



A Member of  MMC Group

# NAVIGATING TOMORROW, EMBRACING SUSTAINABILITY

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ANNUAL  
REPORT  
2023

# INSIDE THIS REPORT

## INTRODUCTION

- 3 Basis of This Report

## OVERVIEW OF GAS MALAYSIA

- 4 About Us
- 5 Our Presence
- 7 Five-Year Financial Summary
- 9 Investor Relations
- 12 Corporate Highlights 2023

## MESSAGE FROM THE LEADERS

- 29 Message from the Chairman
- 33 Message from the Group Chief Executive Officer: Management Discussion & Analysis

## STRATEGIC CONTEXT

- 43 Managing Our Risks & Opportunities

## OUR SUSTAINABILITY JOURNEY

- 45 Sustainability Statement
- 75 Bursa Sustainability Performance Report



## COVER RATIONALE

At Gas Malaysia, we are committed to a forward-looking stance that places sustainable principles at the forefront of our endeavours. We recognise the significance of ensuring business sustainability while balancing environmental concerns proactively, as we chart a trajectory towards growth and an equitable future. By emphasising the need for sustainability, we acknowledge the necessity for careful planning, adaptation, and collaboration to surmount the challenges ahead. By Navigating Tomorrow, Embracing Sustainability, we aim to instil a sense of responsibility and optimism, while contributing to the nation, communities and individuals to navigate towards a brighter, more sustainable tomorrow.



## THE WAY WE ARE GOVERNED

77	Board of Directors
79	Board of Directors' Profile
88	Key Senior Leadership
89	Key Senior Leadership's Profile
91	Organisation Chart
92	Management Team
93	Corporate Governance Overview Statement
102	Statement on Risk Management and Internal Control
108	Nomination & Remuneration Committee Report
114	Audit Committee Report
119	Additional Compliance Information
124	Directors' Responsibility Statement

## FINANCIALS

125	Directors' Report
131	Statement by Directors
131	Statutory Declaration
132	Independent Auditors' Report
137	Statements of Comprehensive Income
138	Statements of Financial Position
140	Statements of Changes in Equity
143	Statements of Cash Flows
148	Notes to the Financial Statements

## OTHER INFORMATION

199	Corporate Information
200	Shareholding Statistics
204	List of Properties
206	Notice of 33 <sup>rd</sup> Annual General Meeting
213	Administrative Details

*Form of Proxy*

### OUR NAVIGATION ICON

The following icon 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.



Scan this QR code  
for more information.



**Sustainability Statement**

**45**



# Basis of This Report



## REPORTING STRUCTURE AND FRAMEWORKS

Gas Malaysia Berhad's Annual Report for the financial year ended 31 December 2023 communicates to stakeholders our strategic decisions, approach to 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 the best reporting practices.

## SCOPE AND BOUNDARY

This Report reflects our financial and non-financial performance from the period 1 January 2023 to 31 December 2023. The reporting boundaries take into account all business operations under Gas Malaysia Berhad, including fully controlled operations, subsidiaries and joint ventures. The scope of reporting discusses internal and external impacts on our business, financial and non-financial performance, and 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

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](mailto:corporateaffairs@gasmalaysia.com)



# About Us

Gas Malaysia Berhad (“Gas Malaysia” or “the Group”) was established on 16 May 1992. The Group’s primary business focus is selling, marketing, and distributing natural gas to residential, commercial, and industrial customers as well as developing, operating, and maintaining the Natural Gas Distribution System (“NGDS”) within Peninsular Malaysia. With the total market liberalisation of the gas industry for the non-power sector initiated in 2022 under the Third-Party Access (“TPA”) framework, the competitive landscape of the gas supply industry saw enhancement. This is a year of learning for Gas Malaysia and other industry players. We further strengthened our position in the industry value chain to prepare ourselves for full market liberalisation by successfully unbundling our business operations into two (2) separate entities.

These two (2) entities, 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, from the regulator. GMD was granted a 20-year distribution licence, which allows it to take up the role of a gas distributor through its 2,839 kilometres 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 and importation licence, and will operate as a gas shipper, since the licences enable GMES to procure gas from gas suppliers and arrange gas delivery per with customer requirements. This allows GMES to arrange a regasification, transportation or distribution licensee for gas to be processed or delivered to consumers’ premises.

Serving as a key driver for the Group’s sustainable growth, we supply natural gas to 1,042 industrial customers. In an effort to broaden our reach, we extend our services by supplying natural gas as well as Liquefied Petroleum Gas (“LPG”) to 1,992 commercial customers and 21,847 residential customers.

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 Green Ventures Sdn Bhd (formerly known as 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.

## 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*

## CORE VALUES



*Professionalism*



*Reliability*



*Integrity*



*Teamwork*



*Innovation*

**1,042**  
Industrial Customers

**1,992**  
Commercial Customers

**21,847**  
Residential Customers



# Our Presence

## Where We Operate

At Gas Malaysia, we have developed a total of 2,839 kilometres of gas pipeline across Peninsular Malaysia, supplying natural gas to 1,042 industrial customers. In addition, we supply natural gas and Liquefied Petroleum Gas ("LPG") to 1,992 commercial customers and 21,847 residential customers.

● **Head Office**    ● **Regional Offices**    ● **Branch Offices**

### Head Office

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

Tel : +603-5192 3000  
Fax : +603-5192 6766 / 6794

### Northern Regional Office

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

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

### Eastern Regional Office

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

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

### Southern Regional Office

PL0343, Jalan Emas Tiga,  
Kawasan Perindustrian Pasir  
Gudang, 81700 Pasir Gudang,  
Johor Darul Takzim

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





# Our Presence

## CENTRAL REGION

### SELANGOR

- Balakong
- Bandar Tasik Selatan
- Bandar Sultan Sulaiman
- Banting
- Bangi
- Batu Caves
- Beranang
- Bestari Jaya
- Bukit Raja
- Cyberjaya
- Damansara
- Dengkil
- Glenmarie
- Ijok
- Jeram
- Kajang
- Kapar
- Kelana Jaya
- Klang
- Kundang
- Meru
- North Port
- Pandamaran
- Petaling Jaya
- Puchong
- Pulau Indah
- Rawang
- Salak Tinggi
- Selayang
- Semenyih
- Sepang
- Serdang
- Seri Kembangan
- Shah Alam
- Subang
- Sungai Buloh
- Telok Gong
- Teluk Panglima Garang

### NEGERI SEMBILAN

- Bandar Enstek
- Nilai

### FEDERAL TERRITORY OF KUALA LUMPUR

- Bandar Tun Razak
- Kepong
- Segambut

### FEDERAL TERRITORY OF PUTRAJAYA

## NORTHERN REGION

### PERLIS

- Arau
- Chuping
- Kangar

### PULAU PINANG

- Bukit Minyak
- Mak Mandin
- Nibong Tebal
- Prai
- Simpang Ampat
- Sungai Bakap

### PERAK

- Batu Gajah
- Bemban
- Bidor
- Chemor
- Ipoh
- Kamunting
- Lahat
- Lumut
- Meru
- Parit Buntar
- Seri Manjung
- Sitiawan
- Teluk Intan
- Tronoh

### KEDAH

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

## EASTERN REGION

### PAHANG

- Gambang
- Gebeng
- Kuantan Port

### TERENGGANU

- Kerteh
- Teluk Kalong

## SOUTHERN REGION

### NEGERI SEMBILAN

- Lukut
- Senawang
- Sendayan
- Seremban 2

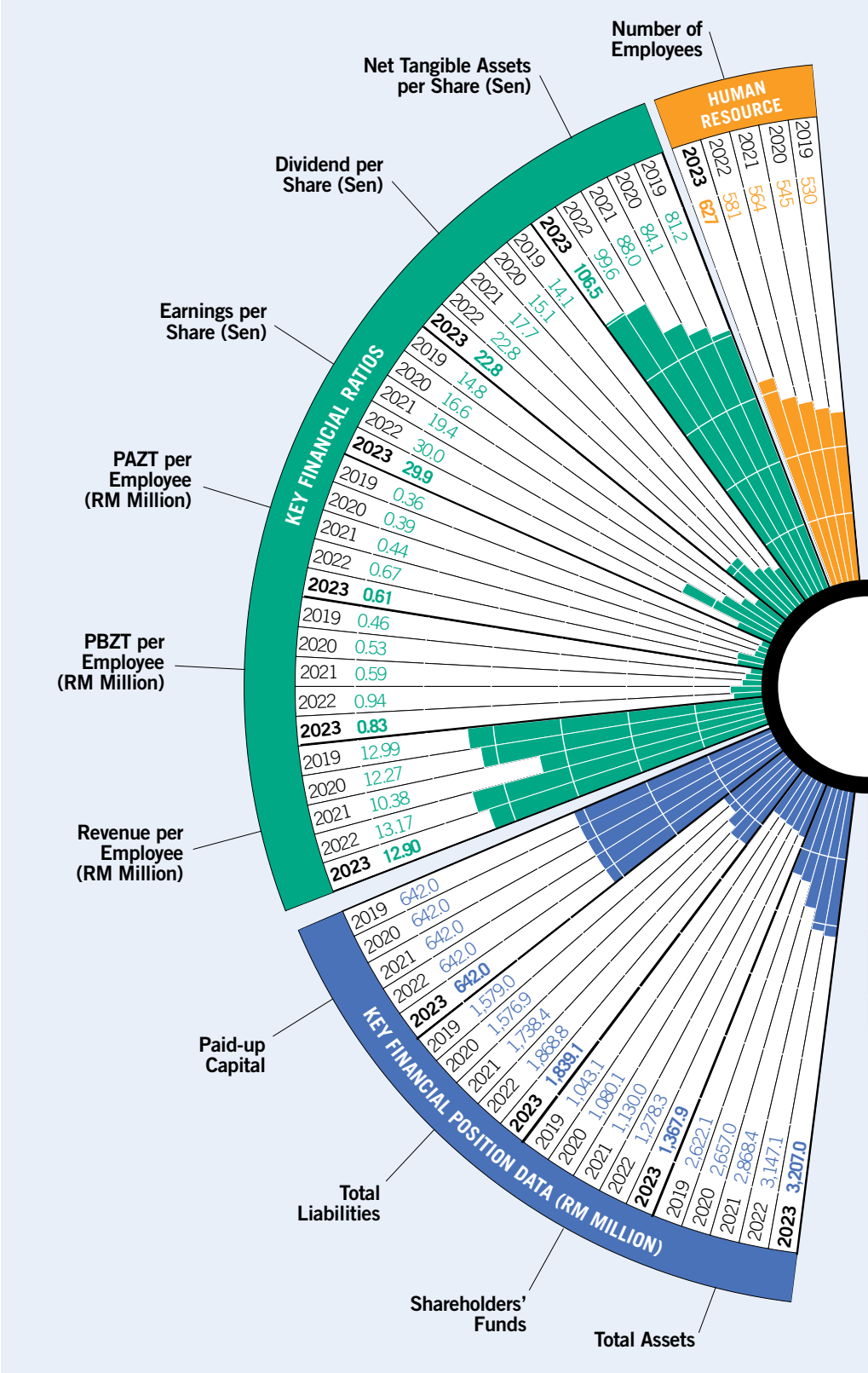
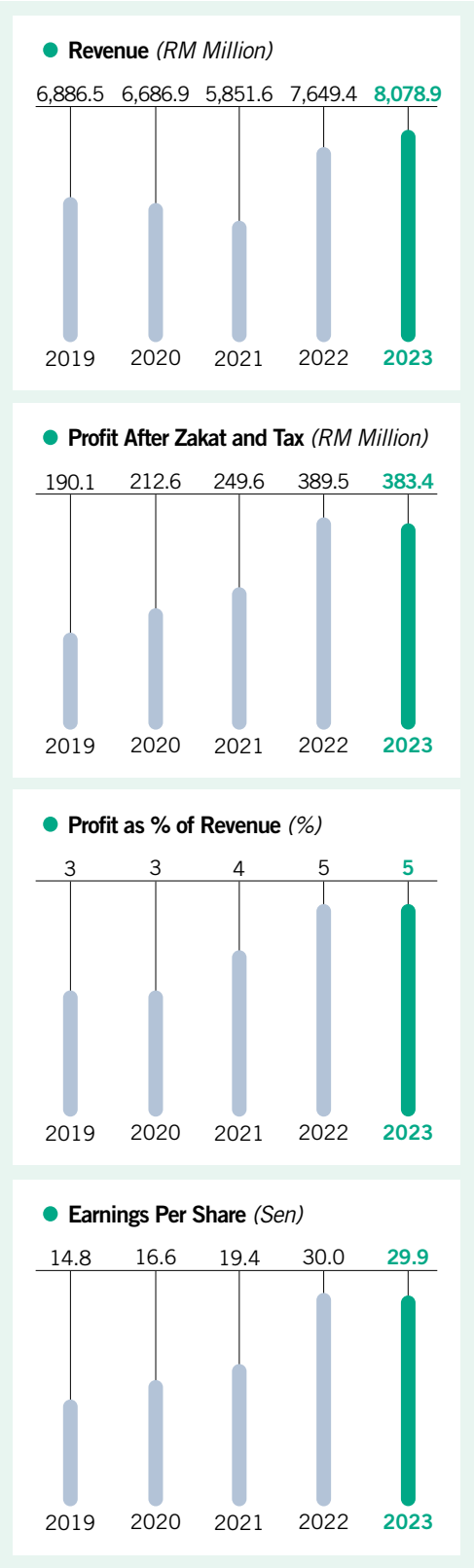
### MELAKA

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

### JOHOR

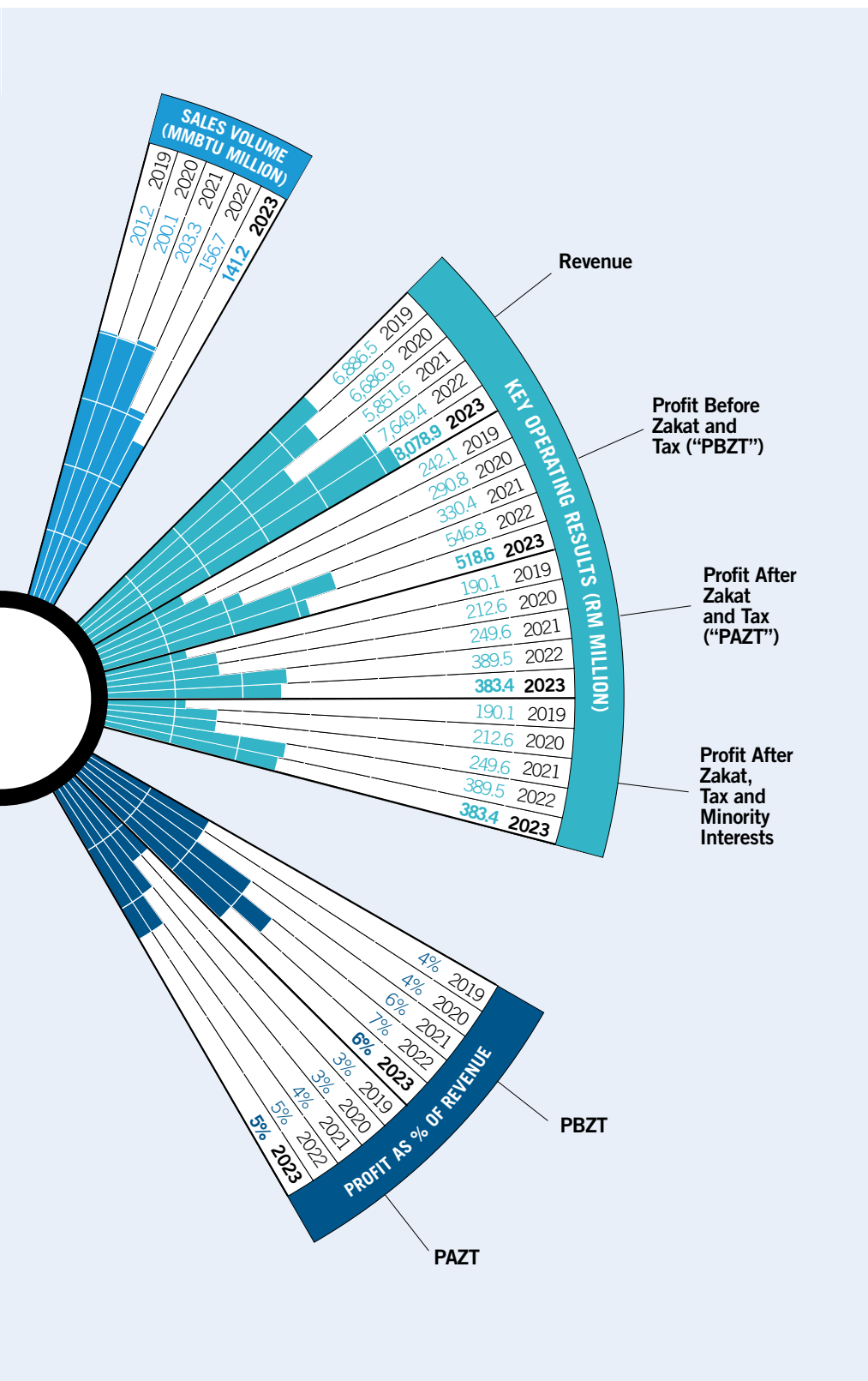
- Ayer Hitam
- Kempas
- Kluang
- Kulai
- Larkin
- Masai
- Parit Raja
- Pasir Gudang
- Permas Jaya
- Plentong
- Sedenak
- Senai
- Sri Gading
- Tampoi
- Tanjung Langsat
- Tebrau
- Tongkang Pechah
- Yong Peng

# Five-Year Financial Summary

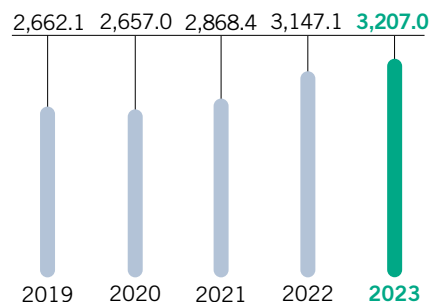




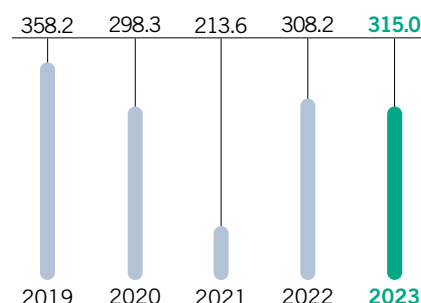
# Five-Year Financial Summary



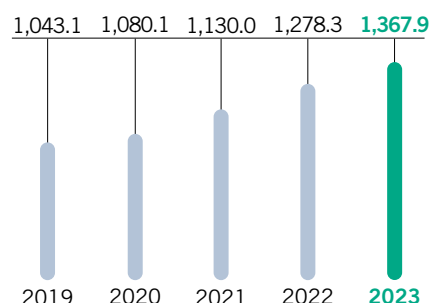
## ● Total Assets (RM Million)



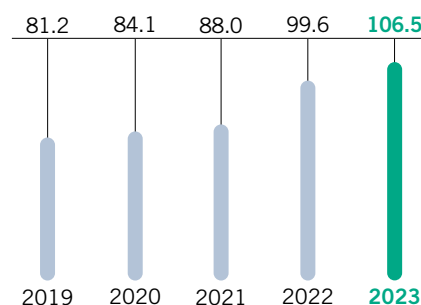
## ● Long-Term Liabilities (RM Million)



## ● Shareholders' Funds (RM Million)



## ● Net Tangible Assets Per Share (Sen)



# Investor Relations



A series of impactful local and international events have significantly shaped the trajectory of our gas industry in 2023. The elevated crude oil price environment has helped to bolster our income growth, despite partial offsets in the form of deceleration in the manufacturing sector and weaker external demand.

## INVESTOR RELATIONS COMMUNICATION AND ENGAGEMENT WITH STAKEHOLDERS

Our Investor Relations (“IR”) strategy is primarily structured to achieve fair valuation. We are focused on articulating the company’s financial performance, long-term strategic plans and competitive positioning. This includes having an understanding of our audience, specifically institutional shareholders, potential investors, analysts and other stakeholders as well as customising our messaging and outreach accordingly.

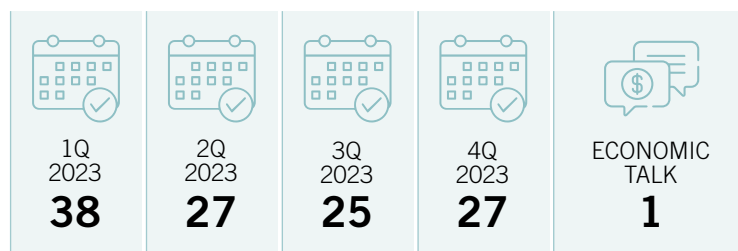
Customising our engagement calendar according to our overall strategy. We strived to keep it simple and focused while improving disclosure in an understandable manner to help investors track the execution of the company’s goals, while building credibility and fostering long-lasting relationships with them.

Building and nurturing relationships with both internal and external stakeholders is critical to our IR strategy success, as is clear and regular communication. Internal stakeholders should understand the external expectations of the company’s performance and how their work is tied to achieving the firm’s long-term strategic plan. External stakeholders, especially investors and analysts, should receive clear and transparent communications regularly.

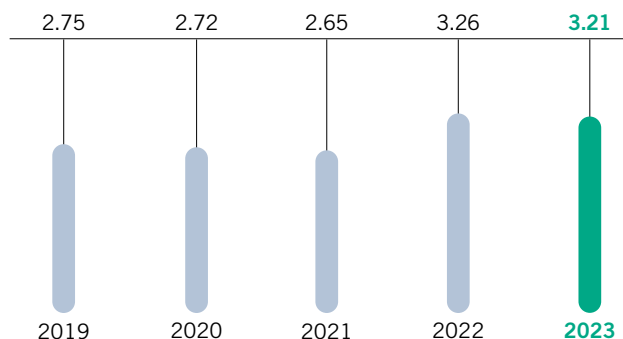
Our active engagements through calls and meetings provide an opportunity to respond to questions and concerns while simultaneously providing an opportunity to seek valuable feedback. This enables the constant monitoring of the investors’ perceptions of the company.

We continue to adopt the hybrid approach for all our engagements in 2023.

