the Company until the conclusion of the next Annual General Meeting."

(Refer Explanatory Note D)

7. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR THE SUBSIDIARIES OF THE COMPANY TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH RELATED PARTIES INVOLVING INTEREST OF PETROLIAM NASIONAL BERHAD ("PETRONAS") AND PETRONAS GAS BERHAD ("PGB") (Ordinary Resolution 6)

"That subject to the provisions of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the subsidiaries of the Company to enter into recurrent related party transactions of a revenue or trading nature with the related parties involving interest of PETRONAS and PGB, as set out in Section 2.4.1(i) of the Circular to Shareholders dated 20 April 2023, which are necessary for the day-to-day operations; and are undertaken in the ordinary course of business of the subsidiaries, on arm's length basis, on normal commercial terms which are not more favorable to the related parties than those generally available to the

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Notice of Annual General Meeting

public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:

- i) the conclusion of the next AGM of the Company following this AGM at which the Proposed Shareholders' Mandate is passed, at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM;
- the expiration of the period within which the next AGM after the date it is required to be held pursuant to ii) Section 340(2) of the Companies Act 2016 (the "Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- revoked or varied by resolution passed by the shareholders at a general meeting, iii)

whichever is the earlier.

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And that the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to such transactions as authorised by this Ordinary Resolution."

(Refer Explanatory Note E)

PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR THE SUBSIDIARIES OF THE COMPANY TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH RELATED PARTIES INVOLVING INTEREST OF TAN SRI DATO' SERI SYED MOKHTAR SHAH BIN SYED NOR ("TSM"), INDRA CITA SDN BHD ("ICSB"), SEAPORT TERMINAL (JOHORE) SDN BHD ("STJSB"), MMC CORPORATION BERHAD ("MMC") AND ANGLO-ORIENTAL (ANNUITIES) SDN BHD ("AOA")

(Ordinary Resolution 7)

"That subject to the provisions of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the subsidiaries of the Company to enter into recurrent related party transactions of a revenue or trading nature with the related parties involving interest of TSM, ICSB, STJSB, MMC and AOA, as set out in Section 2.4.1(ii) of the Circular to Shareholders dated 20 April 2023, which are necessary for the day-to-day operations; and are undertaken in the ordinary course of business of the subsidiaries, on arm's length basis, on normal commercial terms which are not more favorable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:

- the conclusion of the next AGM of the Company following this AGM at which the Proposed Shareholders' Mandate is passed, at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM;
- ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (the "Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- iii) revoked or varied by resolution passed by the shareholders at a general meeting,

whichever is the earlier.

And that the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to such transactions as authorised by this Ordinary Resolution."

(Refer Explanatory Note E)

Notice of Annual General Meeting

9. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR THE SUBSIDIARIES OF THE COMPANY TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH RELATED PARTIES INVOLVING INTEREST OF MITSUI & CO. LTD ("MITSUI & CO."), MITSUI & CO. (MALAYSIA) SDN BHD ("MITSUI & CO. (M)") AND TOKYO-GAS MITSUI & CO. HOLDINGS SDN BHD ("TGM")

(Ordinary Resolution 8)

"That subject to the provisions of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the subsidiaries of the Company to enter into recurrent related party transactions of a revenue or trading nature with the related parties involving interest of Mitsui & Co., Mitsui & Co. (M) and TGM, as set out in Section 2.4.1(iii) of the Circular to Shareholders dated 20 April 2023, which are necessary for the day-to-day operations; and are undertaken in the ordinary course of business of the subsidiaries, on arm's length basis, on normal commercial terms which are not more favorable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:

- the conclusion of the next AGM of the Company following this AGM at which the Proposed Shareholders' Mandate is passed, at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM;
- the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (the "Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- iii) revoked or varied by resolution passed by the shareholders at a general meeting,

whichever is the earlier.

And that the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to such transactions as authorised by this Ordinary Resolution."

(Refer Explanatory Note E)

O. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR THE SUBSIDIARIES OF THE COMPANY TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH RELATED PARTIES INVOLVING INTEREST OF TOKYO GAS CO. LTD ("TG"), TOKYO GAS INTERNATIONAL HOLDINGS B.V ("TGIH") AND TOKYO-GAS MITSUI & CO. HOLDINGS SDN BHD ("TGM")

(Ordinary Resolution 9)

"That subject to the provisions of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the subsidiaries of the Company to enter into recurrent related party transactions of a revenue or trading nature with the related parties involving interest of TG, TGIH and TGM, as set out in Section 2.4.1(iv) of the Circular to Shareholders dated 20 April 2023, which are necessary for the day-to-day operations; and are undertaken in the ordinary course of business of the subsidiaries, on arm's length basis, on normal commercial terms which are not more favorable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:

the conclusion of the next AGM of the Company following this AGM at which the Proposed Shareholders'
Mandate is passed, at which time it will lapse unless the authority is renewed by a resolution passed at the
next AGM;

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- ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (the "Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- iii) revoked or varied by resolution passed by the shareholders at a general meeting,

whichever is the earlier.

And that the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to such transactions as authorised by this Ordinary Resolution."

(Refer Explanatory Note E)

11. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member whom shall be entitled to attend, speak and vote at this 32nd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 76 of the Constitution of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 16 May 2023.

By Order of the Board

Yanti Irwani binti Abu Hassan (MACS 01349) SSM PC No.: 201908003274 Maziah binti Martin (MACS 01864) SSM PC No.: 202208000294

Company Secretaries

Shah Alam, Selangor Darul Ehsan 20 April 2023

NOTES:

1. IMPORTANT NOTICE

The Broadcast Venue of the 32nd AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 (the "Act") which requires the Chairman of the Meeting to be at the main venue. **AGM will be conducted online from the Broadcast Venue. Members can attend, participate and vote in the meeting remotely via Boardroom website at https://meeting.boardroomlimited.my. At the Broadcast Venue, only the essential individuals are physically present to organise the virtual 32nd AGM.**

- 2. This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval of the members/shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.
- 3. In respect of deposited securities, only members whose names appear on the Record of Depositors on 16 May 2023 (General Meeting Record of Depositors) shall be eligible to attend, participate, speak and vote at the meeting.
- 4. A member of the Company shall be entitled to appoint another person as his/her proxy to attend, participate, speak and vote at the meeting in his stead. A proxy need not be a member of the Company.
- 5. 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.
- 6. 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.
- 7. 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 seal or signed by an officer or attorney so authorised.

Notice of Annual General Meeting

- 8. 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 Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or submitted via fax at 03-7890 4670 or emailed to BSR.Helpdesk@boardroomlimited.com, no later than Sunday, 21 May 2023 at 10.00 a.m. The proxy appointment may also be lodged electronically via Boardroom Smart Investor Portal at https://investor.boardroomlimited.com. All resolutions set out in this notice of meeting are to be voted by poll.
- Please refer to the Administrative Details on the conduct of a virtual general meeting for further details. 9.

EXPLANATORY NOTES:

Tan Sri Che Khalib bin Mohamad Noh ("the retiring Director") is standing for re-election as Director of the Company and has offered himself for A. re-election. For the purpose of determining eligibility of the retiring Director, the Board has considered the results of the Board evaluation conducted for year 2022. The retiring Director met the performance criteria required of an effective and a high-performance Board based on the results. Therefore, the Board is recommending the re-election of the retiring Director for the shareholders' approval.

Datuk Puteh Rukiah binti Abd. Majid and Encik Tan Lye Chong are due to retire in accordance with Clause 101 of the Company's Constitution. After having served on the Board of the Company for almost 12 years, they have expressed their intention not to seek re-election. Hence, both Datuk Puteh Rukiah binti Abd. Majid and Encik Tan Lye Chong will retire from office upon the conclusion of the 32nd AGM of the Company.