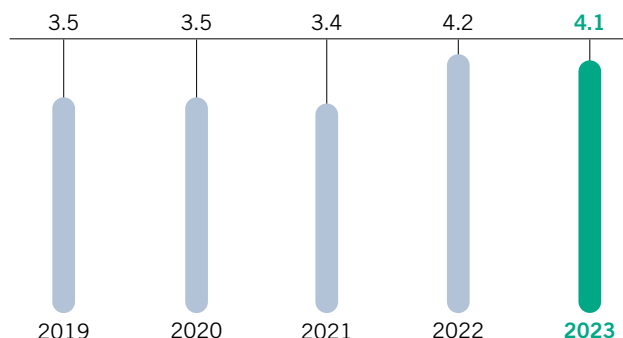
### The number of engagements conducted in 2023



### Year End Closing Price (RM)



### Market Capitalisation (RM Billion)





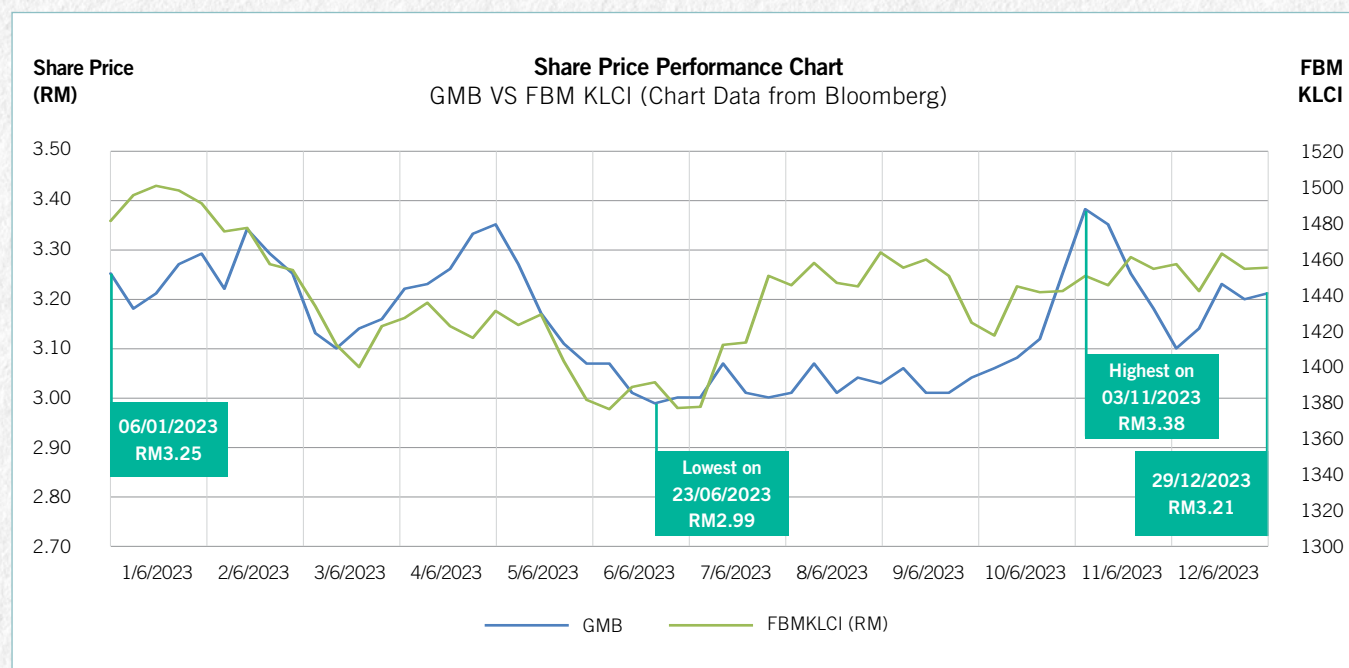
# Investor Relations

As at 31 December 2023, nine (9) research houses provided active research coverage on Gas Malaysia as summarised below:

Broker/Analyst	Recommendation	Target Price
Affin Hwang Investment Bank	HOLD	3.10
BIMB Securities	HOLD	3.40
CGS-CIMB Securities	HOLD	3.20
CLSA Securities Malaysia	BUY	3.70
Kenanga Investment Bank	HOLD	3.33
Macquarie Capital Securities (M)	HOLD	3.10
Maybank Investment Bank	HOLD	3.20
MIDF Amanah Investment Bank	BUY	3.71
UOB Kay Hian Securities (M)	HOLD	3.07

## Announcement of Results

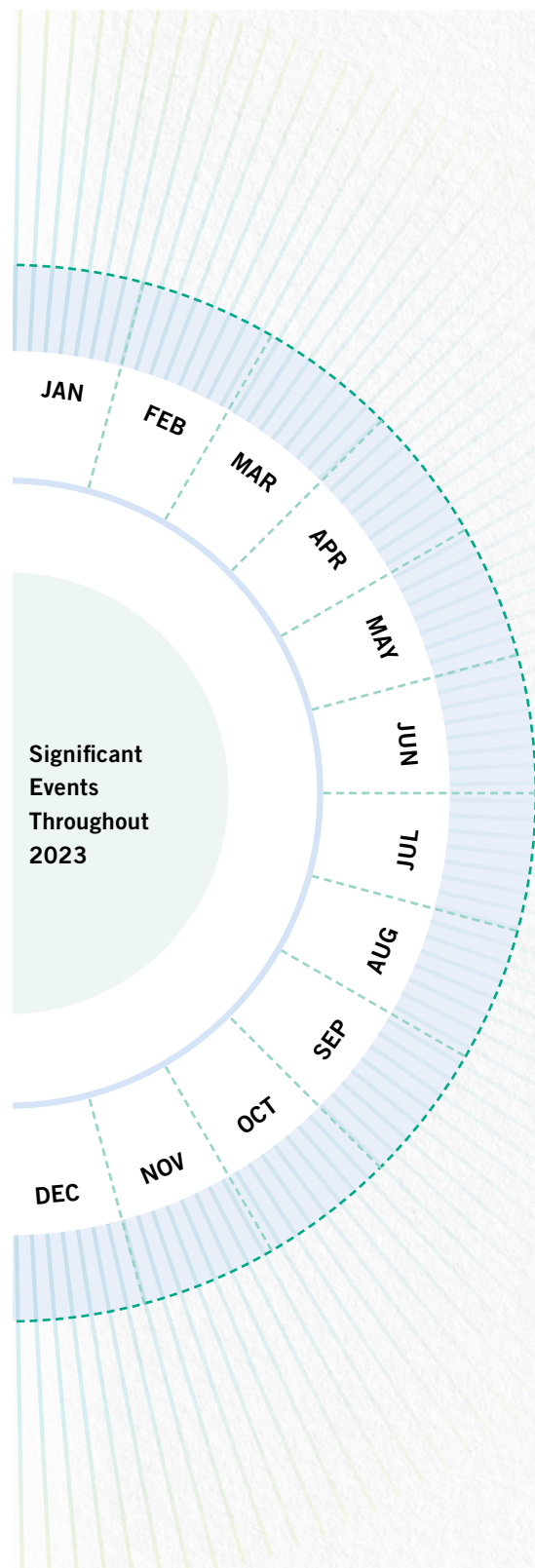
<b>1<sup>st</sup> Quarter</b> 18 May 2023	<b>2<sup>nd</sup> Quarter</b> 21 August 2023	<b>3<sup>rd</sup> Quarter</b> 28 November 2023	<b>4<sup>th</sup> Quarter</b> 20 February 2024
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## 2023 Monthly Average Volume, Highest and Lowest Share Price sourced from Bloomberg

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
<b>Average Volume ('000)</b>	886.7	651.4	473.8	506.1	953.4	1,111.7	809.9	642.4	637.8	1,399.9	747.4	826.7
<b>Highest (RM)</b>	3.31	3.34	3.34	3.39	3.38	3.10	3.09	3.08	3.06	3.29	3.41	3.23
<b>Lowest (RM)</b>	3.14	3.22	3.05	3.17	3.10	2.99	3.00	3.00	3.01	3.04	3.06	3.09

# Investor Relations



## FEBRUARY

- 17**
- 4Q 2022 Consolidated Results Announcement
  - 2022 2<sup>nd</sup> Interim Dividend Declaration

## MARCH

- 21** 2022 Final Dividend Declaration

## MAY

- 18** 1Q 2023 Consolidated Results Announcement
- 22** Annual General Meeting

## AUGUST

- 21**
- 2Q 2023 Consolidated Results Announcement
  - 2023 1<sup>st</sup> Interim Dividend Declaration

## NOVEMBER

- 28** 3Q 2023 Consolidated Results Announcement

# Corporate Highlights 2023

## HI-TEA SESSION WITH GAS MALAYSIA CHAIRMAN

**5 January, 23 May, 7 September**

As part of our engagement programme, we organised a series of hi-tea gatherings for employees to engage with the Chairman of Gas Malaysia, YBhg Tan Sri Wan Zulkiflee Wan Ariffin. Participants were selected based on key positions within the company, underlining the significance of this initiative in line with our comprehensive leadership development programme.



## LIGHT & EASY WITH GCEO

**18 January, 14 June, 6 September, 7 December**

In our commitment to foster engagement, uplift morale and cultivate a healthier working environment, we conducted quarterly employee engagement sessions titled “Light & Easy with GCEO”. These sessions featured our Group Chief Executive Officer (“GCEO”), En. Ahmad Hashimi Abdul Manap, who shared his insights and aspirations with our employees. Serving as a bilateral communication platform, these sessions offered employees an opportunity to exchange views directly with the GCEO, fostering open dialogue and mutual understanding.



# Corporate Highlights 2023

## GREEN GAS VENTURE

**3 February**

Gas Malaysia Green Ventures Sdn Bhd ("GMGV"), formerly known as Gas Malaysia Virtual Pipeline Sdn Bhd, our wholly-owned subsidiary, organised an event at Coronation Palm Oil Mill, Kluang, Johor, to commemorate the injection of biomethane sourced from Palm Oil Mill Effluent ("POME") into the Natural Gas Distribution System ("NGDS") network. Notably, this supply is poised to mitigate methane emissions equivalent to approximately 79,000 tonnes of carbon dioxide, underscoring our corporate commitment to environmental stewardship and renewable energy practices.



# Corporate Highlights 2023

## NEW EMPLOYEE ORIENTATION ("NEO") PROGRAMME

**7 - 8 February, 21 - 22 June**

With an aim to familiarise new employees with the company's operations, procedures and values, while fostering a sense of belonging and inclusivity, we organised and hosted the NEO programme at our Training and Resource Centre located in Sekitar 26, Shah Alam.



## GAS MALAYSIA COURTESY VISIT TO TOKYO GAS CO., LTD. ("TOKYO GAS")

**8 February**

Led by Gas Malaysia's Chairman, YBhg Tan Sri Wan Zulkiflee Wan Ariffin, a team of delegates from Gas Malaysia paid a visit to engage with our Japanese shareholders. The team representing Gas Malaysia also took the opportunity to visit Tokyo LNG Receiving Terminal operated by Tokyo Gas. The visit enabled us to oversee with the operations involving the LNG Receiving Terminal. Further to this, our team also visited Tokyo Gas Research & Development plant.



## INFORMATION MEETING & LONG SERVICE AWARD CEREMONY

**17 February**

The annual Information Meeting & Long Service Award ceremony was held to formally recognise the valuable contribution of long-serving employees, while providing insights into the company's annual performance and future direction.





# Corporate Highlights 2023

## ANUGERAH PELAJAR CEMERLANG

**22 February, 1 August**

We hosted our annual Majlis Anugerah Pelajar Cemerlang at our head office in Shah Alam. This event reflects our commitment towards fostering and celebrating academic excellence among the children of Gas Malaysia's employees, perpetuating a culture of learning and achievement within our corporate family.



## CLSA CORPORATE GROUP LUNCHEON

**2 March**

CLSA, a leading Asian capital markets and investment group, organised a corporate luncheon session that brought together our GCEO, En. Ahmad Hashimi Abdul Manap alongside key representatives from our management team. Joining them were prominent fund managers and analysts from institutions such as Permodalan Nasional Berhad ("PNB"), Employees Provident Fund ("EPF"), Maybank and AIA, facilitating insightful exchanges and networking opportunities. Participants delved into a wide array of topics, from analysing current market trends and exploring investment strategies to evaluating industry dynamics.





# Corporate Highlights 2023



## WORKING VISIT BY SURUHANJAYA TENAGA

**6 March**

We hosted a delegation from Suruhanjaya Tenaga (“ST”) to our head office for a working visit. The delegation included directors and deputy directors from ST, with YBhg. Dato’ Ir. Ts. Abdul Razib Dawood, the Chief Executive Officer of ST, leading the team of delegates. The primary objective of the visit was to familiarise ST with Gas Malaysia’s business operations following the implementation of the Third-Party Access (“TPA”) system.



## ECONOMIC TALK BY THE CHIEF ECONOMIST FROM BANK MUAMALAT

**7 March**

Gas Malaysia facilitated an economic talk for its management team, under the banner “Malaysia’s Economic Outlook 2023, Issues & Challenges”. The session, spearheaded by Dr. Afzanizam, the Chief Economist from Bank Muamalat, was held at our Resource and Training Centre in Shah Alam. This engagement serves as a cornerstone in our commitment to fostering a culture of continuous learning, tailored specifically for our Management team, ensuring they remain abreast of pertinent developments shaping our operating environment.

# Corporate Highlights 2023



## ● HSE MANAGEMENT ENGAGEMENT 2023

**10 March**

We organised an engagement session with our contractors, titled “HSE Management Engagement 2023” held at our Resource and Training Centre in Shah Alam. The objective of the engagement session was to share the latest regulatory requirements, industry best practices, challenges and related concerns with our contractors. This initiative was designed to cultivate a pervasive culture of safety and health, and also to serve as a collaborative platform for comprehensive information exchange, facilitating resolution of pertinent issues as well as fostering continuous improvement.



## ● BACK TO SCHOOL PROGRAMME

**4 April**

As part of our yearly initiative to ease the burden of needy families by providing students with school necessities, we organised a Back to School programme to provide school necessities to 327 needy students from Sekolah Menengah Kebangsaan Bandar Sungai Buaya, in Rawang. In addition, we also donated used computers to the school. This gesture addresses the immediate need of empowering students with access to learning opportunities and digital literacy.



## ● GAS MALAYSIA COMMEMORATES NUZUL QURAN

**7 April**

In commemoration of Nuzul Quran, we organised a Yasin recital at our head office. This spiritually enriching congregation witnessed the participation of employees from across the company. In support, employees based in other regions within Peninsular Malaysia also participated in the recital virtually.



# Corporate Highlights 2023



## RAMADAN ACTIVITIES - BUBUR LAMBUK DISTRIBUTION

**13 April**

In observance of the sacred month of Ramadan, we organised a “bubur lambuk” distribution for our employees. Additionally, as a gesture of gratitude to our frontliners, we extended our generosity by delivering bubur lambuk to the Fire and Rescue Department of Malaysia (“BOMBA”) and Royal Malaysia Police (“PDRM”) stations situated in close proximity to our head office.



## LAUNCH OF GAS MALAYSIA (“GM32”) STRATEGY

**2 May**

We successfully initiated the launch of GM32, a 10-year growth strategy designed to propel Gas Malaysia to new heights and achieve its growth aspirations. The GM32 strategy encompasses several key objectives, which includes strengthening our core business, moving up the gas value chain, expanding into new gas-related businesses and diversifying into other business portfolios.



# Corporate Highlights 2023

## 31<sup>ST</sup> ANNIVERSARY CELEBRATION & HARI RAYA AIDILFITRI

**18 May**

We held Gas Malaysia's 31<sup>st</sup> anniversary celebration at our head office in Shah Alam. The occasion served as a tribute to the company's strong foothold in the industry for over three decades, highlighting its remarkable journey and accomplishments. Simultaneously, as part of our ongoing tradition in Gas Malaysia, we also organised a Majlis Sambutan Hari Raya Aidilfitri. Employees and the management team were seen dressed in their traditional outfits and enjoyed the various savoury delicacies served to symbolise the celebration.



## 32<sup>ND</sup> ANNUAL GENERAL MEETING

**22 May**

We held our 32<sup>nd</sup> Annual General Meeting ("AGM") which was broadcasted from Gas Malaysia's Resource and Training Centre in Shah Alam. Present physically at the broadcast venue and chairing the AGM proceedings were members of the Board and the management team. As the AGM was held virtually, shareholders participated remotely by casting their votes online. During the AGM proceedings, comprehensive information pertaining to the company's financial performance and strategic initiatives were shared with shareholders.



## MOU BETWEEN GAS MALAYSIA BERHAD & TOKYO GAS NETWORK CO., LTD. ("TOKYO GAS NETWORK")

**25 July**

Gas Malaysia Berhad and Tokyo Gas Network have taken significant steps towards reinforcing their commitment towards innovative strategies and industry development in the gas distribution sector by signing a Memorandum of Understanding ("MoU"). The MoU solidifies the commitment of both parties to cooperate and collaborate to exchange expertise and information for the purpose of an employee exchange programme. The programme is aimed to facilitate the exchange of technical and non-technical employees between both companies, addressing the business needs and providing an opportunity to actively participate in nation-building.

# Corporate Highlights 2023



## MMC GAMES 2023 - APPRECIATION CEREMONY FOR GAS MALAYSIA'S CONTINGENT

**8 September**

We hosted a hi-tea appreciation ceremony at our Learning and Resource Centre in Shah Alam to express our gratitude for the incredible dedication and hard work exhibited by our sports contingent at the MMC Games 2023. The highlight of the ceremony was the presentation of certificates by GCEO, En. Ahmad Hashimi Abdul Manap to our employees. The presentation served as a source of motivation for our contingent to continue preparing and training for the next round of sporting events.



## WORKING VISIT TO THE PRODUCTION FACILITY OF IOI OLEOCHEMICAL

**11 September**

Led by GCEO, En. Ahmad Hashimi Abdul Manap together with the management team, we organised a working visit to the production facility of IOI Oleochemical Group, namely IOI Acidchem Sdn Bhd, located in Prai. This visit was an integral component of our ongoing strategic engagement with key customers in the Northern region, aimed at fostering a strong relationship. The engagement session served as a valuable opportunity for our management team to gain insights into the details of IOI Oleochemical's operations and engage in constructive dialogue to obtain customer feedback.



# Corporate Highlights 2023

## STAFF EXCHANGE PROGRAMME - VISIT BY DELEGATES FROM TOKYO GAS NETWORK

**13-20 September**

We welcomed a delegation from Tokyo Gas Network as part of our staff exchange programme. This visit was a result from the MoU inked between Gas Malaysia and Tokyo Gas Network back in July. Both parties agreed to work together on employee exchange for educational purposes, technical and non-technical information exchange, new business development and other mutually agreed areas of business.



## BOARD RETREAT

**20-22 September**

With an aim to foster a constructive dialogue session among our Board members and the management team, we hosted a Board Retreat at Hyatt Regency Kuantan Resort in Pahang. The retreat provided an opportunity for members of the Board and the management team to engage in discussions and work closely towards greater cohesion and a shared sense of purpose for Gas Malaysia's future strategic direction.



## GAS MALAYSIA HELPS THE HOMELESS & URBAN POOR

**15, 20, 29 September**

With a firm commitment to make a meaningful difference in the lives of the underprivileged, Gas Malaysia launched a Corporate Social Responsibility ("CSR") programme in collaboration with Pertubuhan Tindakan Wanita Islam ("PERTIWI") to feed the homeless and urban poor at the Kuala Lumpur Homeless Transit Centre to coincide with the 60<sup>th</sup> Malaysia Day celebration. This community outreach initiative consists of three (3) separate sessions to broaden its impact and reach wider recipients.



# Corporate Highlights 2023

## GAS MALAYSIA PAYS A WORKING VISIT TO THE EMPLOYEES PROVIDENT FUND (“EPF”)

**12 October**

The Senior Management team of Gas Malaysia, led by our GCEO, En. Ahmad Hashimi Abdul Manap, had the opportunity to meet up with one (1) of our institutional shareholders, EPF. The aim of the visit was to facilitate a productive engagement session with representatives from the EPF, specifically its fund managers and investment analysts. During the visit, we highlighted Gas Malaysia’s industry performance, strategic direction and future opportunities.



## NEW CORPORATE VIDEO & COFFEE-TABLE BOOK LAUNCHING CEREMONY

**19 October**

We launched Gas Malaysia’s new corporate video and coffee-table book at our head office in Shah Alam. The highlight of the ceremony was the premiering of Gas Malaysia’s new corporate video followed by the launching of the coffee-table book by GCEO, En. Ahmad Hashimi Abdul Manap together with the management team. Both the corporate video and coffee-table book are a reflection of Gas Malaysia’s identity in the industry for over three decades.

## GAS MALAYSIA PARTICIPATES IN THE SELANGOR INDUSTRIAL PARK EXPO 2023

**19-22 October**

With an opportunity to build rapport with key stakeholders and industry peers, Gas Malaysia took part in the seventh instalment of the Selangor International Business Summit (“SIBS”). Held at the Kuala Lumpur Convention Centre, the SIBS event comprised six (6) different categories housed under one (1) major event. Through our participation in the Selangor Industrial Park Expo, we were able to establish connections and exchange ideas with service providers, industry professionals and prospective business partners.



# Corporate Highlights 2023



## HANDOVER CEREMONY – CERTIFICATION OF ANTI-BRIBERY MANAGEMENT SYSTEMS (“ABMS”) MS ISO 37001:2016

**20 October**

Gas Malaysia received an official certification from SIRIM QAS International Sdn Bhd for the Anti-Bribery Management Systems (“ABMS”) MS ISO 37001:2016 at our Resource and Training Centre in Sekitar 26, Shah Alam. In addition to Gas Malaysia Berhad, this certification was also extended to Gas Malaysia Distribution Sdn Bhd, Gas Malaysia Energy and Services Sdn Bhd, and Gas Malaysia Retail Services Sdn Bhd.



## THE EDGE BILLION RINGGIT CLUB CORPORATE AWARDS 2023

**23 October**

Gas Malaysia was conferred with the Highest Return on Equity Over Three Years and Highest Growth in Profit After Tax Over Three Years awards under the energy and utilities category at The Edge Billion Ringgit Club Corporate Awards 2023 ceremony, held at the Mandarin Oriental Kuala Lumpur. The event was graced by Yang Berhormat Senator Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz, Minister of Investment, Trade and Industry. The awards were received by En. Ahmad Hashimi Abdul Manap, Gas Malaysia's GCEO. Interestingly, Gas Malaysia was conferred the Highest Return on Equity Over Three Years award for five (5) consecutive years.

## YASIN RECITAL AND SOLAT HAJAT FOR PALESTINE

**28 October**

In a solemn gesture of solidarity, we convened a Yasin recital dedicated to the people of Palestine. With hearts united in empathy, we reverently recited Surah Yasin, channelling our deepest sentiments into collective prayers for the welfare, safety and enduring peace of those suffering hardship in Gaza.





# Corporate Highlights 2023

## CORPORATE SOCIAL RESPONSIBILITY PROGRAMME

### 1 November

We organised a CSR programme with the local community at Kampung Pos Bersih, Behrang, Perak. This CSR programme included a range of activities, such as planting fruit saplings, river cleaning and the distribution of essential household groceries to about 40 underprivileged families, particularly from the Orang Asli community. In addition, Gas Malaysia funded the construction of a surau for the Orang Asli community.



## HSEQ DAY 2023

### 2 November

We organised a Health, Safety, Environment and Quality ("HSEQ") Day at Gas Malaysia's Resource and Training Centre, located at Sekitar 26. The event's theme, "Today Wellness for a Healthier Future", was chosen to underscore our unwavering dedication to employees' well-being and safety, and environmental sustainability.

# Corporate Highlights 2023

## LAUNCH OF GAS MALAYSIA BUSINESS SUSTAINABILITY PLAN

**7 November**

Gas Malaysia launched its business sustainability plan at the Setia City Convention Centre in Setia Alam. The sustainability strategy was developed in line with Gas Malaysia's 10-year strategic business plan, known as GM32, and demonstrates the company's commitment to supporting the nation's energy transition agenda. The launch event was graced by the presence of YB Tuan Nik Nazmi Nik Ahmad, Minister of Natural Resources, Environment and Climate Change, as the guest of honour. Gas Malaysia's comprehensive sustainability plan is also aligned with the National Energy Transition Roadmap ("NETR") and New Industrial Master Plan 2030 ("NIMP 2030").



## THE INTERNATIONAL PALM OIL CONGRESS AND EXHIBITION 2023

**7-9 November**

Gas Malaysia participated in the International Palm Oil Congress and Exhibition 2023 ("PIPOC 2023"), organised by the Malaysian Palm Oil Board ("MPOB"). It provided an opportunity to explore the frontiers of sustainability and innovation within the palm oil industry.

By participating in this event, we aimed to gain valuable insights into the latest developments in sustainable palm oil production and it also showcases our commitment in supporting the industry's transition towards greener and more environmentally friendly practices.

## DOCUMENT EXCHANGE BETWEEN GMGV AND JOHOR PLANTATIONS SDN BHD ("JOHOR PLANTATIONS")

**13 November**

A formal document exchange ceremony was conducted between GMGV and Johor Plantations during the Asia Pacific Climate Week 2023 in Johor Bahru. The ceremony was witnessed by YB Tuan Nik Nazmi Nik Ahmad, Minister of Natural Resources, Environment and Climate Change and YAB Datuk Onn Hafiz Ghazi, Menteri Besar of Johor. Under this agreement, GMGV will procure biomethane from Johor Plantations to be injected into Gas Malaysia's NGDS network.



# Corporate Highlights 2023



## MALAYSIAN GAS SYMPOSIUM ("MYGAS 2023")

**16 November**

Our Chairman, YBhg Tan Sri Wan Zulkiflee Wan Ariffin, graced the MYGAS 2023 conference as an invited speaker at the KLCC Convention Centre in Kuala Lumpur. Hosted by the MGA, this event served as a focal point for discussions on pivotal themes, notably the national energy transition and the evolving global gas landscape.



## TABUNG BANTUAN KEMANUSIAAN PALESTINE

**14 November**

The ongoing conflict in Palestine has tragically led to a significant loss of lives, leaving Palestinians in need of essential supplies such as medicine, food and other basic necessities. Recognising the urgent need for help, Gas Malaysia has taken a charitable approach by joining in the donation effort for the Palestinians. Gas Malaysia's GCEO, En. Ahmad Hashimi Abdul Manap, officially presented a donation to Mercy Malaysia. This philanthropic commitment has been ongoing for Gas Malaysia, as the company previously made substantial contributions to the Albukhary Foundation and to Global Peace Mission Malaysia to provide relief to Palestinians in Gaza.



## GAS MALAYSIA STAKEHOLDERS GOLF ENGAGEMENT 2023

**18 November**

Gas Malaysia organised its second annual Stakeholders Golf Engagement 2023 at Sungai Long Golf and Country Club. The event was aimed at fostering mutually beneficial relationships between Gas Malaysia and its key stakeholders. The sporting event was attended by representatives from the Ministry of Economy, the Ministry of Natural Resources, Environment and Climate Change ("NRECC"), the East Coast Economic Region Development Council ("ECERDC"), the Northern Corridor Investment Authority ("NCIA"), the Iskandar Regional Development Authority ("IRDA") and various state investment agencies.

# Corporate Highlights 2023

## WORKING VISIT BY GEELY TECHNOLOGY

**29 November**

Gas Malaysia was honoured to extend a warm welcome to several delegates from Geely Technology during their working visit to our head office. The visit marked an exciting opportunity for both companies to share insights, foster collaboration and explore potential avenues for partnership. The engagement session served as a testament to the importance of cross-industry partnerships in driving potential progress and innovation.