The profile of the retiring Director is set out on page 63 of the Annual Report.

Encik Maliki Kamal bin Mohd Yasin was appointed on 1 September 2022, he will be retiring under Clause 107 of the Company's Constitution, and В. being eligible for re-election, he has given his consent for re-election.

His profile is set out on page 70 of the Annual Report.

- C. Section 230(1) of the Act provides amongst others, that the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 32nd AGM on the Directors' remuneration as follows:
 - Ordinary Resolution 3 on payment of Directors' fees and any benefits payable to the Directors in respect of period commencing from 23 May 2022 to the next AGM of the Company tentatively to be held in May 2024.
 - The Directors current fees and other benefits are as set out below:

Description	Chairman of the Board	Non-Executive Directors
Monthly Directors' Fees	RM25,000.00	RM8,500.00
Meeting Allowance	RM2,500.00	RM2,500.00
Other Benefits	Golf club membership, Company car and driver, leave passage, and other claimable benefits	Telephone allowance, leave passage and other claimable benefits
Description	Chairman of the Board Committee	Members of the Board Committee
Monthly Committee Allowance	RM4,000.00	RM2,000.00
Meeting Allowance (per meeting): - Audit Committee	RM2,500.00	RM2,500.00
- Nomination & Remuneration Committee	RM1,000.00	RM1,000.00
- Risk & Compliance Committee	RM2,500.00	RM2,500.00
- Gas Procurement & Tariff Setting Committee	RM1,000.00	RM1,000.00

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Notice of Annual General Meeting

- In determining the estimated total amount of other benefits payable, the Board considered various factors including the number of scheduled and special meetings for the Board and Board Committees.
- Payment of Directors' fees and any benefits payable will be made by the Company on a monthly basis or as and when incurred. The Board is of the view that it is just and equitable for the Directors' fees to be paid on monthly basis or as and when incurred, after the Directors have discharged their responsibilities and rendered their services to the Company.
- Shareholders had approved the payment of Directors' fees and any benefits payable to the Directors for the period commencing 20 May 2022 to 22 May 2023 of an amount up to RM2,300,000.00 at the 31st AGM of the Company which was held on 19 May 2022. The total Directors' fees and any benefits paid for the financial year 2022 was RM1,456,000 and RM492,100 respectively.

D. Ordinary Resolution 5 - Continuation in Office as Independent Director

The Ordinary Resolution 5, if passed, will allow Datuk Ooi Teik Huat to continue to act as Independent Director until the conclusion of the next AGM of the Company.

The Nomination & Remuneration Committee ("NRC") of the Company has assessed the independence of all Independent Directors. With the re-designation of Datuk Syed Abu Bakar bin S Mohsin Almohdzar as Non-Independent Director and the retirement of Datuk Puteh Rukiah binti Abd. Majid and Encik Tan Lye Chong upon the conclusion of the 32nd AGM of the Company, the NRC recommended to retain Datuk Ooi Teik Huat as Independent Director of the Company. The Board endorsed the NRC's recommendation and was of the view that his retention as Independent Director is in the best interest of the Company, based on the following justifications:

- (a) He has vast experience in a diverse range of businesses and therefore would be able to provide the necessary check and balance, contribute constructive opinions; exercises independent judgment and has the ability to act in the best interest of the Company.
- (b) He has devoted sufficient time, commitment and attention.
- (c) He has deep insight into the business and operations of the Company which would be advantageous to the Company.
- (d) He continued to exercise his independence and due care during tenure as an Independent Director of the Company and carried out his duties in the best interest of the Company and shareholders.
- (e) He has shown great integrity of independence and has not entered into any personal related party transaction with the Company.

Datuk Ooi Teik Huat has abstained from deliberation and decision in relation to the recommendation of this Resolution to the shareholders.