## GCEO ENGAGEMENT WITH MIDDLE MANAGEMENT

**4, 7, 13 December**

We organised several engagement sessions with our middle management group, fostering a dynamic platform for the exchange of invaluable insights, diverse perspectives and innovative ideas. Facilitated by our GCEO, En. Ahmad Hashimi Abdul Manap, these sessions epitomised collaboration and synergy, as they served as conduits for meaningful dialogue and constructive discourse. Through these sessions, he articulated his visionary aspirations, inspiring a collective commitment to organisational excellence and continuous improvement.



## PARTNERSHIP WITH YAYASAN PELAJARAN MARA ("YPM")

**3 December**

Recognising that education plays a significant role in our nation's development, Gas Malaysia has forged a collaborative partnership with YPM to support the education of about 1,000 underprivileged B40 school students via a tuition programme. This initiative aligns with one (1) of Gas Malaysia's CSR pillar, namely, Education. The tuition programme is tailored to empower B40 students in rural areas to succeed academically.

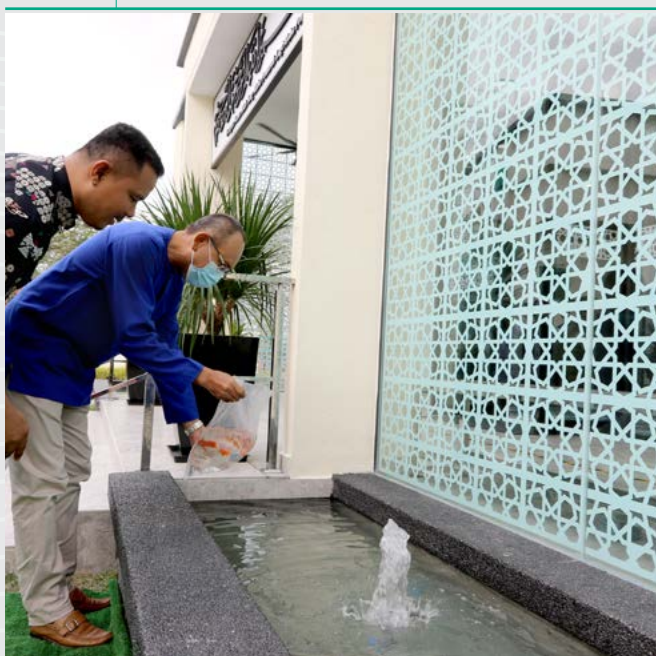


# Corporate Highlights 2023

## ● LAUNCH OF GAS MALAYSIA'S NEW SURAU

**15 December**

We proudly inaugurated a new chapter as an achievement with the unveiling of the new surau at our head office in Shah Alam. The launching ceremony was officiated by GCEO, En. Ahmad Hashimi Abdul Manap. The event further included a Yasin recital ceremony and communal prayer, symbolising the values of unity and peace that Gas Malaysia actively fosters among its employees.



## ● THE GROUNDBREAKING OF AMPANG JAJAR WASTE TRANSFER STATION

**19 December**

Marking our commitment towards sustainable energy solutions, a groundbreaking ceremony was conducted representing the commencement of construction of the Ampang Jajar Waste Transfer Station in Permatang Pauh. The station which is expected to be completed by 2025, will enable Gas Malaysia's wholly owned subsidiary, GMGV, to procure biomethane generated at the facility and inject it into Gas Malaysia's NGDS.

# Message from the Chairman

Charting Paths Towards Greater Progress

“

DEAR VALUED SHAREHOLDERS,

I am honoured to represent the Board in presenting the 2023 Annual Report of Gas Malaysia Berhad (“Gas Malaysia” or “the Group”), covering the period from 1 January to 31 December 2023 (“FYE 2023”). This report highlights our commitment to fostering long-term, sustainable value for our stakeholders.

Throughout 2023, we have demonstrated resilience and continued delivering value, upheld by our dedication to operational excellence, producing world-class reliability, strengthening our core and non-core businesses and improving service excellence to our customers.



TAN SRI WAN ZULKIFLEE BIN WAN ARIFFIN  
Chairman

## OVERVIEW OF 2023

In 2023, the world continued to be impacted by inflationary pressures even as global economies were anticipating a solid recovery in economic growth. The rapid interest rate hikes by the United States of America and other advanced economies to tame inflation slowed global economic growth while geopolitical tensions created further uncertainty.

Domestically, Malaysia's economy experienced a period of high inflation but has remained resilient overall, although some export-oriented industries were impacted given Malaysia's status as a trading nation. According to Bank Negara Malaysia, Gross Domestic Product (“GDP”) expanded by 3.7% in 2023, which was lower than forecasts made earlier. Although GDP growth was slower compared to 2022's performance of 8.7%, the economy continued to be supported by strong domestic demand.

For Gas Malaysia, we experienced some headwinds as demand for gas from the rubber glove sector fell as the global demand for rubber gloves declined in 2023. The Group mitigated this challenge through its flexible pricing mechanism and our commitment to operational and customer service excellence. In addition, government policies such as the National Energy Policy 2022-2040 (“NEP”) and the recently launched National Energy Transition Roadmap (“NETR”), which have indicated the importance of natural gas in transitioning to a low-carbon economy, uplifted industry prospects.



# Message from the Chairman

## SUSTAINING EXCELLENCE, GUIDED BY A NEW STRATEGY

In 2023, we remained committed to expanding access to natural gas through the growth of our Natural Gas Distribution System ("NGDS") pipeline network and marketing initiatives to bring more customers into our fold. We have also strived to ensure our business continues to deliver the level of service that our customers have come to expect, especially in terms of reliability. Taking this a step further, we have also improved our service culture to ensure that customer-centricity always takes centre stage.

As for our other businesses adjacent the gas value chain, we have made further progress by operationalising a cogeneration plant in support of the low-carbon agenda. Our biogas and biomethane business has also progressed well, with the successful commissioning of two (2) key projects that enabled us to inject biomethane into our NGDS.

Most significantly, we have moved forward this year by introducing Gas Malaysia's new strategic plan, GM32, which aims to strengthen our existing business and guide our foray into new business portfolios within the gas value chain. Through five (5) strategic pillars, this plan will catalyse Gas Malaysia to be a vertically integrated gas player with a regional presence and diversified portfolios. The GM32 strategic plan aligns with our four (4) sustainability pillars — advancing environmental sustainability, strengthening business delivery, fostering a people-centric organisation, and enhancing governance and transparency.

We have taken this approach to our business as we recognise that natural gas is set to continue to grow in importance as the nation transitions to a low-carbon economy. While this plays to our core strength, we must future-proof the organisation. This is particularly evident in the context of market liberalisation, which has spurred greater competition and prompted us to look to other avenues of growth to ensure our business remains sustainable.

## CHARTING NEW HEIGHTS IN OUR SUSTAINABILITY JOURNEY

Gas Malaysia is dedicated to integrating sustainable practices across all its operations, aiming to generate a lasting impact and enduring value for our stakeholders. In 2023, Gas Malaysia launched a new Sustainability Framework anchored on four (4) key sustainability pillars and nine (9) strategies. These are further aligned with five (5) key United Nations Sustainable Development Goals ("UNSDGs") and are also aimed at supporting the nation's sustainability agenda and policies.

We also enhanced the Sustainability Governance Structure to ensure that our business operations align seamlessly with our commitments to sustainability. This revised governance structure distinctly defines the responsibilities and duties of the Board and Management, incorporating a more efficient process for disclosures. This refinement in our approach guarantees precise and transparent reporting of our progress in sustainability.

In line with Malaysia's objective of achieving net zero emissions by 2050, Gas Malaysia strives to reach net zero emissions for Scope 1 and 2. We will continue to decarbonise our operations and foster a transition to cleaner energy in alignment with the national agenda and our commitment to a sustainable future.



## ELEVATING CORPORATE GOVERNANCE

Our commitment to corporate governance is founded on integrity and ethical conduct. Our Board of Directors and management team have continually reinforced this commitment, ensuring that our strategies, policies and procedures evolve to meet the demands of a dynamic marketplace. This emphasis on ethical governance is about adhering to standards and about fostering a culture of transparency and accountability across the organisation. A key outcome in this area in 2023 was the Group receiving the ISO 37001:2016 Anti-Bribery Management Systems certification, which brings closure to an effort that began in 2022 and underscores our commitment to maintaining high standards of integrity.

# Message from the Chairman

## EMBEDDING OUR STATEMENT OF PURPOSE INTO OUR STRATEGIC FOCUS

I am pleased to witness how our employees embraced our new Statement of Purpose, Mission Statement and Core Values in 2023. In line with this, we will continue to intensify our engagements with employees to ensure that we are effectively cascading the tenets of our Purpose, which, at its core, is designed to help Gas Malaysia grow.


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*


CORE VALUES

 Professionalism

 Reliability

 Integrity

 Teamwork

 Innovation

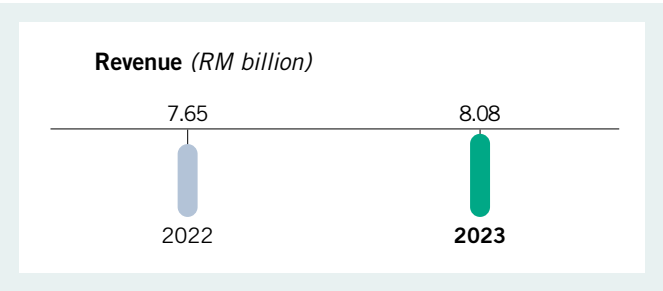
## OUR PEOPLE, OUR GREATEST ASSET

As we adapt to a more competitive and liberalised market, we have proactively prepared our personnel to achieve our goals of strengthening our income streams. Recognising the necessity for new skills to achieve our objectives, we embarked on a comprehensive programme that will advance talent development, succession planning and the recruitment of required talents. We have also developed a Culture Activation framework to further align the workforce with our Purpose and to instil a high-performance culture within Gas Malaysia.

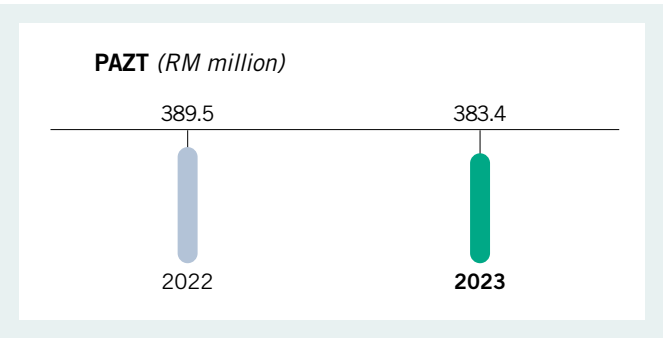


## FINANCIAL HIGHLIGHTS

For the FYE 2023, Gas Malaysia’s revenue reached RM8.08 billion, marking a 6% increase from the RM7.65 billion recorded in the previous year. This rise was achieved despite a decrease in the volume of natural gas sold, primarily due to the elevated average selling price of natural gas in 2023.



Profit after zakat and taxation for the same period was RM383.4 million, a 2% decrease from RM389.5 million in the previous year. This decline was largely due to the reduced volume of natural gas sold, coupled with increased operating and administrative expenses and declined contributions from joint venture companies. However, this was balanced by a rise in finance income during the year.

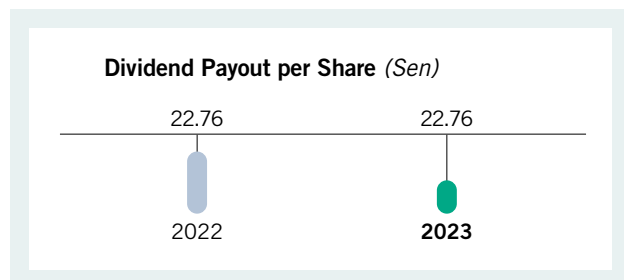




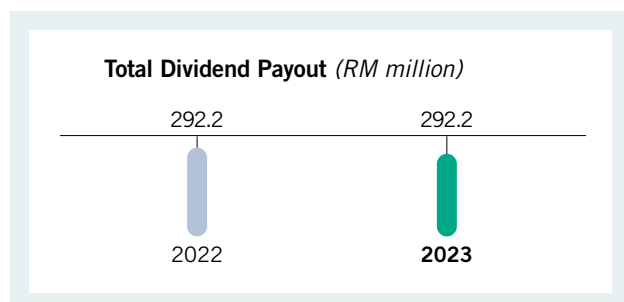
# Message from the Chairman

## DIVIDEND

For FYE 2023, the Board declared the first interim dividend of 5.72 sen per share on 21 August 2023 while the second interim dividend of 8.42 sen per share was declared on 20 February 2024.



Together with the final dividend of 8.62 sen per share declared on 25 March 2024, the total dividend per share for FYE 2023 amounted to 22.76 sen which is equivalent to a payout of RM292.2 million.



## AWARDS & RECOGNITION

Due to our consistently solid financial and operational performance, Gas Malaysia was honoured with multiple awards during the year. We received the Silver Award for Employer of Choice in the Private Sector from the Malaysian Institute of Human Resource Management, showcasing our excellence in human resources practices. Additionally, we were recognised at The BrandLaureate BestBrands Awards 2022-2023 as the Nation's Best in Energy Solutions, reflecting our commitment to innovative energy practices.

At The Edge Billion Ringgit Club Corporate Awards 2023, Gas Malaysia was conferred the Highest Return on Equity Over Three Years award for five (5) consecutive years, demonstrating our sustained financial robustness. This prestigious accolade underscores our company's exceptional ability to generate profits from its equity base, reflecting the efficiency and effectiveness of our management's strategies in navigating the complexities of the energy market. Furthermore, we were also acknowledged with the Highest Growth in Profit After Tax Over Three Years award, highlighting our significant financial growth and stability. This recognition showcases our relentless pursuit of excellence and innovation in operations. It affirms our commitment to delivering superior value to our stakeholders.

## ENVISIONING THE FUTURE

Malaysia's economy is expected to expand between 4 to 5% in 2024. The Group remains cautiously optimistic, aware of headwinds such as ongoing inflationary pressures and slower global economic growth. In navigating the market in 2024, we will continue to focus on securing new customers, maintaining operational excellence and delivering excellent service to our existing customers by introducing new customer-centric initiatives. In addition, the sustained expansion of our NGDS network and the solid foundation of our core business will help us drive the growth of our non-core businesses.

Regarding the regulatory environment, the industry has completed the first year of the Regulatory Period 2 ("RP2"). RP2 will be in force from 2023 to 2025 and only applies to the distribution side of the business. This year, Gas Malaysia will continue the expansion of the NGDS in areas such as PROTON City, Tanjung Malim. We look forward to its completion as it is one (1) of our longest expansion projects, spanning over 60 kilometres in total, and is aimed at helping to jumpstart the automotive industry at the Automotive High-Tech Valley.

Subsequently, our focus will remain on harnessing the opportunities we have outlined in our GM32 strategy to deliver value for our stakeholders. Given the importance of gas in Malaysia's transition journey, we are relatively optimistic about our prospects for the future. We will fully support the government's agenda as outlined in the NETR and the National Energy Policy 2022-2040. As highlighted in the NETR, gas is expected to contribute to 56% of the energy mix. In this context, we have made our intention to contribute to the growth of gas over the long term very clear, following our recent announcement to expand the NGDS by an additional 800 kilometres within the next five (5) years (from 2024 to 2028).

## ACKNOWLEDGEMENTS

I want to show my appreciation for the unwavering support of our shareholders, customers, regulatory entities, government agencies, authorities, financiers, service providers and the wider business community. My gratitude extends to my fellow directors for their invaluable insights and guidance, which have been instrumental in elevating our organisation.

I would also like to sincerely thank the two (2) Board members who have stepped down, YBhg Datuk Puteh Rukiah binti Abdul Majid and Mr. Tan Lye Chong. Their contributions and insights from the inception of our journey have been invaluable. In addition, I extend a warm welcome to Madam Chow Mei Mei, who has just joined the Board.

Special appreciation is due to Gas Malaysia's management team, led by Group Chief Executive Officer Ahmad Hashimi bin Abdul Manap and his dedicated team, for their commitment and resilience in achieving our objectives and ambitions. As we venture forth to embrace new opportunities and stay resilient, I earnestly request all our stakeholders to continue to lend us their unwavering support as we propel forward to achieve our GM32 business ambitions.

Thank you.

**Wan Zul**  
Chairman

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

*Accelerating Growth,  
Creating Positive Value*

“

DEAR VALUED SHAREHOLDERS,

The year 2023 began positively in anticipation of a robust economic recovery as the world moved on entirely from the pandemic. Domestically, Malaysia's economic growth was moderate as a result of softer demand for exports. While this impacted demand for gas to some extent, the higher average price of natural gas in 2023, due to the volatility in the oil market from the ongoing geopolitical tensions in Ukraine and the Middle East, mitigated it.



AHMAD HASHIMI BIN ABDUL MANAP  
Group Chief Executive Officer

In marking our 31<sup>st</sup> year in business, we have remained dedicated to driving our business performance and ensuring that we can continue to produce long-term value for our stakeholders. We introduced a new business strategy to bring us to the subsequent growth and business sustainability levels. With pride, I present the Group's efforts to sustain its performance, navigate challenges and deliver returns to our stakeholders.



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

## FINANCIAL HIGHLIGHTS

### ▶ Revenue

Gas Malaysia's revenue rose to RM8.08 billion in 2023, a 6% increase from the RM7.65 billion recorded in 2022. The growth was mainly driven by the higher average natural gas selling price mitigated by lower volume of natural gas sold during the year.

### ▶ Cost and Expenses

Total costs and expenses for the Group increased by 7% in 2023, reaching RM7.58 billion, up from RM7.11 billion in 2022. This was primarily due to the rise in gas costs, which accounted for about 96% of total expenses, in line with higher average natural gas purchase price. Further increase was from additional expenses including depreciation and amortisation, predominantly associated with the NGDS, alongside human capital and maintenance costs to keep the NGDS performance optimal.

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

EBITZDA saw a decrease to RM603.4 million in 2023, a drop from RM636.9 million recorded the previous year. This decline was primarily due to a lower gross profit and higher administrative expenses. The reduced gross profit was in line with an increase in operating expenses.

### ▶ Finance Costs

The Group incurred finance costs of RM11.1 million in 2023, attributed to Islamic Medium-Term Notes ("IMTN") and Islamic Commercial Papers ("ICP"). These instruments were primarily used for financing capital expenditure projects.

### ▶ Taxation

For the FYE 2023, the Group's tax expenses totalled RM131.7 million, lower than RM153.7 million in 2022. This decrease was in line with a lower pre-tax profit for the year and the impact of the Cukai Makmur in 2022.

### ▶ Profit After Zakat and Tax ("PAZT")

The Group's PAZT declined slightly to RM383.4 million in 2023, compared to RM389.5 million in 2022. This decrease aligned with the lower EBITZDA recorded for the year, partially offset by higher finance income and reduced taxation.

### ▶ Gearing Ratio

The gross gearing ratio rose to 20%, compared to 16% in the previous year, due to net issuance of RM89 million from the Sukuk programme to partly finance capital expenditure projects, in line with the Group's ongoing commitment to expand the NGDS network.

### ▶ Capital Expenditure

Capital expenditure for the year was RM218.9 million, primarily for construction projects to expand the NGDS network and various non-NGDS projects. NGDS projects were specifically focused on constructing gas pipelines and metering stations, while non-NGDS projects included purchasing gas and office equipment, digitalisation efforts and motor vehicles.

### ▶ Future Commitment

In the next 12 months of Regulatory Period 2 ("RP2") in 2024, the Group has committed to a future financial outlay of approximately RM358.3 million. This investment will be channelled into developing the Group's NGDS network with a planned expansion of 110 kilometres of NGDS pipelines and for other non-NGDS activities.

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



## BUSINESS PERFORMANCE REVIEW

In the year under review, we have steadfastly pursued our business priorities. We capitalised on our competitive edge to foster and deliver genuine value, consistently placing our resources and customers at the core of our operations through our wholly-owned subsidiaries, Gas Malaysia Distribution Sdn Bhd (“GMD”) and Gas Malaysia Energy and Services Sdn Bhd (“GMES”).

Through GMD, we focused on expanding the NGDS, prioritising operational excellence and advancing digitalisation initiatives to improve efficiency. With GMES, we explored new avenues to enhance the customer experience and increase efficiency. As a result of our strategic marketing efforts in 2023, we continued to enlarge our industrial customer base, which comprises most of our customers. Through our subsidiary, Gas Malaysia Retail Services Sdn Bhd (“GMRS”), we commissioned the new connection to the nucleus of Kuala Lumpur’s new international financial district, Tun Razak Exchange, in Kuala Lumpur. GMRS also further enhanced its mobile application to better serve our residential and commercial customers.

As for our non-core businesses, both Gas Malaysia Energy Advance Sdn Bhd (“GMEA”) and Gas Malaysia Synergy Drive Sdn Bhd (“GMSD”) have continued to advance our cogeneration business. Additionally, to meet our long-term business objectives, Gas Malaysia Virtual Pipeline Sdn Bhd (“GMVP”) has been renamed as Gas Malaysia Green Ventures Sdn Bhd (“GMGV”) to oversee the biomethane business.

## GAS MALAYSIA DISTRIBUTION SDN BHD

Gas Malaysia Distribution Sdn Bhd (“GMD”), our wholly-owned subsidiary, holds a distribution licence from Suruhanjaya Tenaga, enabling us to develop, own, operate and maintain the NGDS for the secure and dependable delivery of gas to consumers.

### Network Expansion

We continued to expand the NGDS in 2023, growing it to 2,839 kilometres compared to 2,786 kilometres in 2022 and commissioning 42 new stations.

Driven by our commitment to enhance NGDS accessibility, we commenced the construction of over 60 kilometres NGDS network in November 2023 aimed at providing natural gas to PROTON City. This project is designed to serve PROTON City and foster socio-economic growth in Tanjung Malim, positioning it as Malaysia’s Automotive High-Tech Valley.

During the year under review, several shippers have expressed a keen interest to utilise the NGDS. We anticipate these potential shippers to commence the utilisation of the NGDS in 2024.

### Elevating Operational Excellence and Operational Risk Management

For the year under review, we continued enhancing operational excellence and managing risks by implementing innovative strategies, optimising processes, and fostering a culture of continuous improvement. We focused on improving efficiency, ensuring employee safety, and maintaining a reliable gas supply across various sectors. Our dedication to managing the NGDS network led to maintaining approximately 99% gas supply reliability, with Internal Gas Consumption levels remaining commendably low.



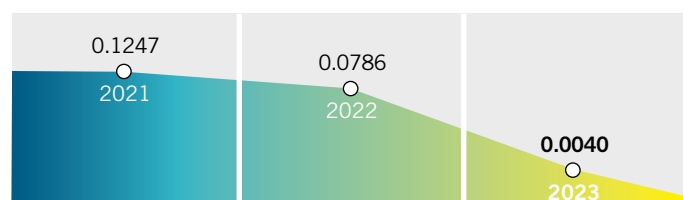
# Message from the Group Chief Executive Officer: Management Discussion & Analysis

Moreover, we notably reduced the System Average Interruption Duration Index (“SAIDI”) from 0.0786 in 2022 to 0.0040 in 2023, indicating enhanced network reliability and responsiveness to disruptions. Our proactive approach to operational risk management, through regular inspections and preventive maintenance, played a crucial role in minimising disruptions and maintaining service quality. In addition, our emergency response team excelled in minimising operational disruptions, with an average response time of 23.87 minutes in 2023, an improvement from the 25.78 minutes recorded in 2022 and well below the targeted time of 90 minutes.

## PERFORMANCE INDICATORS

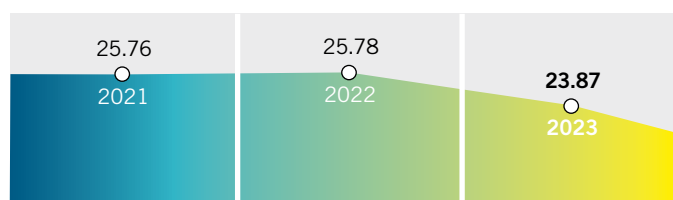
### SAIDI

(Average Minutes of Interruption per Customer)



### Response Time

(Average Minutes Taken to Dispatch Response Team)



We also focused on managing the expanded NGDS network and increasing the number of assets, ensuring systematic risk management. This involved diligent daily inspections, systematic troubleshooting and a dedicated on-call emergency response team across all operating offices. Our meticulous approach enhanced performance levels and effectively mitigated incremental risk exposure.

### MAJOR DIGITALISATION INITIATIVES IN 2023

We have implemented an Automated Meter Reading (“AMR”) system that replaces traditional manual meter reading by capturing and transmitting data in real-time for billing and monitoring purposes.

We have continued to improve our service quality through the adoption of a Project Management System (“PMS”). The PMS enhances our project management capabilities with features such as project portfolio management, scheduling, risk analysis and resource management, which are specifically used for monitoring and reporting on NGDS projects.

We have implemented a Business Intelligence (“BI”) system designed to collect, integrate, analyse and present business information. By leveraging on data-driven insights, we can make informed decisions to optimise performance and stimulate growth.

We are currently piloting a Smart Camera system to enhance our safety and operations. This system allows for real-time monitoring to quickly identify areas that need improvement, significantly enhancing our safety and operational standards.

We have implemented several cybersecurity initiatives to strengthen our defences and uphold the security of our digital infrastructure against emerging threats.

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

## GAS MALAYSIA ENERGY AND SERVICES SDN BHD

Gas Malaysia Energy and Services Sdn Bhd (“GMES”), a wholly-owned subsidiary of Gas Malaysia, is licensed to ship and import Liquefied Natural Gas (“LNG”). The principal role of GMES is to source gas from various suppliers and ensure its delivery meets the specific needs of our customers.

### Enhancing Service Excellence

In 2023, GMES marked a significant year in business growth and customer relations. The company successfully expanded its industrial client base by securing 38 new customers, showcasing its ability to attract and engage with new segments in the market. The Group now has a total customer base of 24,881, of which 11,674 are natural gas users, and 13,207 are Liquefied Petroleum Gas (“LPG”) users. This achievement highlights GMES's strong market presence and commitment to growth.

#### NUMBER OF CUSTOMERS REPRESENTING THE GROUP (AS OF 31 DECEMBER 2023)

NATURAL GAS (“GMES”)	LPG (“GMRS”)	SECTOR TOTAL
Industrial		
<b>1,042</b>	<b>0</b>	<b>1,042</b>
Commercial		
<b>879</b>	<b>1,113</b>	<b>1,992</b>
Residential		
<b>9,743</b>	<b>12,094</b>	<b>21,847</b>
<b>TOTAL</b>		
<b>11,674</b>	<b>13,207</b>	<b>24,881</b>

#### GAS VOLUME SALES BY CUSTOMER SEGMENT

In terms of volume, the industrial sector continued to be the most significant growth driver for the group, accounting for over 99% of total gas volume sales.

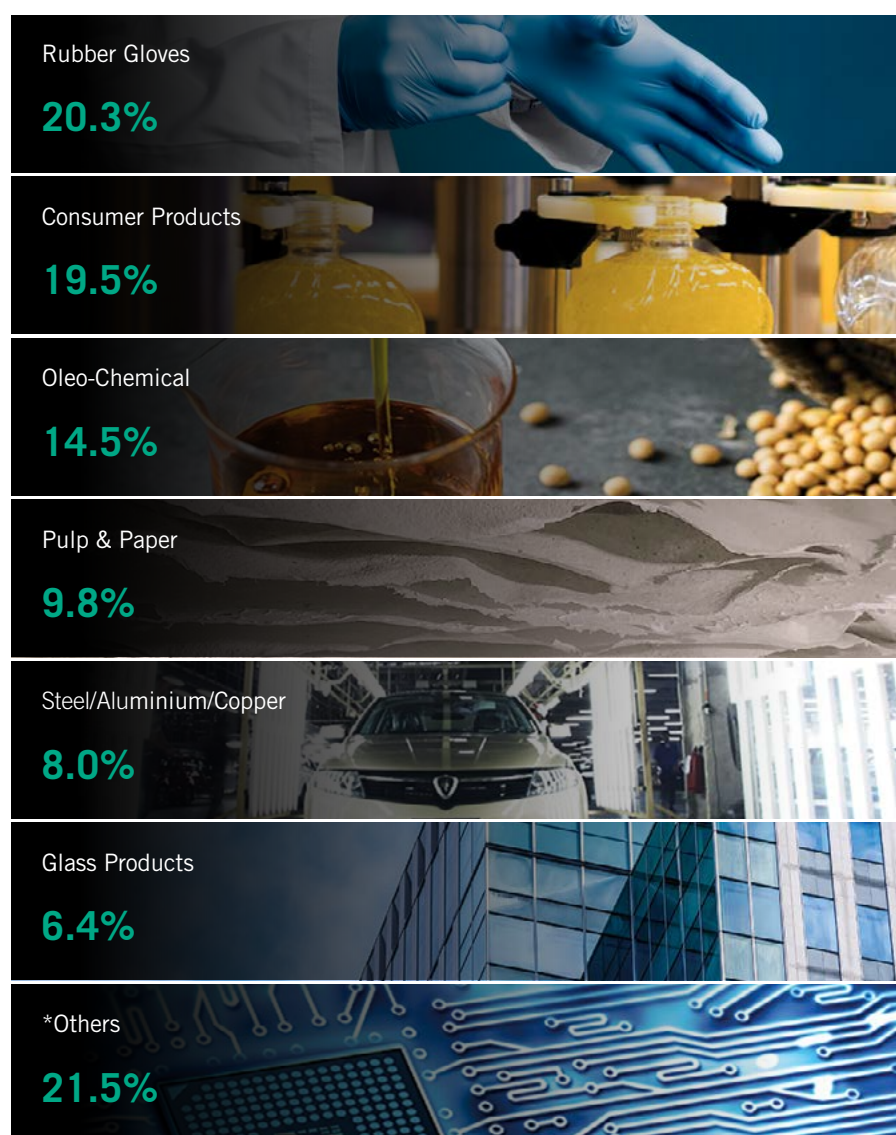
NATURAL GAS (“GMES”)	LPG (“GMRS”)	SECTOR TOTAL
Industrial		
<b>147,714,782</b>	<b>0</b>	<b>147,714,782</b>
Commercial		
<b>909,413</b>	<b>241,667</b>	<b>1,171,080</b>
Residential		
<b>20,745</b>	<b>22,137</b>	<b>42,882</b>
<b>TOTAL</b>		
<b>148,664,940 GJ</b>	<b>263,804 GJ</b>	<b>148,928,744 GJ</b>



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

The largest proportion of our customers, about 49%, are located in the central region, specifically in Selangor and Wilayah Persekutuan. Following this, 25% of our customer base resides in the southern region, encompassing Johor, Melaka and Negeri Sembilan. The northern states, including Penang, Kedah and Perlis, comprise 22% of our clientele. The remaining 4% are in the eastern region, particularly Pahang and Terengganu.

Regarding gas volume sold, the rubber gloves sector led the way, accounting for 20% followed by consumer products and the oleo-chemical industries. These figures highlight the significant role of the rubber gloves industry in the company's gas distribution network.



\* Including Automotive, Ceramics, Electrical & Electronics, Machinery & Equipment, Paper Products, Printing & Publishing, Plastic, Textiles, etc.

## Our Success in Customer Service

In 2023, GMES focused on enhancing customer relations and ensuring competitive pricing. Regular interactions with key customers allowed GMES to address any significant issues related to natural gas supply while strengthening trust and efficiency.

A critical factor in this success was implementing a tailored customer engagement strategy. GMES appointed dedicated account managers for each client, ensuring personalised service. This approach strengthened relationships with existing clients and played a crucial role in attracting new ones. The account managers focused on understanding each customer's unique needs, enabling GMES to offer customised solutions and foster stronger, long-lasting business relationships.

Additionally, GMES conducted assessments of its pricing to maintain competitiveness in the market. Establishing a market intelligence unit provided deeper insights into industry trends, aiding strategic decision-making.

We were also committed to continuously improving our services, particularly in technical support and e-services, such as automated meter reading, to enhance the overall customer experience. We have also upgraded our sales force platform to consolidate reports for our clients more effectively.

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

## PRIORITISING THE LOW-CARBON AGENDA

Amid escalating concerns about climate change, renewable energy has become essential for reducing carbon emissions, aligning with Malaysia's Renewable Energy Roadmap ("MyRER") and the country's goals of attaining 31% renewable energy capacity by 2025 and 40% by 2035.

Gas Malaysia has actively pursued opportunities within the gas industry's value chain to support this low-carbon objective. The Group's initiatives have led to the development of businesses in cogeneration plants, biogas, biomethane production and virtual pipelines for delivering compressed natural gas to remote areas, all contributing to cleaner energy sources.

### COGENERATION PLANTS



Gas Malaysia continues to expand its Combined Heat and Power ("CHP") portfolio, enhancing our role as a provider of innovative energy solutions. Also known as cogeneration, this process involves simultaneously generating electricity and usable heat from natural gas combustion, leading to improved system efficiency. We own cogeneration plants in the Northern and Central regions through GMEA.

In December 2023, GMEA commenced operations of a gas turbine cogeneration plant for Fatty Chemical (Malaysia) Sdn Bhd in the Prai Industrial Area, Penang. With a capacity to

generate 6.7 MW of electricity and 35 tph of steam, the plant is expected to reduce carbon dioxide emissions significantly.

In addition, operations for a cogeneration plant for Sime Darby Plantation Berhad in Selangor, constructed by GMSD, started in February 2023. This plant generates 2.3 MW of electricity and 20 tph of steam, contributing to a notable reduction in carbon dioxide emissions.



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

## GREEN VENTURES



Amid escalating concerns regarding climate change, the imperative for renewable energy sources and sustainability has become increasingly apparent as a key component in the energy mix playing a crucial role in reducing carbon emissions. In reflection of our efforts, our wholly-owned subsidiary GMGV, has successfully commissioned two (2) Biomethane Entry Stations off-taking biomethane from Coronation and Sedenak plant with a total volume of 47,000 MMBtu injected into our NGDS in 2023.

We are also actively exploring the upgrading of scrubbed biogas derived from Palm Oil Mill Effluent (“POME”) and organic waste into biomethane. This initiative marks a significant step towards enhancing our portfolio and commitment towards sustainable practices. As we surge forward, we anticipate increased participation in achieving

net zero emissions by the mills and landfill owners to supply either the scrubbed biogas or biomethane.

In our virtual pipeline business segment, we continued to focus on the transportation of compressed biomethane sourced from biogas plants situated at palm oil mills and landfills. This transportation serves a dual purpose: firstly, to facilitate the injection of biomethane into our centralised injection station for integration into the NGDS, and secondly, to directly transport and supply biomethane to our customers’ business premises. This dual-pronged approach shows our commitment to sustainability by harnessing biomethane as a renewable energy source to help mitigate greenhouse gas emissions and promote the efficient utilisation of organic waste resources.

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

## NURTURING AND SAFEGUARDING OUR EMPLOYEES

### EMPLOYEES

We are dedicated to fostering a sustainable and long-lasting business. Our future success is grounded in our commitment to developing and utilising our talent pool. This focus is key to ensuring the continued growth and sustainability of both our existing and new business ventures.

In 2023, Gas Malaysia emphasised enhancing employee skills through continuous learning programmes, focusing on capability and leadership development to meet the industry and new business demands. Talent development programmes and succession planning initiatives are central to our human resource strategy. We invest in comprehensive development programmes to enhance the skills and capabilities of our team, preparing them for future leadership roles. This approach fosters a culture of continuous learning. It ensures a seamless transition in leadership, vital for the company's long-term success.

Emphasising the building of human capabilities, Gas Malaysia has implemented robust Human Resources ("HR") policies designed to nurture and develop our workforce. These policies create an environment where employees can thrive, innovate and align with our business objectives.

We focus on offering competitive remuneration packages to retain our skilled workforce and continuously foster a supportive work environment. We also understand the importance of acknowledging and rewarding our team's hard work and dedication, which drives their commitment, productivity and loyalty to the company.

### HEALTH, SAFETY AND ENVIRONMENT ("HSE")

At Gas Malaysia, ensuring a safe and positive work environment for our employees is essential. The lessons learned over the past two (2) years have underscored the significance of our team's health and safety. The overall well-being of our staff is a cornerstone for our business' continuous growth and success.

In 2023, Gas Malaysia achieved zero Lost-Time Injuries ("LTI") across 1,750,121 million man-hours, highlighting the company's focus on the welfare of both employees and non-employees alike. Gas Malaysia Mission ZERO was launched to reinforce this commitment, emphasising safety and environmental stewardship through robust protocols, training and stakeholder engagement.

Gas Malaysia also engaged with relevant authorities, ensuring compliance and transparency. This included strategic engagements and visits to the Department of Occupational Safety and Health ("DOSH") across various regions. Internally, Gas Malaysia conducted numerous HSE inspections, audits and comprehensive HSE training programmes to enhance awareness and preparedness for emergencies.

Furthermore, Gas Malaysia maintained its accreditation in key international management system standards, encompassing quality, environmental, occupational health and safety, and information security. Collectively, these efforts underscore the company's dedication to creating a safe, healthy and compliant working environment.

### UPHOLDING GOOD GOVERNANCE AND INTEGRITY PRACTICES

*Back in 2022,  
Gas Malaysia  
embarked  
on being ISO  
37001:2016  
Anti-Bribery  
Management  
Systems  
certified.*

Following the completion of the requisite audits, I am pleased to share that we received the certification from SIRIM QAS International Sdn Bhd in July 2023. This prestigious certification was conferred upon Gas Malaysia Berhad and extends to our subsidiaries: Gas Malaysia Distribution Sdn Bhd, Gas Malaysia Energy and Services Sdn Bhd, and Gas Malaysia Retail Services Sdn Bhd. This collective achievement exemplifies our commitment to maintaining high standards of integrity and ethical conduct across our entire corporate family.

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



## OUTLOOK AND PROSPECTS

At Gas Malaysia, we recognise the importance of natural gas as a fuel for the energy transition. More importantly, according to the National Energy Transition Roadmap (“NETR”), natural gas is set to constitute up to 56% of the energy mix by 2050, from 43%. Against this backdrop, the long-term prospects for Gas Malaysia remain positive, and we are well-positioned to continue growing our core business to meet the needs of Malaysia’s economy.

To demonstrate our commitment to supporting Malaysia’s needs, we recently announced plans to expand our NGDS network to 4,000 kilometres by 2030, backed by a substantial increase in capital expenditure. Over the next five (5) years, we plan to construct 800 kilometres of pipelines, with an investment of RM1.2 to RM1.4 billion. In 2024, GMD has outlined plans to build an additional 110 kilometres of the NGDS network. This expansion will further our strategic growth and service provision, primarily focusing on several regions, including Tanjung Malim in Perak, Chembong in Negeri Sembilan, Rasa in Selangor, and Tangkak in Johor.

In addition, we will continue to adopt a customer-centric approach as competition increases under a liberalised market. Gas Malaysia aims to satisfy, attract and retain customers by offering value-added customised services and a dynamic pricing strategy, solidifying its position as the preferred energy partner.

In strengthening our market presence in CHP, we seek strategic collaborations with industrial park developers to be industries’ main power solution provider. We aim to position ourselves as the energy efficient solution provider for industries. As for our biomethane business, we actively partnered with palm oil millers, landfill owners and municipal waste operators. This will allow us to explore the synergies between palm oil production residues and biomethane generation.

Additionally, the ongoing shift prompted by the energy transition, coupled with the increasing demand for clean energy and green certified products, creates numerous business opportunities for us. By adopting this forward-looking approach, we plan to play a pivotal role in the evolving energy landscape and reinforce our dedication to providing reliable and innovative energy solutions.

The initiatives above are all encapsulated within the GM32 strategy, which aims to extend the business’ longevity and set us down a more sustainable path. Backed by over 30 years of experience, we will further strengthen our core and non-core business and leverage it to push into new businesses along the gas value chain.

Finally, as part of our commitment to sustainable practices in our operations, Gas Malaysia is also pioneering a pilot project to integrate electric vehicles (“EV”) to integrate

them into our operational fleet. This initiative is currently under evaluation for commercial and practical feasibility. Alongside this, we are progressing with the installation of rooftop solar panels at our head office, aiming for completion at the end of 2024.

## ACKNOWLEDGEMENTS

I 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.

In addition, I wish to convey my deepest appreciation for the steadfast support received from our shareholders, customers, regulatory entities, government agencies, authorities, financiers, service providers and the broader corporate community.

I would also like to show my appreciation to our management team and the entire *Warga Kerja* Gas Malaysia for their unstinting support, dedication and spirit of commitment. You have been our source of strength in navigating these challenging times, displaying incredible resilience and adaptability.

To each member of our *Warga Kerja*, your sacrifices over the past year have not gone unnoticed. Your collective efforts have been pivotal to our journey towards a stronger and more competitive Gas Malaysia. As we face future challenges, we do so with the utmost confidence, knowing that together, we can continue to create value for all our stakeholders.

Thank you.

**Ahmad Hashimi bin Abdul Manap**  
*Group Chief Executive Officer*



# Managing Our Risks & Opportunities

Gas Malaysia Berhad (“Gas Malaysia”) and its subsidiaries (“the Group”) 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:

REGULATORY RISK			
▶ RISK	▶ CAUSE(S) OF THE RISK	▶ CONSEQUENCE(S) OF THE RISK	▶ MITIGATION STRATEGIES
<ul style="list-style-type: none"><li>This risk describes the various regulatory risks that can impact the Group’s operations. This includes the potential loss of licences needed to purchase and operate or changes to government or regulatory policies.</li></ul>	<ul style="list-style-type: none"><li>Non-compliance to or breach of licence conditions.</li><li>Changes to the base tariff by Suruhanjaya Tenaga.</li><li>Government intervention in retail gas pricing.</li></ul>	<ul style="list-style-type: none"><li>The loss of our licences would mean the inability to continue business operations, and reputational loss.</li><li>Adverse changes to policies or regulations will negatively impact the profitability of the Group.</li></ul>	<ul style="list-style-type: none"><li>Ensure that the Distribution and Shipping Licence conditions are always met.</li><li>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.</li></ul>

# Managing Our Risks & Opportunities

## OPERATIONAL RISK

### ► RISK

- This describes the risk of workplace accidents that could cause injury, loss of life, damage to property and the environment. This risk is also concerned with the unauthorised entry or access to gas facilities, with an intention to provoke and/or create a state of terror.

### ► CAUSE(S) OF THE RISK

- Not conducting hazard identification, risk assessment and risk control.
- Lack of compliance with health, safety, and environment guidelines and rules.
- Lack of information, awareness, and knowledge.
- Procedures not 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.

### ► CONSEQUENCE(S) OF THE RISK

- Bodily injury or loss of life that can lead to a payout of compensation and medical bills.
- Legal action such as summonses, 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.

### ► MITIGATION STRATEGIES

- Ensure that the approved Hazard Identification, Risk Assessment and Risk Control ("HIRARC")/Job Safety Analysis ("JSA") is available at the site.
- Competent personnel, e.g. SHO/SSS to conduct site safety and toolbox briefing on a 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.

## BUSINESS & STRATEGIC RISK

### ► RISK

- This risk describes the potential loss of key talent and personnel that could impact the Group's business operations.

### ► CAUSE(S) OF THE RISK

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

### ► CONSEQUENCE(S) OF THE RISK

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

### ► MITIGATION STRATEGIES

- Ensuring that the Group's remuneration package is competitive 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.

# Sustainability Statement

Forging a Tomorrow

Sustainable

## ABOUT THIS STATEMENT

**Gas Malaysia Berhad (“Gas Malaysia”) and its subsidiaries (“the Group”) acknowledges that sustainability is a key aspect of our business operations as we seek to produce long-term value for our shareholders.**

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 sustainable development is a global priority, and as a responsible corporation, we strive to operate in an environmentally and socially responsible manner. By sharing the details of our sustainability journey, we aim to foster trust, engagement, and collaboration with our stakeholders.

This statement covers the sustainability goals, strategies, initiatives, and performance of Gas Malaysia for the financial year 2023. We have determined the issues of tremendous significance via our materiality assessment. We recognise that sustainability is an ongoing journey and are committed to continuously improving our environmental, economic, social, and governance performance. We remain dedicated to operating responsibly, minimising our impact, and contributing to a sustainable future.


## OUR SUSTAINABILITY PILLARS

In our unwavering commitment to sustainability, Gas Malaysia has outlined four (4) key pillars that shape our strategic approach.

- Advancing environmental sustainability
- Strengthening business delivery
- Creating a people-centric organisation
- Enhancing governance & transparency


### ADVANCING ENVIRONMENTAL SUSTAINABILITY

Our first pillar centres on advancing environmental sustainability, placing a strong emphasis on decarbonising our operations. By transitioning to renewable energy sources and refining our processes, we aim to reduce our carbon footprint. We also proactively support the transition to cleaner energies, such as solar. Furthermore, maintaining operational excellence in asset management remains a priority, ensuring efficient and sustainable resource utilisation.

 Please refer to pages 55 to 60


### STRENGTHENING BUSINESS DELIVERY

Our second pillar underscores the significance of strengthening business delivery. We view investments in gas-related infrastructures and new businesses as essential steps to broaden our market presence and provide sustainable energy solutions. Infrastructure development and the introduction of innovative distribution methods are pivotal to enhancing customers' accessibility to natural gas and new energies.

 Please refer to pages 62 to 69

### CREATING A PEOPLE-CENTRIC ORGANISATION

Central to Gas Malaysia's strategy is the third pillar, focusing on creating a people-centric organisation. We prioritise fostering a safe, healthy, inclusive, and productive workplace culture to ensure the well-being of our employees and drive performance. Additionally, we place a strong emphasis on upskilling and advancing our employees' capabilities through comprehensive training and development initiatives, underscoring our commitment to continuous learning and growth.

 Please refer to page 62

### ENHANCING GOVERNANCE & TRANSPARENCY

Lastly, our fourth pillar centres on enhancing governance and transparency. We recognise the critical importance of upholding high ethical standards and maintaining a zero-tolerance policy towards corruption. To this end, we have implemented robust anti-bribery and anti-corruption measures to ensure fair and transparent business practices. Furthermore, we drive quality improvements that ultimately benefit consumers, contributing to a dynamic and thriving market ecosystem.

 Please refer to pages 70 to 74



# Sustainability Statement

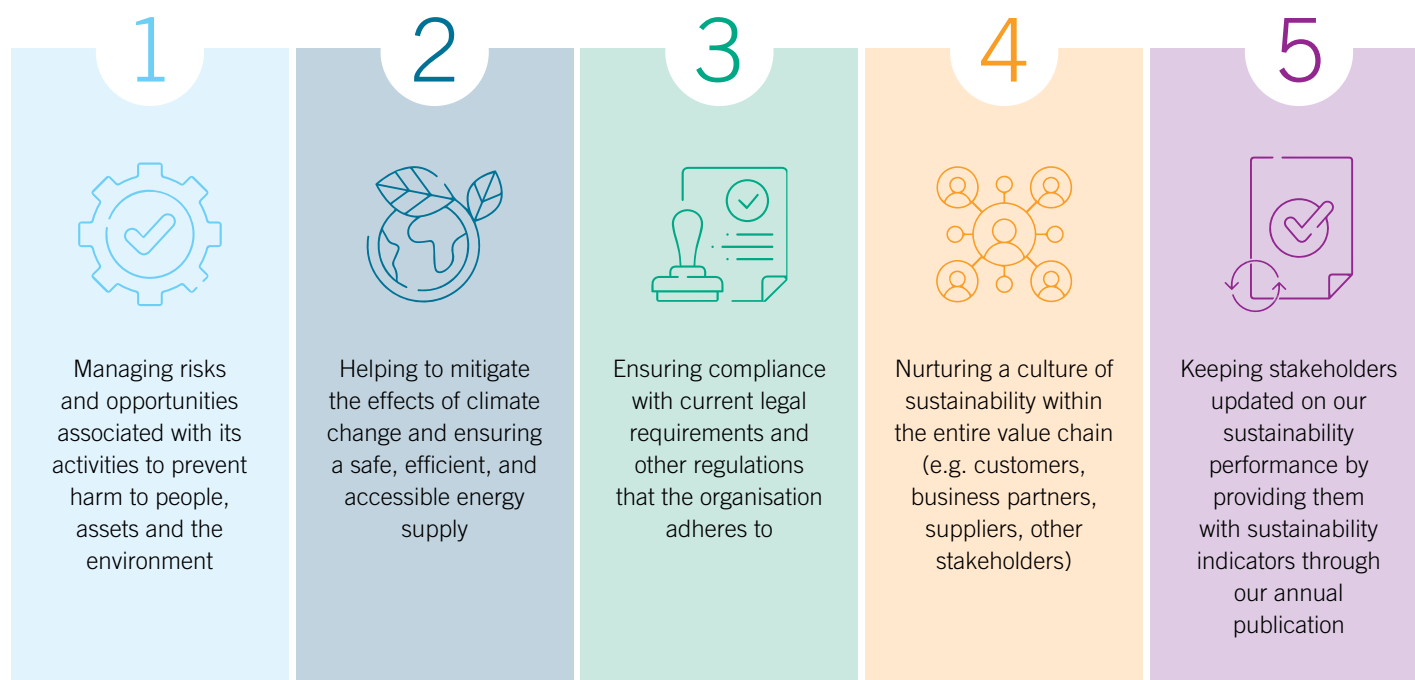
## OUR ASPIRATIONS

Our business practices are designed to create sustainable, long-term value throughout our value chain through ethical, responsible, and transparent business conduct. In doing so, we aim to drive the transition towards a low-carbon future while ensuring energy security and meeting global energy demands.

## 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 greenhouse gas ("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:



## APPROVAL BY THE BOARD

To ensure the integrity of this statement as well as fair and balanced disclosures of matters deemed material, the Board Risk & Compliance Committee ("BRCC") reviewed and recommended this report to the Board of Directors for approval.

## REPORTING FRAMEWORKS AND STANDARDS

This statement is guided by Bursa Malaysia's Sustainability Reporting Guide (3<sup>rd</sup> Edition) and the Global Reporting Initiative ("GRI") Framework to aid us in meeting our commitment of creating a more sustainable and resilient organisation.