E. Ordinary Resolutions 6, 7, 8 and 9 - Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Ordinary Resolutions 6, 7, 8 and 9, if passed, will benefit the Company by facilitating the subsidiaries of the Company ("the Group") to enter into transactions with Related Parties specified in Section 2.4 of the Circular to Shareholders dated 20 April 2023 in the ordinary course of the Group's business on normal 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.

STATEMENT ACCOMPANYING NOTICE OF THE 32ND ANNUAL GENERAL MEETING [PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD]

Details of individual Director who is standing for election as Director (excluding Director standing for a re-election)

The profile of Encik Maliki Kamal bin Mohd Yasin is set out on page 70 of this Annual Report.

Administrative Details

32nd Annual General Meeting

Monday, 22 May 2023 at 10.00 a.m.

Broadcast Venue

Gas Malaysia Berhad Pusat Sumber dan Latihan, No. 40, Sekitar Business Centre, Jalan Serendah 26/41, Seksyen 26, 40400 Shah Alam, Selangor Darul Ehsan

Meeting Platform

https://meeting.boardroomlimited.my

Mode of Communication

- Shareholders may type their questions in the messaging box at any time during the virtual AGM on the online meeting platform until such time that the Chairman decides.
- 2. Shareholders may submit questions in advance on the AGM resolutions and Annual Report 2022 prior to the 32nd AGM via Boardroom's website at https://investor.boardroomlimited.com using the same user ID and password provided in Step 2 below and click "SUBMIT QUESTION" after selecting "GAS MALAYSIA BERHAD (32ND) ANNUAL GENERAL MEETING" from the list of Meeting Event to pose questions ("Pre-AGM Meeting Questions") not later 10.00 a.m. on Sunday, 21 May 2023.

1. VIRTUAL MEETING

- Given the current transition to Endemic phase, the Company will conduct its 32nd AGM on virtual basis via Remote Participation and Electronic Voting ("RPEV") Facilities on 22 May 2023. The Company shall abide by the prevailing and applicable procedures and guidelines as well as precautionary measures as prescribed by the Government and other relevant authorities. In the event that any new procedures, guidelines or measures may affect the administration of the 32nd AGM, the Company will issue announcement on the same accordingly. Hence, please contact the officers' of Boardroom Share Registrars at General Line +603-7890 4700 or kindly check the Company's website or announcements for the latest updates on the status of the 32nd AGM.
- The shareholders are strongly encouraged to participate using the RPEV Facilities which is available at https://meeting.boardroomlimited.my, to login, register and sign up as a user. You may appoint the Chairman of the Meeting as your proxy to attend and vote on your behalf at the 32nd AGM by indicating the voting instructions in the Form of Proxy.
- The Broadcast Venue of the 32nd AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue. **Shareholders/Proxy(ies) will not be allowed to attend this AGM in person at the Broadcast Venue on the day of the meeting.**

2. ENTITLEMENT TO ATTEND AND VOTE

Only Shareholders whose names appear in the Record of Depositors as at 16 May 2023 shall be entitled to participate in the 32nd AGM or appoint proxies to register and vote on their behalf.

3. NO DOOR GIFT AND F&B

There will be NO distribution of Door Gift or food voucher for the Shareholders/Proxy(ies) who participate in the 32nd AGM.

4. PROXY

- If a Shareholder is unable to attend the 32nd AGM, he/she is encouraged to appoint the Chairman of the meeting as his/her proxy and indicate the voting instruction in the Form of Proxy (enclosed together with the Notice of 32nd AGM dated 20 April 2023) in accordance with the notes and instructions printed therein. The original Form of Proxy must be duly executed and deposited with the Share Registrar of the Company at Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or emailed to BSR.helpdesk@boardroomlimited.com, no later than Sunday, 21 May 2023 at 10.00 a.m. The proxy appointment may also be lodged electronically via Boardroom Smart Investor Portal at https://investor.boardroomlimited.com.
- For the Shareholders who have previously submitted Form of Proxy appointing their proxies, you may register your intention to participate via https://investor.boardroomlimited.com. The proxy appointment will be deemed revoked upon your registration to personally participate remotely in the 32nd AGM.