## SCOPE & BOUNDARY

In preparing this statement, we have aligned our reporting with Bursa Malaysia's Sustainability Reporting Guide (3<sup>rd</sup> Edition). This statement covers our sustainability-related activities for the period 1 January 2023 to 31 December 2023 for the Group.

# Sustainability Statement

## STATEMENT OF ASSURANCE

### Assurance Undertaken

In strengthening the credibility of the Sustainability Statement, selected aspects of this Sustainability Statement have been subjected to an internal review by the company's internal auditors. The company's Internal Audit Department ("IAD") has provided the assurance and validations of the data across the company on those sections as per below and prepared in compliance with the reporting criteria.

### Subject Matter

The subject matters covered by the internal review only include 2023 data on selected indicators under the following sections:

#### SOCIAL SECTION

- Complaints concerning human rights
- Percentage of employees by gender and management level
- Training hours by employee category
- Health and safety performance
- Lost Time Incident Rate ("LTIR")
- Number of staff that attended safety and health training
- Corporate Social Responsibility ("CSR")
- Training, development and upskilling programmes
- Number of new hires by employee category
- Number of employee turnover by employee category
- Breakdown of permanent and contract staff
- Initiatives/programmes under safety and health

#### GOVERNANCE SECTION

- Policies and framework to manage anti-bribery and anti-corruption
- Initiatives to manage anti-bribery and anti-corruption
- Percentage of operations assessed for corruption-related risks
- Number of confirmed incidents of corruption
- Percentage of employees trained in anti-bribery and anti-corruption policies and procedures
- Percentage of employees informed on anti-bribery and anti-corruption policies and procedures

## SUSTAINABILITY GOVERNANCE

To effectively drive Gas Malaysia's sustainability agenda right from the top, we have enhanced our Sustainability Governance Structure to ensure that all business activities are conducted in line with our sustainability commitments. Cultivating a top-down approach focused on accountability, the framework not only defines the roles and responsibilities of the Board and Management, but also the disclosure process which enables us to accurately report on our progress.

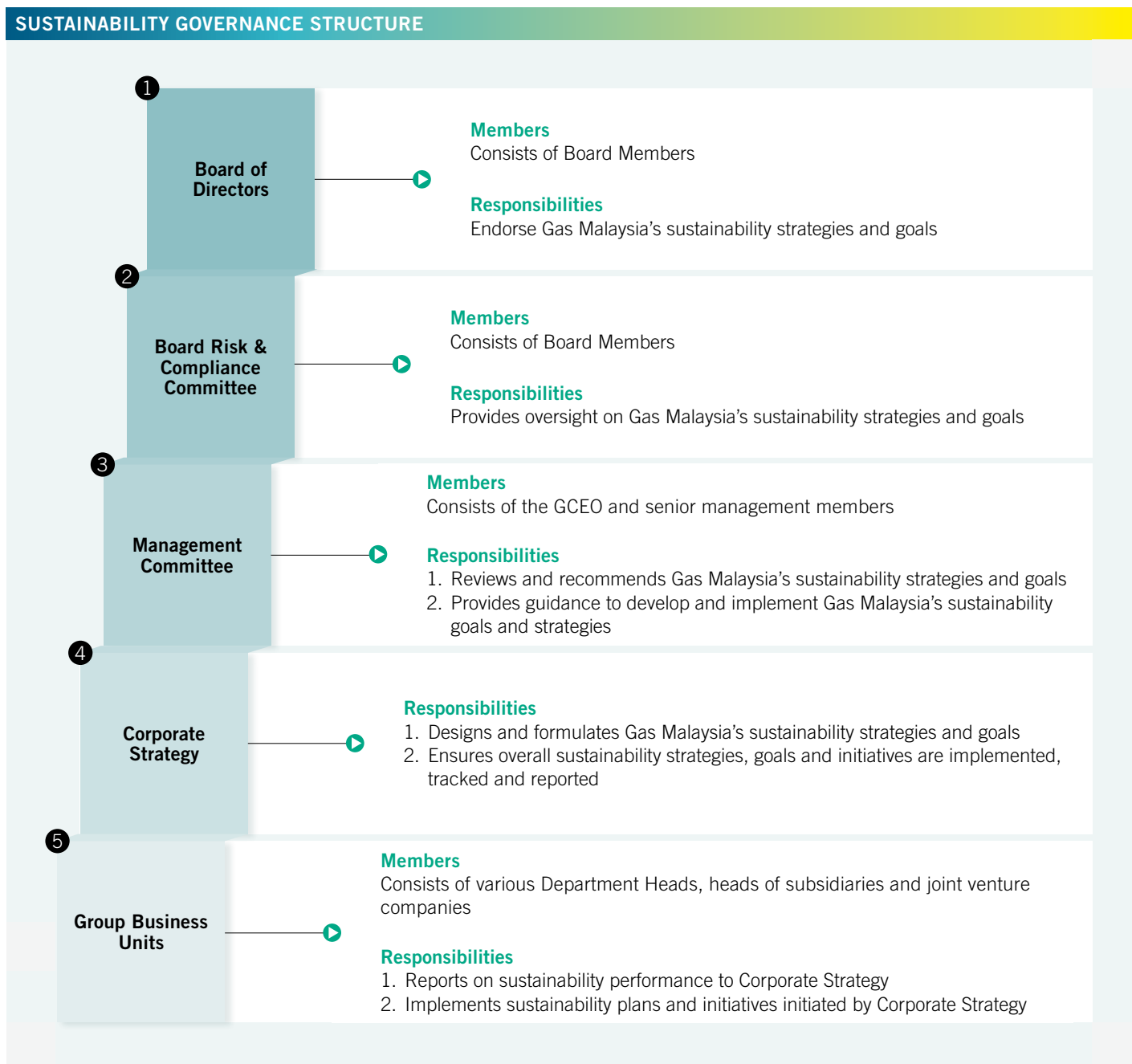
Gas Malaysia's sustainability governance structure empowers the Board of Directors ("the Board") with the responsibility of endorsing Gas Malaysia's sustainability strategies and goals while also empowering the Board Risk & Compliance Committee ("BRCC") with the responsibility of providing oversight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

Below the RCC, is the Management Committee ("MC"), comprising the Group Chief Executive Officer ("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 support of the MC, the Corporate Strategy Department is responsible for designing and formulating Gas Malaysia's sustainability strategies and goals and ensuring the company's sustainability progress is tracked and updated periodically.

With clear direction and strong leadership, we can execute sustainability initiatives and integrate sustainability considerations into our businesses. This includes establishing goals and strategies, as well as communicating key messages about our sustainability efforts through a top-down approach.

# Sustainability Statement



## STAKEHOLDER MANAGEMENT

We actively and consistently engage with our stakeholders across eight (8) different groups, with varied concerns and interests, and influence and impact over the Group. Meaningful and transparent engagement with our stakeholders is crucial for building trust, fostering collaboration, and driving positive change. We gain valuable insights, diverse perspectives, and a deeper understanding of their needs and expectations by engaging with our stakeholders. This enables us to align our strategies, initiatives, and decision-making processes with the interests of our stakeholders, ultimately contributing to long-term value creation and sustainable development.



# Sustainability Statement

## STAKEHOLDER MANAGEMENT

Regulatory Bodies & Government Agencies	<p><b>Method &amp; Frequency of Engagement</b></p> <p><u><b>Engagement Method</b></u></p> <ul style="list-style-type: none"> <li>Engagements and Dialogue Sessions</li> <li>Reporting and Consultation on Regulatory or Industry Related Matters</li> <li>Formal Meetings</li> <li>Familiarisation Visits</li> </ul> <p><u><b>Engagement Frequency</b></u></p> <ul style="list-style-type: none"> <li>Regular &amp; Ad-hoc</li> </ul>	<p><b>Expectations &amp; Concerns</b></p> <p>Regulatory bodies such as Suruhanjaya Tenaga and the Economic Planning Unit expect the Group to comply with the relevant laws and regulations.</p> <p><b>Our Response</b></p> <p>We cooperated with Suruhanjaya Tenaga to ensure that our business operations remain well-prepared and equipped to fully adhere to the Third Party Access ("TPA") requirements.</p> <p>We have been in close consultations with Suruhanjaya Tenaga on gas tariff revisions.</p> <p><b>Impact on the Group</b></p> <p>Not adhering to the relevant laws and regulations can lead to a withdrawal of our licence to operate, penalty fees and a loss of reputation.</p>
Board of Directors ("BOD")	<p><b>Method &amp; Frequency of Engagement</b></p> <p><u><b>Engagement Method</b></u></p> <ul style="list-style-type: none"> <li>Periodic Board and Board Committee Meetings</li> <li>Formal Correspondences</li> </ul> <p><u><b>Engagement Frequency</b></u></p> <ul style="list-style-type: none"> <li>Scheduled &amp; Ad-hoc</li> </ul>	<p><b>Expectations &amp; Concerns</b></p> <p>The Board expects the Group to uphold the highest principles of transparency and accountability in full compliance with all applicable laws.</p> <p><b>Our Response</b></p> <p>Management has ensured the Board is always updated regarding the Group's latest business and governance developments.</p> <p><b>Impact on the Group</b></p> <p>A good working relationship with the Board will ensure business continuity through good and ethical governance practices.</p>
Shareholders	<p><b>Method &amp; Frequency of Engagement</b></p> <p><u><b>Engagement Method</b></u></p> <ul style="list-style-type: none"> <li>Quarterly Analyst Briefings</li> <li>Open Dialogue Sessions (Scheduled &amp; Unscheduled)</li> <li>Conference Calls</li> <li>Annual General Meeting ("AGM")</li> <li>Annual Reports</li> <li>Site Visits</li> <li>Media Releases &amp; Bursa Announcements</li> </ul> <p><u><b>Engagement Frequency</b></u></p> <ul style="list-style-type: none"> <li>Scheduled, Regular &amp; Ad-hoc</li> </ul>	<p><b>Expectations &amp; Concerns</b></p> <p>Shareholders expect the Group to sustain its earnings potential and market presence for the investment community. They are also concerned about material business development, liquidity and fair ratings of Gas Malaysia's shares, shareholders' confidence and the enhancement of shareholders' value.</p> <p><b>Our Response</b></p> <p>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.</p> <p><b>Impact on the Group</b></p> <p>Maintaining a good engagement with our shareholders is positive for our business as it increases interaction with the capital market and fosters a positive perception among the investment community, which can also increase positive analyst coverage of the Group.</p>
Customers	<p><b>Method &amp; Frequency of Engagement</b></p> <p><u><b>Engagement Method</b></u></p> <ul style="list-style-type: none"> <li>Dialogue Sessions</li> <li>Customer Relationship Building Programme</li> <li>Formal Meetings</li> <li>Customer Feedback Platforms</li> </ul> <p><u><b>Engagement Frequency</b></u></p> <ul style="list-style-type: none"> <li>Regular &amp; Ad-hoc</li> </ul>	<p><b>Expectations &amp; Concerns</b></p> <p>Our industrial, commercial, retail and residential customers expect the Group to deliver reliable and quality service at competitive pricing.</p> <p><b>Our Response</b></p> <ul style="list-style-type: none"> <li>We have focused on increasing engagement with our customers and have organised outreach programmes.</li> <li>We have enhanced our customer service by conducting after-sales and value-added services.</li> <li>Constructive feedback from customers into consideration to further improve our services.</li> </ul> <p><b>Impact on the Group</b></p> <p>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.</p>

# Sustainability Statement

<b>Authorities</b>	<p><b>Method &amp; Frequency of Engagement</b></p> <p><b>Engagement Method</b></p> <ul style="list-style-type: none"> <li>• Dialogue Sessions</li> <li>• Formal Meetings</li> <li>• Familiarisation Visits to our Gas Facilities</li> </ul> <p><b>Engagement Frequency</b></p> <ul style="list-style-type: none"> <li>• Regular &amp; Ad-hoc</li> </ul>	<p><b>Expectations &amp; Concerns</b></p> <p>Federal, state and local government and safety and health authorities expect the Group to comply with the related legal and regulatory requirements under their jurisdiction.</p> <p><b>Our Response</b></p> <p>The Group continues to ensure that all relevant and applicable laws are strictly followed and complied with.</p> <p><b>Impact on the Group</b></p> <ul style="list-style-type: none"> <li>• Non-compliance with relevant laws and regulations can result in our licence being revoked and will also cause a loss of reputation.</li> <li>• Local authorities must issue work permits before we can commence pipeline construction.</li> </ul>
<b>Business Partners</b>	<p><b>Method &amp; Frequency of Engagement</b></p> <p><b>Engagement Method</b></p> <ul style="list-style-type: none"> <li>• Formal Meetings</li> <li>• Dialogue Sessions</li> </ul> <p><b>Engagement Frequency</b></p> <ul style="list-style-type: none"> <li>• Regular &amp; Ad-hoc</li> </ul>	<p><b>Expectations &amp; Concerns</b></p> <p>Suppliers and vendors of the Group expect fair opportunities and the transparent conduct of procurement and payment processes.</p> <p><b>Our Response</b></p> <ul style="list-style-type: none"> <li>• The Group has established a procurement policy and has an Integrity Pact in place.</li> <li>• We have also strictly observed fair procurement and pricing evaluation practices while monitoring for process irregularities.</li> </ul> <p><b>Impact on the Group</b></p> <p>The fair and transparent treatment of our vendors and suppliers will positively impact the quality and timeliness of the deliverables, leading to better project outcomes.</p>
<b>Employees</b>	<p><b>Method &amp; Frequency of Engagement</b></p> <p><b>Engagement Method</b></p> <ul style="list-style-type: none"> <li>• Employee Engagement Survey</li> <li>• Internal Communications</li> <li>• Employee Engagement Initiatives</li> <li>• Leadership Engagement Sessions</li> <li>• Sports and Recreational Activity</li> </ul> <p><b>Engagement Frequency</b></p> <ul style="list-style-type: none"> <li>• Regular &amp; Ad-hoc</li> </ul>	<p><b>Expectations &amp; Concerns</b></p> <p>Our employees are concerned about fair employment practices, career opportunities and safety and health.</p> <p><b>Our Response</b></p> <ul style="list-style-type: none"> <li>• The Group provides ample opportunities for learning and development and is committed to nurturing future potential talent to ensure career progression.</li> <li>• The Group also upholds good safety and health practices to ensure our employees remain safe at all times.</li> </ul> <p><b>Impact on the Group</b></p> <p>Good employment practices will improve overall productivity and improve employee loyalty and result in a lower attrition rate.</p>
<b>Local Communities</b>	<p><b>Method &amp; Frequency of Engagement</b></p> <p><b>Engagement Method</b></p> <ul style="list-style-type: none"> <li>• Periodic Meetings</li> <li>• Dialogue Sessions</li> <li>• CSR Initiatives</li> </ul> <p><b>Engagement Frequency</b></p> <ul style="list-style-type: none"> <li>• Regular &amp; Ad-hoc</li> </ul>	<p><b>Expectations &amp; Concerns</b></p> <p>The communities in areas where we operate are concerned about the Group's activities and how they may affect the surrounding areas.</p> <p><b>Our Response</b></p> <ul style="list-style-type: none"> <li>• We take great care in ensuring public safety standards are upheld and closely monitor the pipelines we have built.</li> <li>• Through our CSR initiatives, we closely collaborate with welfare associations and conduct community outreach programmes while providing financial support for community development and environmental preservation programmes.</li> </ul> <p><b>Impact on the Group</b></p> <ul style="list-style-type: none"> <li>• Nurturing good relationships with local communities will enable positive outcomes involving community concerns.</li> <li>• Carrying out environmental protections ensures more sustainable business outcomes.</li> </ul>

# Sustainability Statement

## MATERIALITY ASSESSMENT

At Gas Malaysia, sustainability remains a core consideration of what we do and how we do it. As part of our commitment to responsible practices, we conducted a materiality assessment in 2022 to identify the critical sustainability issues that are most material to our business and stakeholders. This assessment is crucial in shaping our sustainability strategy and guiding our decision-making processes.

During the assessment, we examined various topics related to our operations, considering their potential impacts on the environment, communities, and society. The assessment process involved a thorough analysis of the significance and relevance of each topic. The outcomes of the materiality assessment were compiled into a materiality matrix, which visually represents the significance of each issue based on their impact and stakeholder relevance. This matrix is a roadmap for prioritising our sustainability efforts and allocating resources effectively. It enables us to focus on the most material issues and develop targeted strategies and action plans to address them.

We recognise that the sustainability landscape constantly evolves, and new issues may emerge over time. Therefore, we remain committed to periodically reviewing and updating our materiality assessment to ensure its relevance and effectiveness. In 2023, we conducted a revalidation exercise and found our material matters relevant and adequate.

Our material assessment process consists of three (3) steps:

### Step 1

#### 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.

### Step 2

#### STAKEHOLDER ENGAGEMENT

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

### Step 3

#### 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.



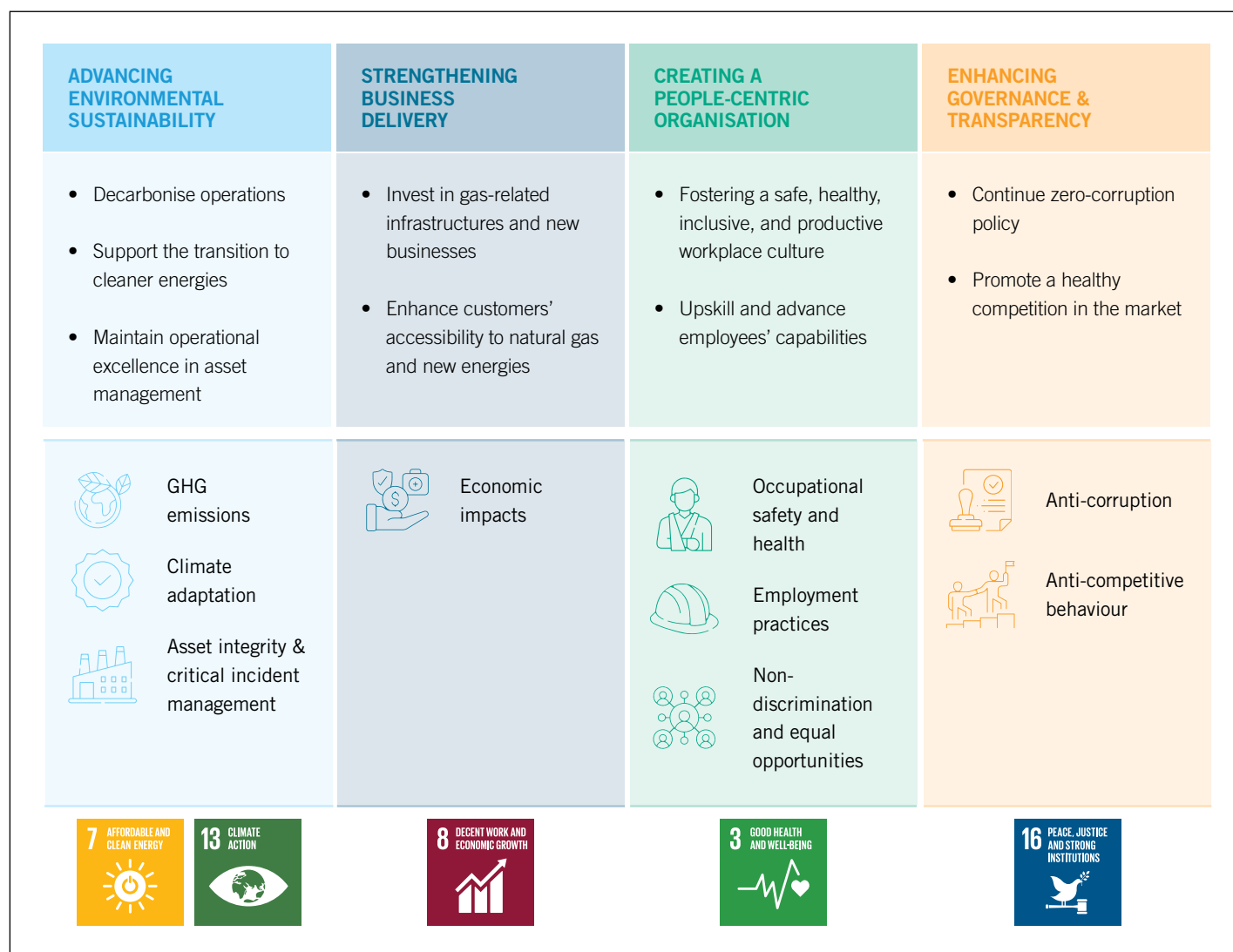
# Sustainability Statement

## GAS MALAYSIA SUSTAINABILITY FRAMEWORK

Building on the momentum that we have gained thus far, 2023 has been filled with more significant milestones in Gas Malaysia's sustainability journey. One such milestone was the launch of Gas Malaysia's eagerly awaited Sustainability Framework. Gas Malaysia's Sustainability Framework is our guiding compass, providing clarity and direction as we continue our sustainability journey.

### Overview of Gas Malaysia's Sustainability Framework

Gas Malaysia's Sustainability Framework is anchored on four (4) sustainability pillars and nine (9) sustainability strategies, which focuses on addressing the nine (9) identified material topics.



# Sustainability Statement

## GAS MALAYSIA SUSTAINABILITY FRAMEWORK

Gas Malaysia's Sustainability Framework will continue to drive and guide the Group in our approach towards sustainability matters. Under the Framework, our approach is driven by nine (9) strategies with the aim of achieving our nine (9) sustainability goals.

Pillars	Strategies	Goals
<b>Advancing Environmental Sustainability</b>	<b>1</b> Decarbonise operations	Net zero emissions by 2050 (Scope 1 & 2)
	<b>2</b> Support transition to cleaner energies	Annual increase in green gas injected into Natural Gas Distribution System ("NGDS")
	<b>3</b> Maintain operational excellence in asset management	Achieve best-in-class performance in gas network safety
<b>Strengthening Business Delivery</b>	<b>4</b> Invest in gas-related infrastructures and new businesses	Annual increase in Earnings Before Interest Income, Taxes, Zakat, Depreciation and Amortisation ("EBITZDA")
	<b>5</b> Enhance customers' accessibility to natural gas and new energies	Continuous improvement in customer satisfaction level
<b>Creating a People-Centric Organisation</b>	<b>6</b> Fostering a safe, healthy, inclusive, and productive workplace culture	Strive towards zero lost workdays and zero-tolerance for discrimination
	<b>7</b> Upskill and advance employees' capabilities	Continuous improvement in organisational competency level
<b>Enhancing Governance &amp; Transparency</b>	<b>8</b> Continue zero corruption policy	Maintain zero business ethics incidence
	<b>9</b> Promote a healthy competition in the market	Maintain transparent and ethical behaviour towards competitors and suppliers

We believe that these strategies and subsequent sustainability goals show our commitment towards building a sustainable future for all while also allowing us to focus on five (5) key UN SDGs namely:



**Goal 3**  
Good Health and Well-Being



**Goal 7**  
Affordable and Clean Energy



**Goal 8**  
Decent Work and Economic Growth



**Goal 13**  
Climate Action



**Goal 16**  
Peace, Justice and Strong Institutions

# Sustainability Statement

## Upholding Our Commitments

Gas Malaysia is committed to executing its sustainability strategies and achieving its sustainability goals. To that end we have taken proactive steps and implemented nine (9) initiatives with the aim of embedding sustainability throughout our organisation to effect lasting and impactful change.

### ADVANCING ENVIRONMENTAL SUSTAINABILITY

- Installation of rooftop solar panels
- Guarantee of Origin (“GO”) for clean gas scheme development

### STRENGTHENING BUSINESS DELIVERY

- NGDS network expansion
- Injection of biomethane into NGDS
- New Combined Heat and Power (“CHP”) clients (industrial)
- Gas Infrastructure expansion

### ENHANCING GOVERNANCE & TRANSPARENCY

- Enforcement of Anti-Bribery & Anti-Corruption (“ABAC”) and Whistleblower Policy
- Enforcement of corruption risk assessment
- Enforcement of Anti-Bribery Management System training and awareness for staff



## SUSTAINABILITY HIGHLIGHTS

### Sustainability Appreciation

Since 2021, Gas Malaysia Energy and Services Sdn Bhd (“GMES”), a subsidiary under Gas Malaysia, has registered and subscribed to Ecovadis. Ecovadis is a third-party accreditation company that evaluates and rates a company’s sustainability performance by assessing its business practices and operations. Ecovadis issues a questionnaire on an annual basis to registered companies to collect data regarding the company’s sustainability goals, initiatives, and sustainable business practices. Ecovadis then evaluates the company’s sustainability performance based on four (4) aspects: Environment, Labour & Human Rights, Ethics, and Sustainable Procurement. GMES has subscribed to Ecovadis to comply with one (1) of its customer’s requirements. GMES’s customer, Malaysian Sheet Glass Sdn Bhd (“MSG”), is a subsidiary of NSG Group. It requires all its vendors and suppliers to subscribe to Ecovadis. As a registered member, GMES is given a scorecard which is rated based on Ecovadis’s evaluation of the data provided by Gas Malaysia.

GMES’s scorecard from 2021 to 2022 showed tremendous improvement, earning it a bronze score. This prompted MSG to award GMES an appreciation plaque to recognise this sustainability achievement.

### Sustainability Framework Launch

To align with the national energy transition agenda, Gas Malaysia, a member of MMC Group, unveiled its sustainability framework at the Setia City Convention Centre in Setia Alam. The company’s comprehensive sustainability framework is aligned with the National Energy Transition Roadmap and New Industrial Master Plan 2030. The launching ceremony was honoured by the presence of YBhg Tan Sri Wan Zulkiflee Wan Ariffin, Chairman of Gas Malaysia and graced by the Minister of Natural Resources, Environment and Climate Change, as the guest of honour.



# Sustainability Statement



**Gas Malaysia continues to advance our efforts to conserve the environment through our sustainability commitments by managing our electricity, fuel and water consumption.**

Additionally, we prioritise the issue of climate change by mitigating impacts through our initiatives to reduce our carbon emissions and improve energy efficiency through renewable energy solutions.

We stand guided by the ISO 14001:2015 Environmental Management Systems, which assists us in identifying, evaluating and managing our environmental matters so we can reduce the negative impacts that result from our operations.

This year, we have continued to disclose our GHG emissions for Scope 1 and Scope 2 emissions to better benchmark against our baseline. This also helps us monitor our progress over time and ensure we are on track to meet our Net Zero emissions target by 2050 for Scope 1 and 2.

## ASSET INTEGRITY AND CRITICAL INCIDENT MANAGEMENT

The Group must maintain a secure and sustainable business model by effectively preserving asset integrity and managing critical incidents. We have put in place stringent routine processes including inspection, testing, verification and other preventative measures to avert major accidents or hazards. We protect our business by establishing a secure environment and instilling a culture of incident prevention in the workplace.

## HOW WE MANAGE THE MATTER

We are committed to upholding public safety, and we work to minimise critical incidents that may threaten our assets and the environment. This includes gas leaks during distribution that could result in injuries or environmental pollution of the nearby soil, water and air.

We consistently implement rigorous safety measures and quality controls and adhere to applicable policies and procedures to reliably supply natural gas to our customers. Therefore, it is essential to consistently improve the condition of our gas facilities to deliver quality natural gas by regularly conducting routine preventative maintenance and systematic troubleshooting. We also ensure that our pipelines' design and material specifications align with local regulatory requirements and international standards.

# Sustainability Statement



## SAFETY MEASURES AT GAS NETWORKS INFRASTRUCTURE

A secure environment stems from meticulous planning and developing robust infrastructures. Our expansion initiatives encompass careful selection of pipeline routes and isolation valve locations, aligning with local regulations and international codes. During construction, we involve proficient contractors in designing, engineering, procuring, constructing, and commissioning our gas pipelines. Additionally, our steel pipes are sourced from American Petroleum Institute (“API”) licensed manufacturers, meeting specified standards and certified by third-party agencies.

## SAFETY MEASURES AT OPERATIONS & MAINTENANCE

We ensure that our gas facilities are in optimum condition through timely maintenance and structured troubleshooting methods to avoid risks and hazards by conducting various measures, including:

Inspecting our gas stations

Monitoring the condition of underground steel gas pipelines through cathodic protection inspections

Conducting valve inspections

Performing pipeline leakage surveys

Conducting pipeline integrity inspections

Checking odorant intensity levels

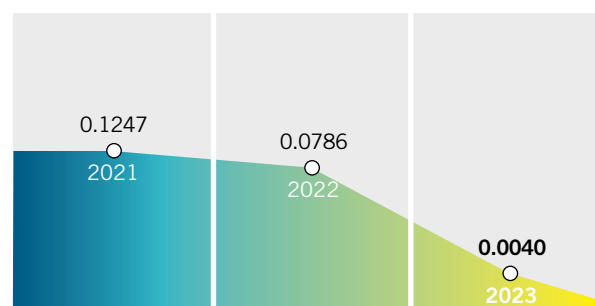
At our gas facilities, any third-party related works are approved and monitored through daily pipeline inspections by our Operations & Maintenance team in line with our standard operating procedures (“SOPs”). Additionally, these inspections also help us in identifying irregularities and avoiding any damage.

Our dedicated on-call emergency response team is also ready to address any emergencies within 90 minutes of notification. These teams are deployed to minimise the risk of our operations to the public and mitigate potential damage to property and the environment.

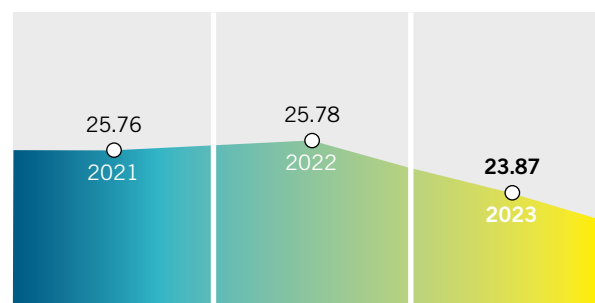
In 2023, we have recorded an improvement in our System Average Interruption Duration Index (“SAIDI”), achieving 0.0040 minutes of interruption per customer as compared to 0.0786 minutes of interruption per customer last year. Our average response time also improved from 25.78 minutes in 2022 to 23.87 minutes in 2023.

## SAIDI Results by Year

### SAIDI (Average Minutes of Interruption per Customer)



### Response Time (Average Minutes Taken to Dispatch Response Team)



# Sustainability Statement

## CLIMATE ADAPTATION, RESILIENCE & TRANSITION

Climate change remains one (1) of organisations' most severe challenges, impacting operations, supply chains and overall business sustainability. To this end, we recognise the urgency for climate action, adapting to the changing environmental conditions as extreme weather disrupts production, distribution and resource availability. Gas Malaysia proactively embraces sustainable practices and implements environmentally friendly technologies to positively impact people and the planet.

The Group has embarked on a journey to reduce GHG by committing to a low-carbon future by supplying natural gas to consumers. Our efforts will empower our stakeholders to develop resilience towards environmental changes.



### HOW WE MANAGE THE MATTER

#### GHG EMISSIONS

Natural gas has been recognised as the primary transitional fuel due to its status as one (1) of the cleaner forms of fossil fuels, with up to 50% less CO<sub>2</sub> emission than coal.

Additionally, the Group produces electricity and heat efficiently using gas-powered CHP systems through its joint venture entities, which results in lower emissions. CHP systems consume 32% less fuel and exhibit 50% less annual carbon emissions than coal.

#### BIOMETHANE

Since its first execution of the Gas Purchase Agreement in 2019, Gas Malaysia has always been committed to providing innovative and sustainable energy solutions to our customers. The agreements signed with palm oil millers and waste management operators were aimed at the offtake and purchase of biomethane generated from palm oil mill effluent ("POME") and organic waste to be injected into the Natural Gas Distribution System ("NGDS"). Biomethane helps promote climate protection by reducing harmful CO<sub>2</sub> emissions by up to 90% when used as a fuel.

*Fast forward to this year, and we have successfully secured 1,050,000 MMBtu of biomethane to be injected into the NGDS annually or directly transported and supplied a to customers via virtual pipeline.*

In the first year of operation, approximately 48,000 MMBtu of biomethane was successfully injected into the NGDS. Looking ahead to 2025, we anticipate that the total biomethane to be injected into the NGDS will substantially increase to 550,000 MMBtu per annum and continuously grow with more participation from mills and waste management operators. In adherence to our dedication to advancing our technology and expertise in this renewable energy context, we actively explore upstream biomethane processes. Our strategic approach involves securing scrubbed biogas derived from POME and organic waste and upgrading it into compressed biomethane. With this approach, we aim to secure an additional 6 million MMBtu per annum of biogas by 2030.

Gas Malaysia has also completed the audit process for the ISCC Plus Certification. It is expected to receive the certificate by the end of Q1 2024. ISCC Plus Certification is a globally recognised certification standard that ensures the traceability of products across the value chain. The certification shall certify the biomethane delivered to Gas Malaysia's customers and provide assurance to them that the delivery of the certified biomethane are in compliance with global standards to meet the customers' sustainability goals.



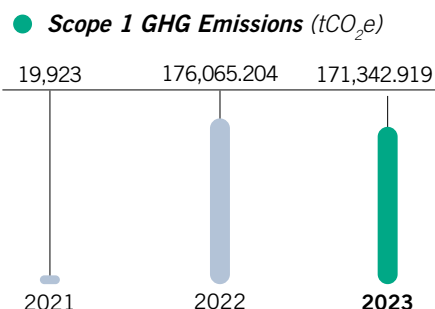
# Sustainability Statement

## SCOPE 1 & 2 EMISSIONS

Furthermore, we also prioritise transparency and accountability in our reporting practices for GHG emissions of Scope 1 and Scope 2, adhering to international reporting frameworks. Additionally, we also ensure that we practice strict and consistent reporting of our GHG emissions to enhance our knowledge of environmental impacts and in devising more effective initiatives to reduce energy consumption and emissions.

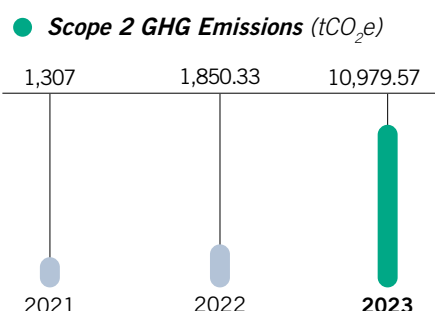
Our Scope 1 GHG emissions encompass direct emissions from sources under the control or ownership of Gas Malaysia, while Scope 2 accounts for indirect GHG emissions linked to the acquisition of heat, steam, electricity, or cooling. We have applied the operational control approach for the calculation of our GHG emissions and our measurements align with the GHG Protocol Corporate Standards and follow the IPCC 2006 Guidelines.

The following are the emissions measured in 2023:



The increase in Scope 1 emissions from 2021 to 2022 is due to incorporating emissions from our CHP plants into our GHG emissions calculations.

The decrease in Scope 1 emissions from 2022 to 2023 is due to the lower consumption of natural gas ("NG") in our CHP systems.

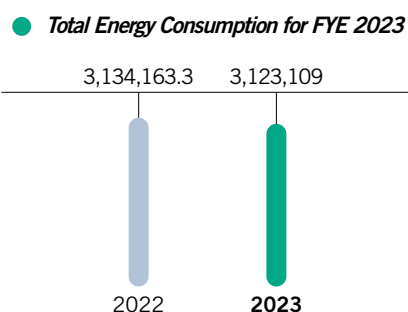


The increase in Scope 2 emissions from 2021 to 2022 is due to the increase in electricity usage as more staff members started working from the office resulting in more office space and facilities being utilised instead of working from home (due to COVID-19), and because our manpower increased from 2021 to 2022.

The increase in Scope 2 emissions from 2022 to 2023 is attributed to incorporating the electricity consumption from our CHP plants into our GHG emissions calculations.

## ENERGY MANAGEMENT

Efficient energy management is a crucial aspect of our business operations, not only to minimise our carbon footprint but also to instil a culture of energy conservation. This involves optimising fuel consumption, integrating energy-efficient equipment throughout our operations, and emphasising energy-saving initiatives. Our vehicles heavily depend on diesel and petrol, and our offices and stations are powered by electricity.



In 2023, we recorded a total energy consumption at 3,123,109 GJ as compared to 3,134,163.3 GJ in the previous year. The reduction in energy consumption from 2022 to 2023 is due to the decrease in NG consumption in our CHP systems and subsequent energy generated from the CHP systems.



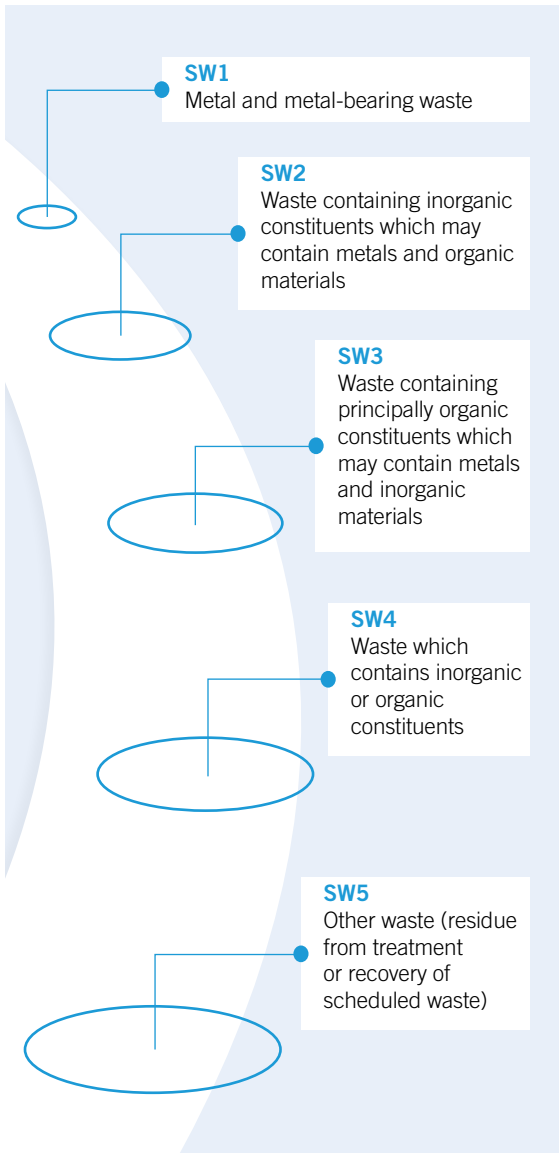
# Sustainability Statement

## WASTE MANAGEMENT

Gas Malaysia is committed to responsible waste management by reducing the amount of waste sent to landfills. Our ongoing waste management initiatives are intended to protect our surroundings, improve our reputation, uphold the well-being of our workforce and help obtain cost savings.

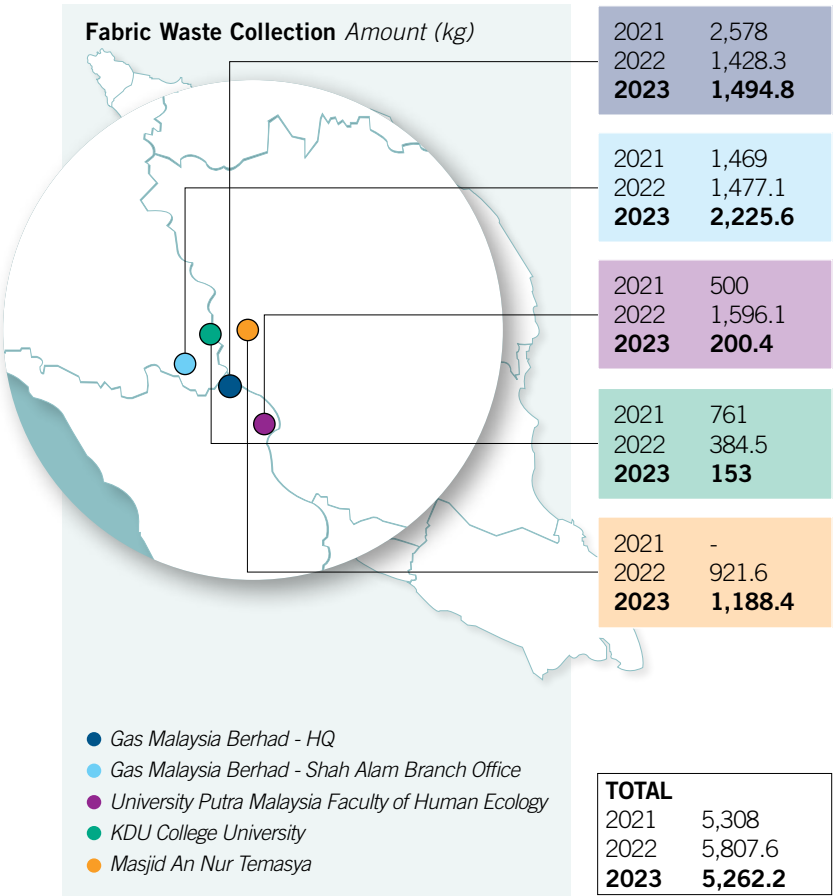
### HOW WE MANAGE THE MATTER

Our scheduled waste is managed responsibly in accordance with the Environmental Quality Act 1974. We categorise our scheduled waste according to:



In 2023, we disposed 0.10MT of scheduled waste as compared to 0.14MT in the previous year. The waste disposed of in both years is under the SW1 category, with the sub-category being SW109 (waste containing mercury or its compound). The waste disposed of in both years refers to the fluorescent lamps.

Besides this, we have partnered with a social enterprise that collects fabrics for recycling. Five (5) bins were strategically assigned to various locations such as our head office (“HQ”), educational institutions, and mosque. We have recorded 5,262.2kg of fabrics diverted from the landfill during the year under review.



# Sustainability Statement

## WATER CONSUMPTION

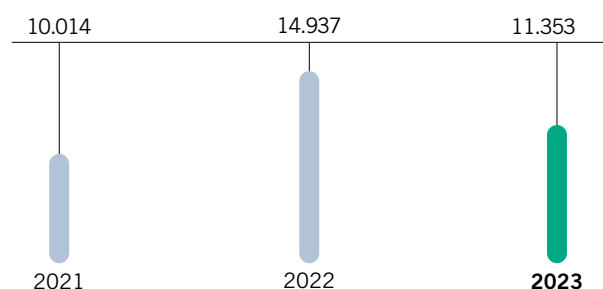
Water supply shortage due to climate change drives us to be more prudent in managing our water sources and utility. We ensure that we practice responsible usage of water throughout our operations. This enables us to have a consistent water supply, lower water-related costs and embed a culture of sustainability in the Group.



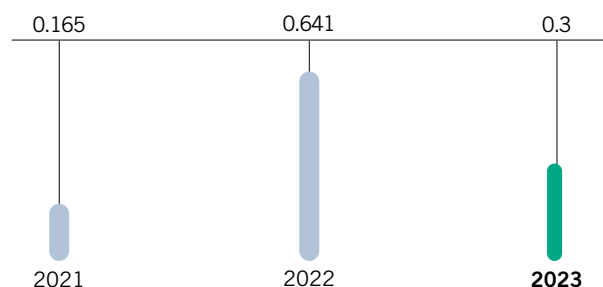
## HOW WE MANAGE THE MATTER

### WATER CONSUMPTION (MEGALITER)

#### Offices



#### Stations



Water is used for general purposes within our office premises and for auxiliary processes at our facilities. Our water consumption recorded this year was 11.653 ML, a decrease as compared to the previous year at 15.578 ML.

### TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD")

We are identifying climate risks and formulating strategies to mitigate them. Climate risks will be included as part of our overall risk register as we are committed to aligning with the guidelines as stated in the Task Force on Climate-Related Financial Disclosures ("TCFD") framework. We have also set our goal of becoming Net Zero by 2050 for Scope 1 and Scope 2 emissions. In addition, we are exploring initiatives to reduce our Scope 1 and Scope 2 emissions by adopting electric vehicles ("EV") and installing rooftop solar panels, respectively.



# Sustainability Statement



**Gas Malaysia has strategically aligned its procurement practices with sustainability objectives, seamlessly integrating them into the broader organisational goals.**

This approach fosters consistency and maintains rigorous governance standards that effectively address our stakeholders' needs and requirements. By doing this, we express our commitment to economic practices that emphasise sustainability and accountability.

## HOW WE MANAGE THE MATTER

As Malaysia's leading gas provider, we aim to deliver cleaner, safer, reliable and cost-effective energy solutions to our industrial, commercial and residential customers. In our dedication to ethical and responsible business practices, the Group ensures compliance with laws and regulations, concurrently upholding the highest standards of integrity and governance.

Additionally, the Group is steadfast in practising sustainable and responsible business methods, giving priority to proficient risk management, investing in sustainable solutions, and maintaining continuous engagement with stakeholders. These efforts are aimed to foster the gas industry's growth in alignment with our commitment to sustainably meeting the nation's energy needs.

## TRANSPARENT AND FAIR PROCUREMENT PRACTICES

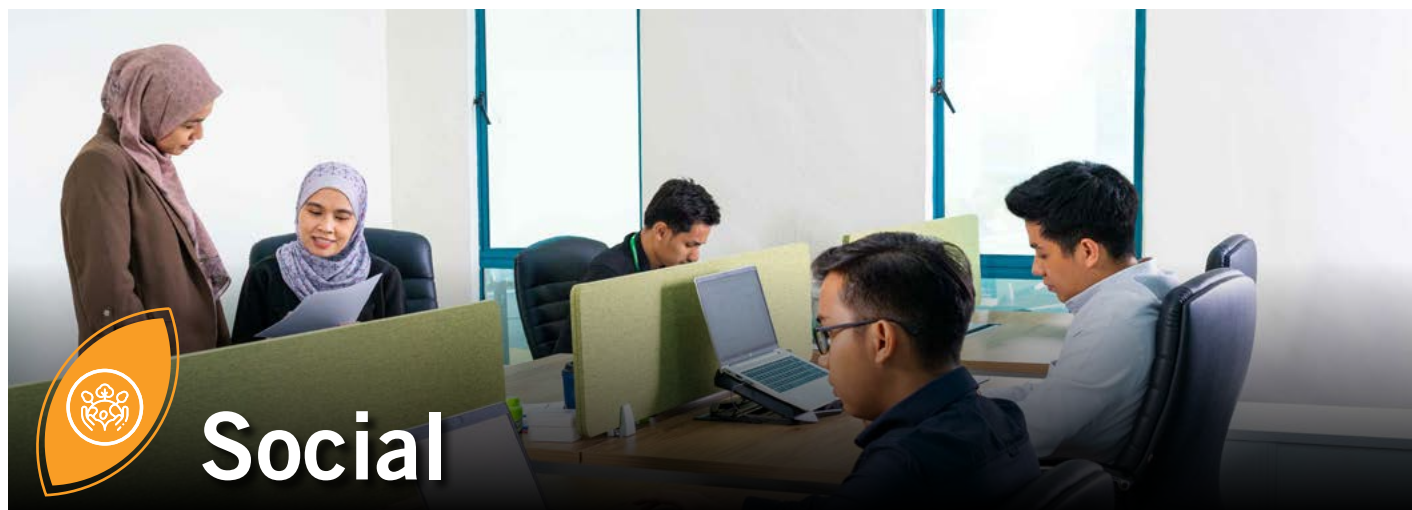
The Group is dedicated to conducting its procurement activities with a strong commitment to fairness and transparency, emphasising accountability and integrity throughout the procurement process. We strongly believe that upholding high standards of

business ethics is fundamental to the sustainable growth and future success of our business. Our goal is to foster a sustainable supply chain, and we work towards achieving this by building robust partnerships with our business associates while proactively mitigating potential risks to our operations.

This commitment is evident in the stages involved, including thoroughly confirming vendors' interest before extending invitations to participate in tenders. Additionally, Gas Malaysia has transitioned its procurement activities to an e-procurement system, enhancing efficiency, and transparency, increasing our stakeholder management efforts. The computerised system streamlines procurement policies, consolidates information and improves vendor/contractor management with traceability. These moves reflect Gas Malaysia's resolution to sustainability by optimising resources, reducing waste and improving energy use.

In 2023, Gas Malaysia tendered out contracts for around RM182 million to local contractors (99.94%) and overseas contractors (0.06%).

# Sustainability Statement



## Social

**Our organisational strength and achievements are shaped by the collective endeavours of our workforce, who possess the capability to drive transformative change in our business.**

As the Group strives to empower employees to unleash their full potential, continuous investments are made through comprehensive development programmes. These initiatives aim to enhance engagement and elevate competencies, fostering a workplace prioritising safety, diversity, equality and excellence. Over the years, we have remained committed to prioritising people, by ensuring a safe working environment, delivering exceptional customer experiences or upholding the needs of our communities.

### EMPLOYMENT PRACTICES

We value our people. We do all we can to protect their health, well-being, safety, and development. The Group is steadfast in its commitment to engage, retain and attract top talents within the industry. This is achieved through comprehensive training and education initiatives, attractive benefits, and adherence to relevant frameworks and policies. Furthermore, the implementation and execution of robust labour practices and policies not only enhances employee productivity but also fortifies the company's performance and sustainability journey.

### HOW WE MANAGE THE MATTER

At Gas Malaysia, our talent pool consists of a diverse and inclusive workforce encompassing individuals from various genders, backgrounds, ethnicities, age groups and other demographics. This consolidation of talent forms a cohesive team, working in unison to drive the business and achieve our objectives. Our commitment extends to establishing a safe, nurturing, inclusive, rewarding, and empowering workplace enabling our employees to achieve excellence in all their contributions to the Group. To foster a workplace with outstanding talents, we continuously invest in the development of our employees. This involves training, encouraging leadership and providing core skill programmes to elevate their competencies.

# Sustainability Statement

## OUR POLICY COMMITMENTS

The Group strives to provide equal employment opportunities, aligning with local laws and regulations as per the Employment Act 1955, which protects the rights of all employees. Our employment practices are meticulously outlined in the employee handbook and circulars, which are regularly communicated through email updates to keep our employees informed on any updates to labour laws or guidelines.