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Administrative Details

- Corporate Shareholders that wish to appoint a representative to participate and vote remotely at the 32nd AGM may refer to details set out under item 7 or contact the share registrars, Boardroom Share Registrars Sdn Bhd ("Boardroom"), with the details set out under item 11 below for assistance and will be required to provide the following documents to Boardroom not later than Sunday, 21 May 2023 at 10.00 a.m.:
 - (i) original certificate of appointment of its corporate representative or Form of Proxy under the seal of the corporation or under the hand of a duly authorised officer/attorney;
 - (ii) copy of the corporate representative's or proxy's MyKad (front and reverse); and
 - (iii) corporate representative's or proxy's email address and mobile phone number.

Boardroom shall respond to you on your request for remote participation.

- The Corporate Shareholders (through corporate representative(s) or appointed proxy(ies) who is unable to attend the 32nd AGM) is encouraged to appoint the Chairman of the meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.
- In respect of the beneficiaries of the shares under a nominee company's CDS account ("NC shareholders") who wish to participate and vote remotely at the 32nd AGM, the NC shareholder(s) can request its nominee company to appoint him/her as a proxy to participate and vote remotely at the 32nd AGM. The nominee company may refer to details set out under item 7 or contact Boardroom's officer with the details set out under item 11 below for assistance and will be required to provide the following documents to Boardroom not later than Sunday, 21 May 2023 at 10.00 a.m.:
 - (i) original Form of Proxy under the seal of the nominee company;
 - (ii) copy of the proxy's MyKad (front and reverse); and
 - (iii) proxy's email address and mobile phone number.

Boardroom shall respond to you on your request for remote participation.

5. ELECTRONIC LODGEMENT OF FORM OF PROXY

The procedures to lodge your Form of Proxy electronically via https://investor.boardroomlimited.com are summarised below:

Step 1 - Register Online with Boardroom Smart Investor Portal (for first time registration only)

[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to e-Proxy Lodgement]

- (a) Access website https://investor.boardroomlimited.com.
- (b) Click << Register>> to sign up as a user and select the correct account type i.e. sign up as "Shareholder" or "Corporate Holder".
- (c) Complete registration and upload softcopy of MyKad (front and reverse) or Passport in JPEG, PNG or PDF format. For corporate holder, please also attach the authorization letter. Click "Sign Up".
- (d) Please enter a valid email address and wait for BSR's email verification to complete the registration.
- (e) The registration will be verified and approved within one (1) business day and an e-mail notification would be provided.

Step 2 - e-Proxy Lodgement

For Individual and Corporate Shareholders

- (a) Login to https://investor.boardroomlimited.com using your user ID and password above.
- (b) Select "GAS MALAYSIA BERHAD (32ND) ANNUAL GENERAL MEETING" from the list of Meeting Event and click "Enter".
- (c) Click on "Submit eProxy Form".
- (d) Select the company you would like to be represented (if more than one) for Corporate Shareholders.
- (e) Enter the CDS account number and the total number of securities held.
- (f) Select your proxy either the Chairman of the Meeting ("Chairman") or individual named proxy(ies).
- (g) Read and accept the Terms and Conditions and click "Next".
- (h) Enter the required particulars of your proxy(ies).
- (i) Indicate your voting instructions For, Against or Abstain, otherwise your proxy will decide your vote.
- (j) Review & confirm your proxy(ies) appointment.
- (k) Click "Apply".
- (I) Download or print the e-Proxy form acknowledgement.

Administrative Details

For Authorised Nominee and Exempt Authorised Nominee

- (a) Login to https://investor.boardroomlimited.com using your user ID and password above.
- (b) Select "GAS MALAYSIA BERHAD (32ND) ANNUAL GENERAL MEETING" from the list of Corporate Meetings Event and click "Enter".
- (c) Click on "Submit eProxy Form".
- (d) Select the company you would like to be represented (if more than one).
- (e) Proceed to download the file format for "Submission of Proxy Form".
- (f) Prepare the file for the appointment of proxy/proxies by inserting the required data.
- (g) Proceed to upload the duly completed Proxy Appointment file.
- (h) Review and confirm your proxy/proxies appointment and click "Submit".
- (i) Download or print the eProxy form as acknowledgement.