## HUMAN RIGHTS & LABOUR PRACTICES

Our approach to human rights and labour practices remains guided by the principles outlined in the Malaysian Employment laws. Every employee is accorded dignity and respect and treated without discrimination, such as age, gender, or social standing, regarding employment, rewards, promotion and career advancement within the Group. We embrace a merit-based ethos, where recruitment and promotions are determined by an individual's skills, experience, capabilities and job performance. The Group also has a zero-tolerance approach towards all forms of child and forced labour through its operations. There were zero complaints concerning human rights violations in the year under review.

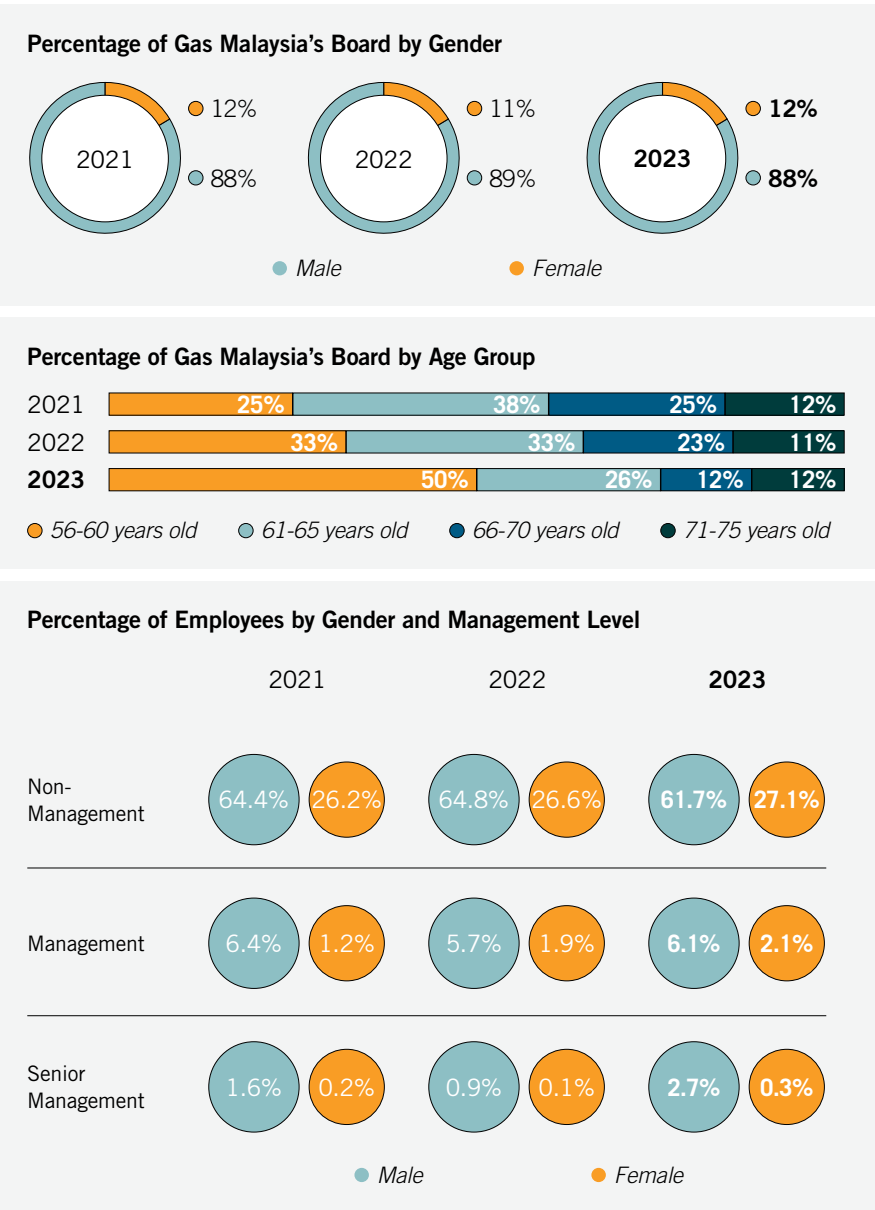
## GRIEVANCE POLICY AND PROCEDURE

We recognise that employees at all levels may encounter problems and differences related to various aspects of their employment. As such, there may be instances where employees choose to address their individual concerns through formal channels or express their views and opinions to the management. Gas Malaysia is committed to resolving grievances promptly, and fostering a conducive work environment to enhance morale and improve the quality and quantity of work output. The company's policy is to assess the merit of grievances. If an investigation is warranted, it will be conducted promptly.

Employees with grievances are advised to file a report with their immediate supervisor. If a grievance involves their immediate superior, the employee can escalate the matter to the company's Human Resource Department or someone above their immediate superior. If the grievance was not adequately addressed, employees are entitled to bring the grievance to the respective Heads of Department or Division.

## EMPLOYEE DIVERSITY

In the year under review, male Board Directors comprised 88%, and female Board Directors stood at 12%.





# Sustainability Statement

## Percentage of Employees by Age Group and Management Level

2021	<30 years		30-50 years		>50 years	
	Female	Male	Female	Male	Female	Male
Non-Management	6.5%	10.5%	17%	46.1%	3.4%	7.5%
Management	0%	0%	0.9%	2.5%	0.4%	3.4%
Senior Management	0%	0%	0.1%	0.5%	0%	1.1%

2022	<30 years		30-50 years		>50 years	
	Female	Male	Female	Male	Female	Male
Non-Management	5.7%	11.5%	16.6%	44.8%	4.1%	9.1%
Management	0%	0%	0.9%	2.9%	0.3%	2.4%
Senior Management	0%	0%	0%	0.5%	0.2%	1.2%

2023	<30 years		30-50 years		>50 years	
	Female	Male	Female	Male	Female	Male
Non-Management	6.2%	11.9%	17.5%	40.9%	3.3%	8.8%
Management	0%	0%	1.4%	3.3%	0.6%	2.7%
Senior Management	0%	0%	0.2%	0.5%	0.2%	2.2%

## Breakdown of Permanent & Contract Staff

2022	98.6%	1.4%
2023	98.2%	1.8%

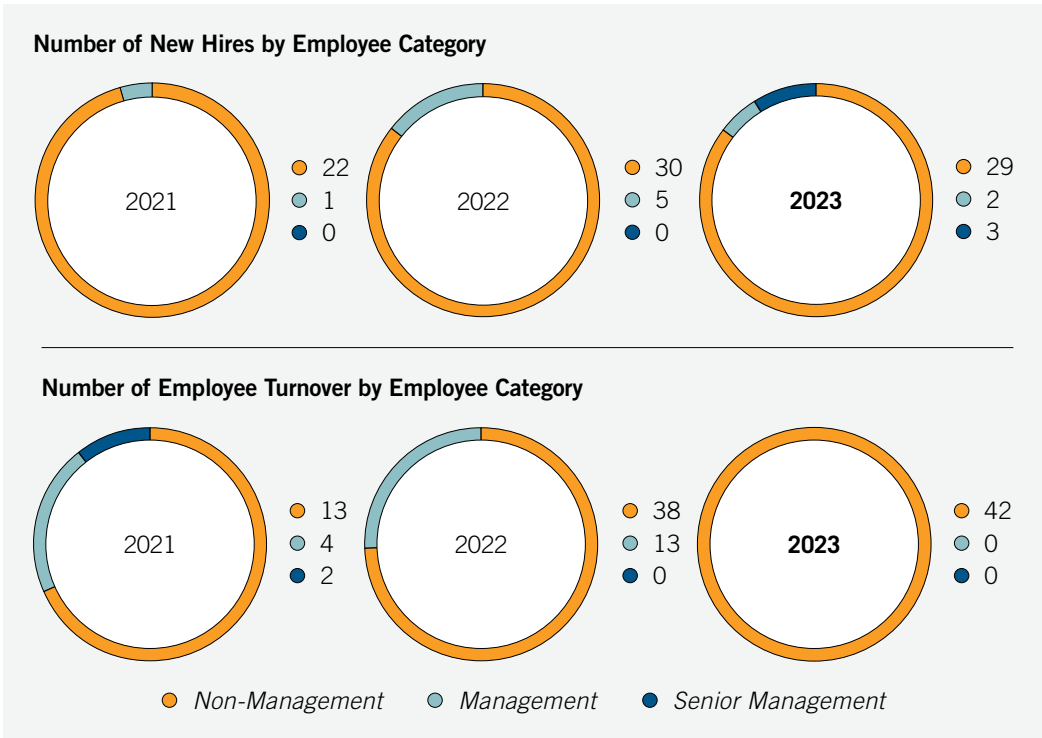
● Permanent Staff ● Contract Staff

# Sustainability Statement

## NEW HIRES & TURNOVER

The Group continued to attract and recruit new talents to drive the company’s expansion and progress, enhancing overall business success by optimising productivity and cultivating diverse skills within the workforce.

In 2023, the Group hired more employees for senior management positions, while our turnover for non-management between 2022 and 2023 increased slightly.



## MEMBERSHIP ASSOCIATION

Gas Malaysia actively engages with membership associations to establish industry best practices within its organisational framework and foster the professional growth of its employees. Our affiliations empower us to meet our objectives, offering diverse tangible benefits and services, including upskilling workshops, comprehensive training programmes and networking events. These esteemed associations establish benchmarks for the industry and serve as invaluable sources of information for our employees, addressing critical aspects such as process standardisation and prevailing industry challenges.

These are the organisations and associations to which Gas Malaysia subscribes to:

- Malaysian Employer Federation
- Federation of Malaysian Manufacturers (“FMM”)
- Malaysian Gas Association (“MGA”)

## NON-DISCRIMINATION & EQUAL OPPORTUNITY

In our commitment as a responsible employer, we strive to provide equitable opportunities for the personal and professional development of our employees, refraining from any form of discrimination. We firmly uphold the principle that every person deserves a chance to thrive and be accepted, irrespective of differences in opinion, background, religion, ethnicity and other unique personal characteristics. There were zero recorded incidents of discrimination and corrective actions taken in the year under review.

### HOW WE MANAGE THE MATTER

We are cognisant of the prevailing needs of our workforce, and we are committed to addressing them. This strategic approach fosters employee retention and cultivates trust and loyalty within our workplace. Our commitment includes ongoing initiatives such as training programmes aimed at enhancing the skills and capabilities of our employees, alongside the provision for parental leave to support those with family responsibilities. Furthermore, we regularly connect with our employees through the Employee Engagement Survey, a platform designed to identify and mitigate risks related to discrimination and unfair treatment in the workplace.

# Sustainability Statement

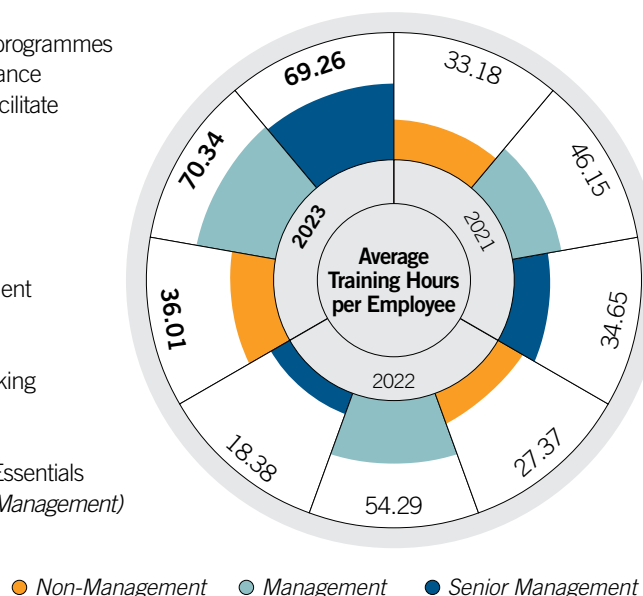
## TRAINING, DEVELOPMENT & UPSKILLING PROGRAMMES

Throughout the year, dedicated efforts were invested to elevate our workforce's skills and capabilities through comprehensive training programmes to enhance their knowledge of the intricacies of the gas industry. Our commitment extends beyond immediate needs, as we aspire to nurture our talents with leadership abilities to navigate the evolving changes that may occur within the Group. Additionally, we invest in succession planning as it is an integral component of talent development, where potential candidates are groomed, and employees with exceptional abilities are identified for leadership positions when required.

The training initiatives implemented during the year were strategically aligned with our overarching goal of enhancing employee skill sets while supporting our succession planning efforts. We conducted several training and leadership programmes to enhance management, fill skill gaps and improve strategic thinking capabilities.

Listed below are training programmes organised in 2023 to enhance employee skill sets and facilitate succession planning:

- General Management Programme (*Senior Management*)
- GMD Rapid Development Programme (*Senior Management*)
- Coaching Public Speaking for C-Level (*Senior Management*)
- Project Management Essentials (*Management & Non-Management*)



## OCCUPATIONAL SAFETY & HEALTH ("OSH")

We continue to prioritise the health and safety of our employees, customers and the communities in the areas where we operate. Our commitment is evident in our pursuit of the safest working conditions, achieved through proactive risk management practices that are embedded in every aspect of our organisation, fostering operational excellence. Guided by our Health, Safety, Environment and Quality ("HSEQ") Policy, we adhere to rigorous guidelines addressing risk prevention, OSH and environmental preservation.

### HOW WE MANAGE THE MATTER

Gas Malaysia aspires to uphold the highest OSH standards, driven by an ambition to safeguard our employees and the communities in the areas where we operate. To this end, we strive to enhance our accountability to our customers and stakeholders by instilling a culture of safety risk management across the entire Group. We are governed by stringent Health, Safety and Environment ("HSE") policies and management systems that align with the requirements set by the International Organization for Standardization ("ISO").

## OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM

The Group complies with internationally recognised management system standards, fostering enhanced operational efficiency and facilitating compliance with the statutory and regulatory requirements applicable to its services and industry. Concurrently, our OSH system plays a pivotal role in systematically managing risks associated with OSH, environmental conservation and the enhancement of operational service quality.

The scope of our OSH management system encompasses entities such as Gas Malaysia, Gas Malaysia Distribution Sdn Bhd ("GMD"), GMES, Gas Malaysia Retail Services Sdn Bhd ("GMRS"), and Gas Malaysia Green Ventures Sdn Bhd ("GMGV"), formerly known as Gas Malaysia Virtual Pipeline Sdn Bhd. This comprehensive approach underscores our commitment to ensuring robust standards across the entirety of our operational landscape.

Over the years, Gas Malaysia has complied the following SIRIM certifications:

### ISO 9001:2015

Quality Management Systems  
(since February 2000)

### ISO 14001:2015

Environmental Management Systems  
(since February 2003)

### ISO 45001:2018

Occupational Health & Safety Management Systems  
(since October 2007)

### ISO/IEC 27001:2013

(since May 2014)

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



# Sustainability Statement

## HAZARD IDENTIFICATION, RISK ASSESSMENT AND RISK CONTROL (“HIRARC”)

Despite our efforts to integrate safety into our operations, unforeseen accidents and incidents may still occur. To effectively address and mitigate such occurrences, our HIRARC procedure serves as the cornerstone. This framework facilitates the identification of hazards, assessment of risks and the implementation of necessary control measures to enhance OSH.

To identify hazards at the workplace, we conduct consultation, training and brainstorming sessions, workplace inspections and accident investigations. These activities establish a HIRARC Register and Environmental Impact Aspect Register is established. The HIRARC also assesses OSH risks via consultation, training and brainstorming sessions. An accident investigation report will be implemented to identify root causes, analyse trends and assess the probability of an occurrence. At Gas Malaysia, the risk matrix chart evaluates risks associated with each activity, considering the likelihood of an incident and its potential severity. This will be followed by preventive and mitigative actions or control measures, which will be implemented and documented in the HIRARC Register. Ongoing monitoring will be conducted to evaluate the effectiveness of these measures, ultimately determining the final risk ranking as high, moderate or low.

In the event of an accident resulting in casualties such as fatality, injury, restricted work, ill health, dangerous occurrences or property damage, an investigation team comprising representatives from the relevant departments or function, the HSE Committee and an independent department or function will be formed to conduct an investigation. The team will produce a comprehensive report within 14 working days. If necessary, expert opinions will be sought. The investigation will involve gathering and analysing all relevant information to identify root causes, and the team will propose control measures to prevent recurrence. The implementation and monitoring of these actions are overseen by the Person in Charge (“PIC”) of the respective department or function.

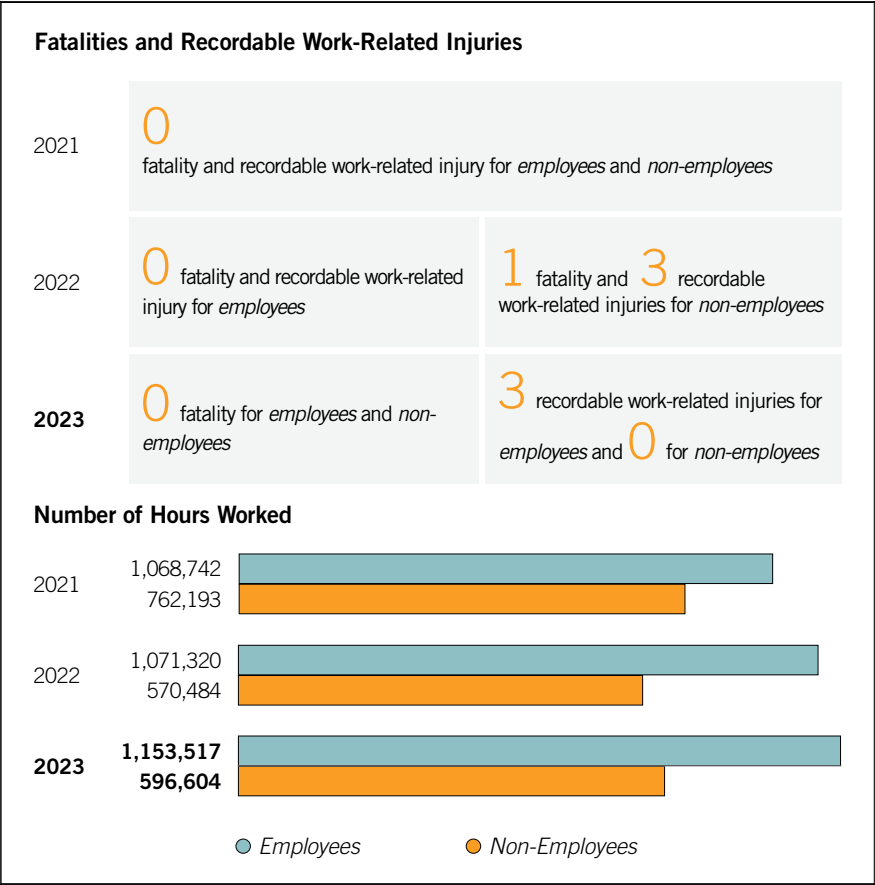
## WORK-RELATED INJURIES

Gas Malaysia is committed to preventing workplace injuries, illnesses, and fatalities by implementing comprehensive approaches and practices designed to safeguard the health and safety of employees within its operations.

In 2023, we recorded zero fatalities and three (3) employee work-related injury cases due to a contractor worker being struck by a falling filter and GMRS staff members involved in road accidents in two (2) separate incidents. Following these incidents, we immediately took appropriate measures according to procedure, increased staff training and reminded our workers of the importance of integrating safety measures into their work processes.

Looking ahead, we remain committed to identifying hazards and risks using our HIRARC procedures and aim to implement additional measures to strengthen our OSH initiatives.

## HEALTH & SAFETY PERFORMANCE



## LOST TIME INCIDENT RATE (“LTIR”) FOR 2021 TO 2023

	2021	2022	2023
LTIR for 200,000 hours worked	0.000	0.487	0.000

# Sustainability Statement

## EMPLOYEES' TRAINING ON OCCUPATIONAL SAFETY & HEALTH

In addition to adhering to policies, regulations and procedures, the Group emphasises the importance of teaching a robust safety culture among employees. This entails creating awareness and constantly reminding workers of the rules and measures necessary to enhance the effectiveness of our HSEQ initiatives.

In 2023, we provided health and safety training to enhance employees' OSH knowledge. A total of 54 employees participated in the health and safety training.

## WORKER PARTICIPATION, CONSULTATION AND COMMUNICATION ON OSH

We have a Steering HSE Committee in place, which serves as a platform for employees to discuss safety, health and welfare issues. Apart from addressing OSH issues, the committee is tasked with formulating policies, procedures, rules and regulations. The Steering HSE Committee also has authority on decision-making in any OSH-related matters. Additionally, Gas Malaysia has established safety and health committees in its branch offices, including one (1) with 40 or more employees, in compliance with regulatory requirements.

The quorum for the Steering HSE Committee comprises a chairman ("GCEO"), a secretary (Head of Health, Safety, Environment, Quality & Performance Enhancement) and the Head of Department/Head of Section as the management representative. Executives and non-executives from various departments, functions and subsidiaries are appointed to represent workers. Gas Malaysia has also formed HSE sub-committees, namely the Facilities HSE sub-committee and Technical HSE sub-committee, to support and assist in disseminating information and action plans. These sub-committees function as a bridge for OSH-related issues requiring management decisions. The Steering HSE Committee and HSE sub-committee convene every three (3) months. The Committee is also responsible for conducting quarterly workplace inspections and accident investigations.

## INITIATIVES

In the year under review, we implemented these initiatives to enhance our dedication to OSH, aiming for operational excellence:

HSEQ Induction
Building Evacuation
Fire Safety Awareness
OSH Coordinator Training
Workplace Inspection
Permit To Work
Defensive Riding
Chemical Safety & Practical Spill
Emergency Response

## LENDING A HAND TO COMMUNITIES

As an organisation, we must contribute to the needs of society. This commitment not only serves to benefit our organisation but also the communities we serve. Our assistance to the underserved, underprivileged and marginalised will significantly bolster our reputation, encourage volunteerism among employees, heighten engagement with customers and cultivate accountability, loyalty and trust in our organisation.

CSR Programmes in 2022	Number of Beneficiaries	Amount Invested (RM)
Back to School	150 students	RM21,600
Post-Flood Assistance	100 families	RM18,000
Aiding the Mentally Challenged	200 disabled children and adults	RM33,600
Gibbons Rehabilitation	20 <i>Orang Asli</i> families	RM4,185
Partnership with Football Association of Selangor ("FAS")		RM10,000
Wakalah Zakat	4,400 students 200 families	RM380,400
<b>TOTAL</b>		<b>RM467,785</b>

# Sustainability Statement

In 2023, we invested over RM614,668.40 in these initiatives to support communities:

## Back to School Programme

As part of our annual initiative, we organised a 'Back to School' programme, supporting 327 underprivileged students at Sekolah Menengah Kebangsaan Bandar Sungai Buaya in Rawang. These students received essential school supplies. We also contributed 10 used computers to enhance computer literacy, recognising its importance in today's digital world. Aligned with our "Education" pillar of CSR, this programme aimed to alleviate the families' burden by providing school necessities like uniforms, shoes and hijabs for the 2023 academic year. A total of RM49,050 was invested in this initiative.

## Food Distribution for the Urban Poor and Homeless Communities

Committed to making a meaningful impact on the lives of the underserved and underprivileged, Gas Malaysia initiated a CSR programme in partnership with Pertubuhan Tindakan Wanita Islam ("PERTIWI"). This collaboration aims to provide meals to the homeless and urban poor at the Kuala Lumpur Homeless Transit Centre, coinciding with the 60<sup>th</sup> Malaysia Day celebration. The community outreach initiative comprises three (3) sessions to maximise its impact and support more beneficiaries. This marks Gas Malaysia's first collaboration with PERTIWI, reflecting a significant effort to address urban poverty in the city and extend support to the homeless community. A total of RM6,905.95 was invested in the food distribution effort, benefiting 720 individuals from homeless and urban poor communities.

## Tree Planting and River Cleaning Programme with Local and Orang Asli Communities in Behrang

We organised a CSR programme in collaboration with the local community at Kampung Pos Bersih, Behrang, Perak. Activities included planting fruit saplings, cleaning the river and distributing Bakul Rezeki to approximately 40 underprivileged families, with a focus on the Orang Asli community. Gas Malaysia contributed RM14,212.45 to this initiative.

## Partnership with Yayasan Pelajaran MARA ("YPM")

As education is vital to our nation's development, Gas Malaysia has established a collaborative partnership with YPM to provide support for the education of underprivileged B40 students. We contributed RM407,000 to this initiative, benefiting 1,100 B40 students.

## Palestine Humanitarian Aid Fund

The ongoing conflict in Palestine has resulted in a substantial loss of lives, leaving Palestinians in need of essential supplies like medicine, food and basic necessities. Recognising the urgent need for support, Gas Malaysia has adopted a philanthropic stance, by taking a charitable approach to aid the Palestinian people. Gas Malaysia contributed to two (2) NGOs to provide support to Palestinians: RM25,000 to Global Peace Mission and RM100,000 to Mercy Malaysia.

## MMC Prihatin Programme

During Ramadan and Syawal, Gas Malaysia distributed basic necessities like rice, sugar, flour, spices and other items for families in need residing in Pangsapuri PPR Kampung Baru Hicom, Seksyen 26 in Shah Alam. This effort is part of the annual MMC Prihatin Programme, aiming to ease the burdens of vulnerable communities and bring joy during Syawal festivities. We invested a total of RM12,500 in this programme, benefitting 250 families.