Should you require further clarification on navigating within the Boardroom Smart Investor Portal please contact BSR at +603 7890 4700 or BSR.Helpdesk@boardroomlimited.com.

Note: If you are the authorised representatives for more than one (1) authorised nominee/exempt authorised nominee/corporate shareholder, kindly click the home button and select "Edit Profile" in order to add company name.

6. VOTING PROCEDURE

- The voting at the 32nd AGM will be conducted by way of poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- The Company's share registrars/poll administrator, Boardroom, will assist to conduct the poll by way of electronic voting and the independent scrutineers will verify and validate the poll results. Upon the completion of the voting session for the 32nd AGM, the scrutineers will verify the poll results followed by the Chairman's announcement whether the resolutions are duly passed.

7. REMOTE PARTICIPATION AND ELECTRONIC VOTING (RPEV)

- Please note that this option is available to:
 - (i) Individual Shareholders;
 - (ii) Corporate Shareholders;
 - (iii) Authorised Nominee; and
 - (iv) Exempt Authorised Nominee.
- In the meeting online, you will be able to view live webcast of the meeting, submit questions to the Chairman and submit your votes in real time
 whilst the meeting is in progress.
- Kindy follow the steps below on how to request for login ID and password.

Step 1 - Register Online with Boardroom Smart Investor Portal (for first time registration only)

[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 - Submit Request for Remote Participation user ID and password.]

- (a) Access website https://investor.boardroomlimited.com.
- (b) Click <<Register>> to sign up as a user and select the correct account type i.e. sign up as "Shareholder" or "Corporate Holder".
- (c) Complete registration and upload softcopy of MyKad (front and reverse) or Passport in JPEG, PNG or PDF format. For corporate holder, please also attach the authorization letter. Click "Sign Up".
- (d) Please enter a valid email address and wait for BSR's email verification to complete the registration.

Your registration will be verified and approved within one (1) business day and an email notification will be provided.

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Step 2 - Submit Request for Remote Participation User ID and Password

[Note: The registration for remote access will be opened on Thursday, 20 April 2023.]

Individual/Corporate Shareholders

- Login to https://investor.boardroomlimited.com using your user ID and password above. Select "GAS MALAYSIA BERHAD (32ND)
 ANNUAL GENERAL MEETING" from the list of Meeting Event and click "Enter". Click on "Register for RPEV"
- Read the Terms & Conditions and confirm the Declaration.
- Enter your CDS Account and thereafter submit your request.

Corporate Shareholders

Our Sustainability Journey

- Write in to BSR.Helpdesk@boardroomlimited.com by providing the name of Shareholder, CDS Account Number accompanied with the Certificate of Appointment of Corporate Representative or Form of Proxy to submit the request.
- Corporate Shareholder must also provide a copy of Corporate Representative's MyKad (front and reverse) as well as his/her email address.

Authorised Nominee and Exempt Authorised Nominee

- Write in to BSR.Helpdesk@boardroomlimited.com by providing the name of Shareholder, CDS Account Number accompanied with the Form of Proxy to submit the request.
- Authorised Nominee and Exempt Authorised Nominee must also provide a copy of Corporate Representative's MyKad (front and reverse) as well as his/her email address.
 - (a) You will receive a notification from Boardroom that your request has been received and is being verified.
 - (b) Upon system verification against the AGM's Record of Depositors, you will receive an email from Boardroom either approving or rejecting your registration for remote participation.
 - (c) You will also receive your remote access user ID and password along with the email from Boardroom if your registration is approved.
 - (d) Please note that the closing time to submit your request is at 10.00 a.m on Sunday, 21 May 2023 (24 hours before the 32nd AGM).

Step 3 - Login to Virtual Meeting Portal

[Please note that the quality of the connectivity to Virtual Meeting Portal for live web cast as well as for remote online voting is highly dependent on the bandwidth and the stability of the internet connectivity available at the location of the remote users.]

- (a) The Virtual Meeting portal will be open for login starting one hour (1 hour) before the commencement of the 32nd AGM at 9.00 a.m. on 22 May 2023.
- (b) Follow the steps given to you in the email along with your remote access user ID and password to login to the Virtual Meeting portal (Refer to Step 2 above).
- (c) The steps will also guide you how to view live web cast, ask questions and vote.
- (d) The live web cast will end and the Messaging window will be disabled the moment the Chairman announces the closure of the AGM.
- (e) You can now logout from Virtual Meeting Portal.

Administrative Details

8. PARTICIPATION THROUGH LIVE WEBCAST, QUESTION AND VOTING AT THE AGM

- The Chairman and the Board of Directors will endeavour their best to respond to the questions submitted by Shareholders which are related to the resolutions to be tabled at the AGM as well as financial performance/prospects of the Company.
- Shareholders may proceed to cast votes on each of the proposed resolutions, to be tabled at the 32nd AGM after the Chairman has opened the poll on the resolutions. Shareholders are reminded to cast their votes before the poll is closed.

9. PROCEDURE OF THE 32ND AGM

- The Login User Guide for participation, posing questions and voting at the AGM, will be emailed to you together with your remote access user ID and password once your registration has been approved by the Share Registrar.
- Strictly **NO recording or photography** of the 32nd AGM proceedings is allowed.
- You must ensure that you are connected to the internet at all times in order to participate and vote when the AGM has commenced. Therefore, it is your responsibility to ensure that connectivity for the duration of the AGM is maintained. Kindly note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at the location of the remote participants.

10. COMMUNICATION GUIDANCE

Shareholders are reminded to monitor the Company's website and announcements for any changes to the arrangement of the 32nd AGM.

11. ENQUIRY

• If you have any enquiry prior to the 32nd AGM, pertaining to the RPEV, Shareholder(s) and Proxy(ies) registration, please contact the following officers during office hours from 9.00 a.m. to 5.00 p.m. (Monday to Friday):

Boardroom Share Registrars Sdn Bhd

(Registration No. 199601006647/378993-D) 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13 46200 Petaling Jaya

Selangor Darul Ehsan, Malaysia

General Line : +603-7890 4700 Fax No. : +603-7890 4670

Officers : Encik Zulkernaen Abd Samad

+603-7890 4741 (Zulkernaen.Samad@boardroomlimited.com)

Puan Rozleen Monzali

+603-7890 4739 (Rozleen.Monzali@boardroomlimited.com)



Number of Ordinary Share(s) held	
CDS Account No.	

Contact No. _

Address: NRIC/Passport No.: Proportion of shareholding to be represented by the proxy/proxies: No. of Shares %	eing a n	nember/members of GAS MALAYSIA BERHAD, hereby of	(FULL ADDRESS) appoint:					
Address: and / or will Name (in CAPITAL Letters): NRIC/ Passport No.: Proportion of shareholding to be represented by the proxy/proxies: No. of Shares	ull No	ame (in CAPITAL Letters):	NRIC/Passport No.:					
Address: In Name (in CAPITAL Letters): NRIC/Passport No.: Proportion of shareholding to be represented by the proxy/proxies: No. of Shares							··-	
IN Name (in CAPITAL Letters): NRIC/Passport No.: Proportion of shareholding to be represented by the proxy/proxies: No. of Shares %	\ddres:	55						
INRIC/Passport No.: Proportion of shareholding to be represented by the proxy/proxies: No. of Shares %	el. No	:						
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didress: al. No.: mail Address: falling, him, her, the Chairmen of the Meeting as my/our proxy to vote for me/us and an my/our behalf at the 32 nd Annual General Meeting of the Company, which will be held virtual to the Address: falling, him, her, the Chairmen of the Meeting as my/our proxy to vote for me/us and an my/our behalf at the 32 nd Annual General Meeting of the Company, which will be held virtual to the Address of the Address of the Company and the Address of the Annual General Meeting boardroomlimited, my on Monday, 22 May 2023 at 10.00 a.m. or at any adjournment thereof, on the following resolutions reterred to in the Notice of the Annual General Meases indicate "X" in the appropriate box against each Resolution as to how you wish your proxy(ies) to vote. If you do not do so, the proxy(ies) may vote or abstain from voting at his/her disc 10. AGENDA FOR AGAIN: 10. To receive the Audited Financial Statements and the Reports of the Directors and Auditors (Note 2) 11. To receive the Audited Financial Statements and the Reports of the Directors and Auditors (Note 2) 12. Re-election of Director — Tan Sri Che Khalibb bin Mohamad Noh 13. Re-election of Director — Tan Sri Che Khalibb bin Mohamad Noh 14. Payment of Directors' Fees and any benefits payable to the Directors from the 32 nd AGM to the next AGM 15. Ordinary Resolution 1 15. Re-appointment of Auditors 15. Payment of Directors' Fees and any benefits payable to the Directors from the 32 nd AGM to the next AGM 16. Ordinary Resolution 4 17. Proposed Renewal of Existing Shareholders' Mandate for the Subsidiaries of the Company to enter into Recurrent Related Pay Transactions of a Revenue or Trading Nature with Related Payries involving interest of Tan Sri Data' Seri Syed Mokhtar Stath bin Syed Nor, Indra Cite Sch Bidd, Seaport Terminal (Johane) Sch Bidd, MMC Corporation Bendand and Agalo-Orinaral (Annullies) Sch Bidd 10. Proposed Renewal of Existing Shareholders' Mandate for the Subsidiaries of the Company to enter into Recurrent Re	ull No	ame (in CAPITAL Letters):	NRIC/Passport No.:					
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NOTES:

1 IMPORTANT NOTICE

The Broadcast Venue of the 32nd AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 (the "Act") which requires the Chairman of the Meeting to be at the main venue. **AGM will be conducted online from the Broadcast Venue. Members can attend, participate and vote in the meeting remotely via Boardroom website at https://meeting.boardroomlimited.my. At the Broadcast Venue, only the essential individuals are physically present to organise the virtual 32nd AGM.**

- 2. This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval of the members/shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.
- 3. In respect of deposited securities, only members whose names appear on the Record of Depositors on 16 May 2023 (General Meeting Record of Depositors) shall be eligible to attend, participate, speak and vote at the meeting.
- 4. A member of the Company shall be entitled to appoint another person as his/her proxy to attend, participate, speak and vote at the meeting in his/her stead. A proxy need not be a member of the Company.
- 5. A member shall not be entitled to appoint more than two proxies. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- 6. 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.
- 7. 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 seal or signed by an officer or attorney so authorised.
- 8. 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 Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or submitted via fax at 03-7890 4670 or emailed to BSR.Helpdesk@boardroomlimited.com, no later than Sunday, 21 May 2023 at 10.00 a.m. The proxy appointment may also be lodged electronically via Boardroom Smart Investor Portal at https://investor.boardroomlimited.com. All resolutions set out in this notice of meeting are to be voted by poll.
- 9. Please refer to the Administrative Details on the conduct of a virtual general meeting for further details.

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Gas Malaysia Berhad

32nd Annual General Meeting 22 May 2023

Stamp here

Boardroom Share Registrars Sdn Bhd

11th Floor, Menara Symphony No.5, Jalan Prof. Khoo Kay Kim Seksyen 13 46200 Petaling Jaya Selangor Darul Ehsan, Malaysia

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GAS MALAYSIA BERHAD

199201008906 (240409-T)

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