# Sustainability Statement



**Our goal is to create a safe, trustworthy and reliable distribution of gas to our industrial, commercial and residential customers in Malaysia.**

By doing so, we contribute to the overall integrity and sustainability of the country's gas distribution industry. To achieve this, we set strong principles prioritising safety, reliability, and ethical standards in our operations. This means we consistently uphold these values in every aspect of our work. We are dedicated to adhering to robust corporate governance principles and abiding by applicable laws and regulations in our highly regulated sector.

## HOW WE MANAGE THE MATTER

We actively take measures to prevent corruption, recognising its significant financial, operational, and reputational risks that can hinder our business growth. To maintain a robust ethical framework in Gas Malaysia, we are guided by the following key policies and guidelines:

- Gas Malaysia Group of Companies Anti-Bribery and Anti-Corruption Policy
- Whistleblower Policy
- Gifts Guidelines

We also comply with other relevant laws to promote organisational transparency and accountability. Furthermore, our strategic approach includes implementing the T.R.U.S.T. principles and the Anti-Bribery Management System, which aligns with the Malaysian Standards ISO 37001:2016. During the year under review, we received the ISO 37001:2016 Anti-Bribery Management System ("ABMS") Certification by SIRIM QAS.

# Sustainability Statement

## OUR PROGRESS/ACHIEVEMENTS

Gas Malaysia has taken robust measures to enhance its commitment to preventing bribery and corruption, incorporating policy revisions, risk assessments, control measures, systematic reviews, and extensive training and communication initiatives. Consistent with previous years, the Group has continued implementing various initiatives aligned with the T.R.U.S.T Principles.

These efforts encompass top-level commitment, thorough risk assessment, implementation of control measures, systematic monitoring, review, enforcement, and comprehensive training and communication strategies. The following outlines the objectives and actions were taken for each principle:

T.R.U.S.T Principles	Objectives	Current Initiatives	Upcoming Initiatives
<b>Top Level Commitment</b>	To ensure business activities are carried out in an environment that is bribery-free	<ul style="list-style-type: none"> <li>Approval of the revised Anti-Bribery Anti-Corruption Policy &amp; Framework</li> </ul>	<ul style="list-style-type: none"> <li>Conduct Corruption Free-Pledge session with all staff</li> <li>ABMS training &amp; awareness for Top Management and/or Governing Body</li> </ul>
<b>Risk Assessment</b>	To ensure adequate measures are in place to prevent, detect and respond to bribery and corruption risks	<ul style="list-style-type: none"> <li>Conducted Corruption Risk Assessment and review (by function) with representatives from all departments</li> </ul>	<ul style="list-style-type: none"> <li>Monitor and review registered Corruption Risk Assessment ("CRA").</li> <li>Finalise risk register for Gas Malaysia Energy Advance Sdn Bhd ("GMEA") and Gas Malaysia Synergy Drive Sdn Bhd ("GMSD")</li> <li>Conduct CRA with new business units, such as GMGV and Special Projects</li> </ul>
<b>Undertake Control Measures</b>	To ensure adequate measures are in place to prevent, detect and respond to bribery and corruption	<ul style="list-style-type: none"> <li>Provided ABAC Policy and Gifts Guidelines briefing for new staff during induction</li> <li>Reviewed and recommended revisions for ABMS-related documents</li> </ul>	<ul style="list-style-type: none"> <li>Continuously conduct ABAC Policy and Gifts Guidelines briefing for new staff during the induction</li> <li>Review relevant Gas Malaysia policies and procedures, such as ABMS Manual, Integrity Pact, Gifts Guideline, and more</li> </ul>

# Sustainability Statement

T.R.U.S.T Principles	Objectives	Current Initiatives	Upcoming Initiatives
<b>Systematic Monitoring, Review and Enforcement</b>	To ensure adequate measures are in place to prevent, detect and respond to bribery and corruption	<ul style="list-style-type: none"> <li>Performed ABMS internal audit for key departments</li> <li>Underwent ISO 37001:2016 certification audit by SIRIM QAS and was awarded the certification for Gas Malaysia, GMD, GMES and GMRS</li> </ul>	<ul style="list-style-type: none"> <li>Conduct annual internal compliance audit, and surveillance audit by external auditor for Gas Malaysia, GMD, GMES, and GMRS</li> <li>Initiate ABMS certification process for Gas Malaysia subsidiaries</li> </ul>
<b>Training and Communication</b>	To train employees on their awareness and understanding of ABMS to reduce potential bribery risks. To promote better corporate governance and legal compliance	<ul style="list-style-type: none"> <li>Completed "Do The Right Thing" training by Institut Integriti Malaysia</li> <li>Raised awareness of ABAC Policy &amp; Gifts Guidelines through Integrity &amp; Governance Department</li> <li>Held ISO 37001 ABMS Certification Handover Ceremony for management</li> <li>Co-organised Risk Assessment &amp; Due Diligence Training with Malaysian Institute of Corporate Governance</li> <li>Enhanced Anti-Bribery Management System awareness for GMES staff</li> <li>Communicated anti-bribery information through email, Integrity Portal, Integrity Corner and quarterly E-Bulletin publications</li> <li>Displayed bunting in Gas Malaysia and branch offices to reinforce anti-bribery messages</li> </ul>	<ul style="list-style-type: none"> <li>Conduct and organise trainings and awareness programmes for all levels of employees, such as Ethics &amp; Integrity Training by JTS Trainings and ISO 37001:2016 ABMS Internal Auditing Training by SIRIM STS</li> <li>Increase promotion of anti-bribery and integrity culture through video, anti-bribery pamphlets, monthly email blasts, and more</li> </ul>

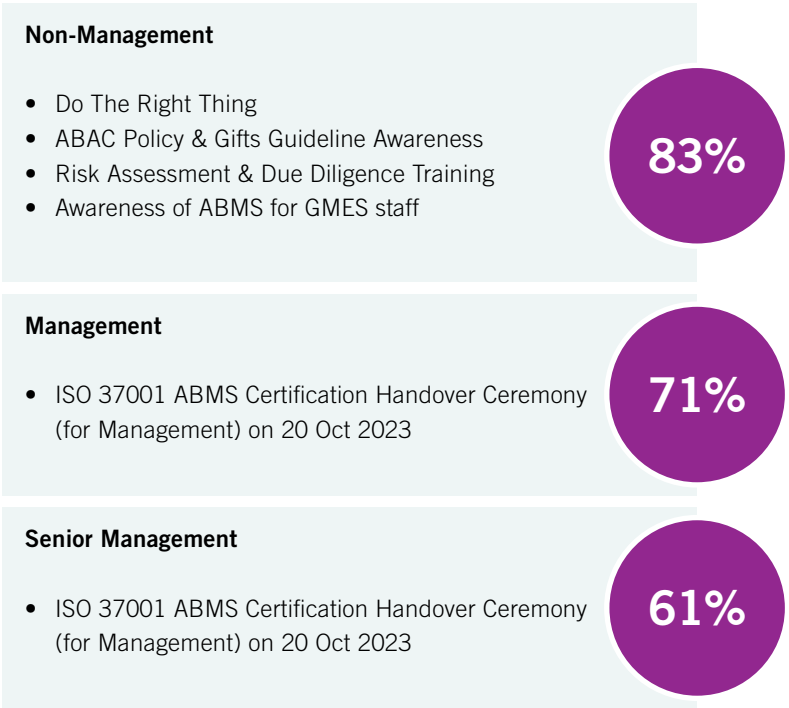


# Sustainability Statement

## ANTI-BRIBERY AND ANTI-CORRUPTION

Sustaining a strong culture of integrity throughout our business operations remains a fundamental pillar in nurturing effective corporate governance at Gas Malaysia. To address this, the Integrity and Governance Department is responsible for enhancing the overall integrity and governance of the organisation. Our dedication to integrity remains steadfast and is reinforced by a robust ABAC Policy, designed to eradicate all forms of corruption.

We offer training programmes designed to enhance our employees' understanding of contemporary issues surrounding bribery and corruption, aiming to raise awareness among them. As such, our people have attended training programmes on the following topics:



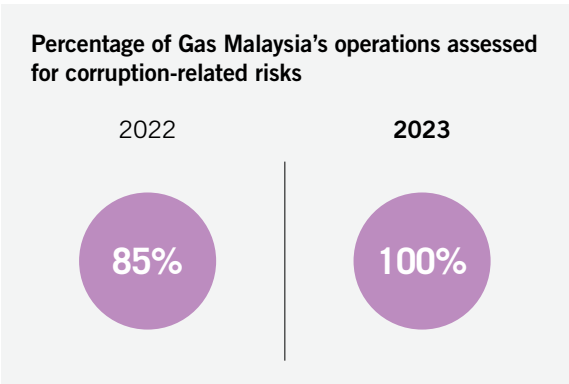
We also formulated our Gifts Guideline which clarifies our stance, categorises types of gifts, and sets forth the process for declaring gifts. Approval in accordance with the Gas Malaysia's Limits of Authority ("LOA") is required for accepting and offering gifts among employees, customers, vendors, contractors and third parties. It is crucial that the management of all gifts prevents misuse, including for the personal interests of the employee.

During the year under review, there were zero instances of ABAC Policy violations reported.



## OPERATIONS ASSESSED FOR CORRUPTION-RELATED RISKS

In our ongoing commitment to combat corruption and drive progress and sustainable change within our organisation, we consistently subject our operations to thorough assessments for any corruption-related risks. We continue to perform a series of CRA sessions across all Gas Malaysia business units. The aim of this assessment is to enhance the current corruption risk register and ensure a proactive approach to addressing potential risks. As of 31 December 2023, 85% of Gas Malaysia's operations have undergone assessment and finalisation for corruption-related risks. GMEA, GMSD, and GMGV have yet to finalise their assessments of corruption risks.



# Sustainability Statement

## COMMUNICATION AND TRAINING ON ANTI-CORRUPTION

It is imperative to comprehensively educate our people on the significance of adhering to best practices to combat bribery and corruption. Engaging in such behaviours goes against our corporate principles and is also illegal, putting individuals and our organisation at risk of facing fines and penalties that could lead to significant financial and reputational harm.

We conducted comprehensive briefings and awareness sessions on Anti-Corruption Policies and Procedures for all Gas Malaysia staff members, including our esteemed Board of Directors.

### Percentage of Board of Directors informed of Anti-Corruption Policies and Procedures

The revised ABAC Policy and Framework for Gas Malaysia has been approved for adoption by the Directors at its Board of Directors' meeting held on 12 May 2022.

100%

### Percentage of Employees informed of Anti-Corruption Policies and Procedures

All employees across all categories are informed about Gas Malaysia's Anti-Corruption Policies and Procedures through various channels including email communications, e-bulletins, the Integrity Portal on SharePoint, Integrity Corner on the notice board, bunting, display stands and during induction sessions.

## CUSTOMER PRIVACY

During 2023, we received zero complaints regarding breaches of customer privacy or losses of customer data.

## ANTI-COMPETITIVE BEHAVIOUR

Gas Malaysia is committed to fostering healthy competition among businesses, acknowledging its role in stimulating innovation and operational efficiency. This commitment leads to competitive pricing, superior product and service quality, increased consumer choices and enhanced overall value.

We are steadfast in complying with both local and international laws on anti-competitive conduct and monopolistic practices. Our aim is to prevent any actions that could reduce competition, impact our production capacity and establish monopolies in the realms of distribution, transportation and supply to our customers.

## HOW WE MANAGE THE MATTER

The regulatory framework for TPA has been established to effectively oversee and address anti-competitive practices. This framework empowers third-party entities by granting them access to gas facilities that are not under their ownership or operation. Through the TPA system, multiple entities can access and utilise gas facilities within Malaysia.

Moreover, we have successfully separated our business operations into two (2) distinct entities in anticipation of full market liberalisation: GMD and GMES. Both entities, wholly owned by Gas Malaysia, have obtained distribution and shipping licences.

GMD has been awarded a 20-year distribution licence, empowering it to serve as a gas distributor through its NGDS across Peninsular Malaysia. On the other hand, GMES, with a 10-year shipping licence, operates as a gas shipper procuring gas from a shipper and delivering it according to customers' specifications. This strategic unbundling strengthens our value and standing in the gas industry.

# Bursa Sustainability Performance Report

Indicator	Measurement Unit	2023
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	54
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	868,224.30
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	11.653000
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.94
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	69
Management	Hours	70
Non-Management	Hours	36
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	1.80
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	0
Management	Number	0
Non-Management	Number	42
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	0.70
Senior Management Above 50	Percentage	2.40
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	4.70
Management Above 50	Percentage	3.30
Non-Management Under 30	Percentage	18.10
Non-Management Between 30-50	Percentage	58.40
Non-Management Above 50	Percentage	12.10
Gender Group by Employee Category		
Senior Management Male	Percentage	2.70
Senior Management Female	Percentage	0.30
Management Male	Percentage	6.10
Management Female	Percentage	2.10
Non-Management Male	Percentage	61.70
Non-Management Female	Percentage	27.10

Internal assurance

External assurance

No assurance

(\*) Restated



# Bursa Sustainability Performance Report

Indicator	Measurement Unit	2023
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	88.00
Female	Percentage	12.00
Between 56-60	Percentage	50.00
Between 61-65	Percentage	26.00
Between 66-70	Percentage	12.00
Between 71-75	Percentage	12.00
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	614,668.40
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	2,439**
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	61.00
Management	Percentage	71.40
Non Management	Percentage	83.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	85.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0

\* The unit of measurement reported in the sustainability statement was in GJ. However, to comply with Bursa Malaysia's requirements for the unit of measurement to be in MW, we have converted GJ into MW at a rate of 1 GJ to 0.278MW.

\*\* The breakdown of beneficiaries are as follows: 327 students, 720 homeless individuals, 40 underprivileged families, 1,100 B40 students, two NGOs and 250 families.

Internal assurance External assurance No assurance (\*)Restated

# 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**

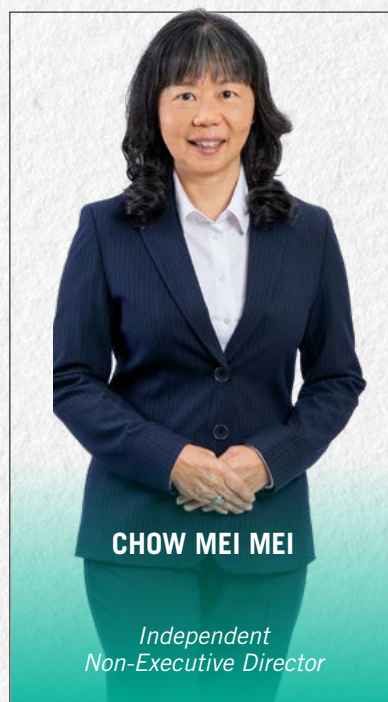
*Non-Independent  
Non-Executive Director*

## EMPOWERING VISION, COMMITMENT AND SUCCESS

Our Board acts as catalysts for our growth and success, inspiring our team and propelling our journey forward through leadership, direction and governance.



## Board of Directors



# Board of Directors' Profile



## TAN SRI WAN ZULKIFLEE BIN WAN ARIFFIN

Chairman / Independent Non-Executive Director

### 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 Petroliaam 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 was on the Board of Governors of the International Islamic University of Malaysia.

### OTHER PRESENT DIRECTORSHIPS

- Listed Issuers: DRB-HICOM Berhad and Nestle (Malaysia) Berhad
- Other Public Companies: Malaysia Aviation Group Berhad, Malaysia Airlines Berhad



### MEMBERSHIP OF BOARD COMMITTEE(S)

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

#### Gender

Male

#### Age

63

#### Nationality

Malaysian

#### Date of Appointment

Chairman – 1 July 2021

#### Board Attendance in 2023

6/6

### DECLARATION

Tan Sri Wan Zulkiflee 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 no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted for any offences within the past five (5) 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

● Regulatory/Legal

● Economics

● Technical/Engineering



# Board of Directors' Profile

## TAN SRI CHE KHALIB BIN MOHAMAD NOH

*Non-Independent Non-Executive Director*

### 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 (8) years until the completion of his contract on 30 June 2012. 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



### MEMBERSHIP OF BOARD COMMITTEE(S)

- Member of Gas Procurement & Tariff Setting Committee

### DECLARATION

Tan Sri Che Khalib 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 no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted for any offences within the past five (5) years. There was no public sanction or penalty imposed on him by any regulatory bodies during the financial year.



<b>Gender</b> Male	<b>Age</b> 59	<b>Nationality</b> Malaysian
<b>Date of Appointment</b> Director – 1 July 2013		
<b>Board Attendance in 2023</b> <b>6/6</b>		

# Board of Directors' Profile



## NOBUHISA KOBAYASHI

*Non-Independent Non-Executive Director*

### 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



### MEMBERSHIP OF BOARD COMMITTEE(S)

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

#### Gender

Male

#### Age

66

#### Nationality

Japanese

#### Date of Appointment

Director – 1 April 2019

#### Board Attendance in 2023

6/6

### DECLARATION

Nobuhisa 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 no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted for any offences within the past five (5) 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

● Regulatory/Legal

● Economics

● Technical/Engineering

# Board of Directors' Profile

## KAMALBAHRIN BIN AHMAD

*Non-Independent Non-Executive Director*

### QUALIFICATION

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

### RELEVANT EXPERIENCE

He joined Petroliaam 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 Philips66 to PETRONAS wholly owned.

Kamalbaharin 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 Base Regulation) through close engagement with the relevant authorities like the Energy Commission ("EC") as well the customers.

Kamalbaharin is currently the Senior Vice President and Chief Executive Officer of PETRONAS Refinery and Petrochemical Corporation Sdn Bhd where one (1) 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



### MEMBERSHIP OF BOARD COMMITTEE(S)

- Member of Risk & Compliance Committee

### DECLARATION

Kamalbaharin 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 no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted for any offences within the past five (5) years. There was no public sanction or penalty imposed on him by any regulatory bodies during the financial year.



<b>Gender</b> Male	<b>Age</b> 60	<b>Nationality</b> Malaysian
<b>Date of Appointment</b> Director – 19 July 2017		
<b>Board Attendance in 2023</b> <b>6/6</b>		



# Board of Directors' Profile



## DATUK SYED ABU BAKAR BIN S MOHSIN ALMOHDZAR

*Non-Independent Non-Executive Director*

### 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

<b>Gender</b> Male	<b>Age</b> 73	<b>Nationality</b> Malaysian
<b>Date of Appointment</b> Director – 16 August 2011		
<b>Board Attendance in 2023</b> <b>6/6</b>		



### MEMBERSHIP OF BOARD COMMITTEE(S)

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

### DECLARATION

Datuk Syed Abu Bakar 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 no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted for any offences within the past five (5) 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      ● Regulatory/Legal      ● Economics      ● Technical/Engineering

# Board of Directors' Profile

## DATUK OOI TEIK HUAT

*Non-Independent Non-Executive Director*  
(Redesignated from Independent to Non-Independent Director on 25 March 2024)

### 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



<b>Gender</b> Male	<b>Age</b> 64	<b>Nationality</b> Malaysian
<b>Date of Appointment</b> Director – 16 May 2013		
<b>Board Attendance in 2023</b> <b>6/6</b>		



### MEMBERSHIP OF BOARD COMMITTEE(S)

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

### DECLARATION

Datuk Ooi Teik Huat 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 no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted for any offences within the past five (5) 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*

### 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 Petroliaam 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

<b>Gender</b> Male	<b>Age</b> 60	<b>Nationality</b> Malaysian
<b>Date of Appointment</b> Director – 1 September 2022		
<b>Board Attendance in 2023</b> <b>6/6</b>		

### DECLARATION

Maliki Kamal 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 no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted for any offences within the past five (5) years. There was no public sanction or penalty imposed on him by any regulatory bodies during the financial year.



### MEMBERSHIP OF BOARD COMMITTEE(S)

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

### BOARD SKILLS AND EXPERIENCE MATRIX

● Accounting/Finance      ● Regulatory/Legal      ● Economics      ● Technical/Engineering



# Board of Directors' Profile

## CHOW MEI MEI

*Independent Non-Executive Director*

### QUALIFICATION

- Chartered Accountant, Institute of Chartered Accountants in England and Wales ("ICAEW")
- Member of the Malaysian Institute of Accountants
- Member of the Chartered Institute of Marketing, United Kingdom – Post Graduate Diploma
- Bachelor of Arts (Honours) in Business Studies, University of South Wales, United Kingdom

### RELEVANT EXPERIENCE

Began her career with Binder Hamlyn in United Kingdom, and after qualifying as a Chartered Accountant with ICAEW, moved to The Audit Commission and PwC London before returning to Malaysia with the PwC. She held several C-Suite and Executive Leadership positions in the Sime Darby Group and Sapura Energy Berhad including Chief Financial Officer roles and SVP of Strategy and Corporate Finance.

Currently the Chairperson on the Board of Paratus Energy Services Ltd, a pre-IPO global oil and gas group with a portfolio of companies, both listed and private with assets and activities in Europe and Americas. She is also a Board member of UM Pharmauji Sdn Bhd and a Board Trustee of Mercy Humanitarian in United Kingdom, and Advisor to the Board of Trustees of Teach of Malaysia.

### OTHER PRESENT DIRECTORSHIPS

- Listed Issuers: None
- Other Public Companies: None



### MEMBERSHIP OF BOARD COMMITTEE(S)

- Chairman of Audit Committee

### DECLARATION

Chow Mei Mei 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 no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. She has not been convicted for any offences within the past five (5) years. There was no public sanction or penalty imposed on her by any regulatory bodies during the financial year.



<b>Gender</b> Female	<b>Age</b> 58	<b>Nationality</b> Malaysian
<b>Date of Appointment</b> Director – 21 August 2023		
<b>Board Attendance in 2023</b> <b>2/3</b> <small>(from the date of her appointment)</small>		

# Board of Directors’ Profile

## SHARIZA SHARIS BINTI MOHD YUSOF

Alternate Director to Kamalbahrin bin Ahmad / Non-Independent Non-Executive Director

### QUALIFICATION

- 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 from year 2017 to 2022. Shariza Sharis is currently the Senior General Manager, Finance & Enterprise Risk of PETRONAS Refinery and Petrochemical Corporation Sdn Bhd.

### OTHER PRESENT DIRECTORSHIPS

- Listed Issuers: None
- Other Public Companies: None

<b>Gender</b> Female	<b>Age</b> 49	<b>Nationality</b> Malaysian
<b>Date of Appointment</b> Alternate Director – 9 November 2017		
<b>Board Attendance in 2023</b> N/A		



### DECLARATION

Shariza Sharis 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 no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. She has not been convicted for any offences within the past five (5) years. There was no public sanction or penalty imposed on her by any regulatory bodies during the financial year.

BOARD SKILLS AND EXPERIENCE MATRIX			
Accounting/Finance	Regulatory/Legal	Economics	Technical/Engineering
Commercial/Marketing	Operations/Industry Experience	Leadership & Strategy	

# Key Senior Leadership



**AHMAD HASHIMI BIN ABDUL MANAP**

*Group Chief Executive Officer*



**MOHD NISHARUDDIN BIN MOHD NOOR**

*Director of Technical & Operations*



**SHAHIR BIN SHARIFF**

*Director of Commercial*



**ZAFIAN BIN SUPIAT**

*Chief Financial Officer*

## LEADING WITH PURPOSE: OUR SENIOR LEADERSHIP TEAM

Our highly-driven senior leadership team plays a pivotal role in leading our business operations and workforce - driving sustainable growth within the Group.



# Key Senior Leadership's Profile



**AHMAD HASHIMI BIN ABDUL MANAP**

*Group Chief Executive Officer*

## DATE OF APPOINTMENT

12 February 2015

### PRESENT DIRECTORSHIP IN LISTED ISSUERS:

Nil

### 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 Synergy Drive 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



**SHAHIR BIN SHARIFF**

*Director of Commercial*

## 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 8<sup>th</sup> ASEAN Senior Management Development Programme, Harvard Business School Alumni Club Malaysia
- Attended General Management Programme, National University of Singapore

## 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 and Services Sdn Bhd, Gas Malaysia Energy Advance Sdn Bhd, Gas Malaysia Ventures Sdn Bhd, Gas Malaysia Venture 1 Sdn Bhd, Gas Malaysia Venture 2 Sdn Bhd, Gas Malaysia Green Ventures Sdn Bhd (formerly known as Gas Malaysia Virtual Pipeline Sdn Bhd), Sime Darby Gas Malaysia BioCNG Sdn Bhd and Gas Malaysia Synergy Drive Sdn Bhd

None of the Management has:

1. Any family relationship with any Director and/or Major Shareholder of Gas Malaysia Berhad.
2. Any personal interest in any business arrangement involving the Company.
3. Any conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.
4. Any conviction for offences within the past five (5) 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*

## 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, Manila
- Attended 9<sup>th</sup> 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

- Chairman of Gas Malaysia Distribution Sdn Bhd
- Sits on the board of Gas Malaysia Energy Advance Sdn Bhd and Gas Malaysia Green Ventures Sdn Bhd (formerly known as Gas Malaysia Virtual Pipeline Sdn Bhd)



**ZAFIAN BIN SUPIAT**

*Chief Financial Officer*

## 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

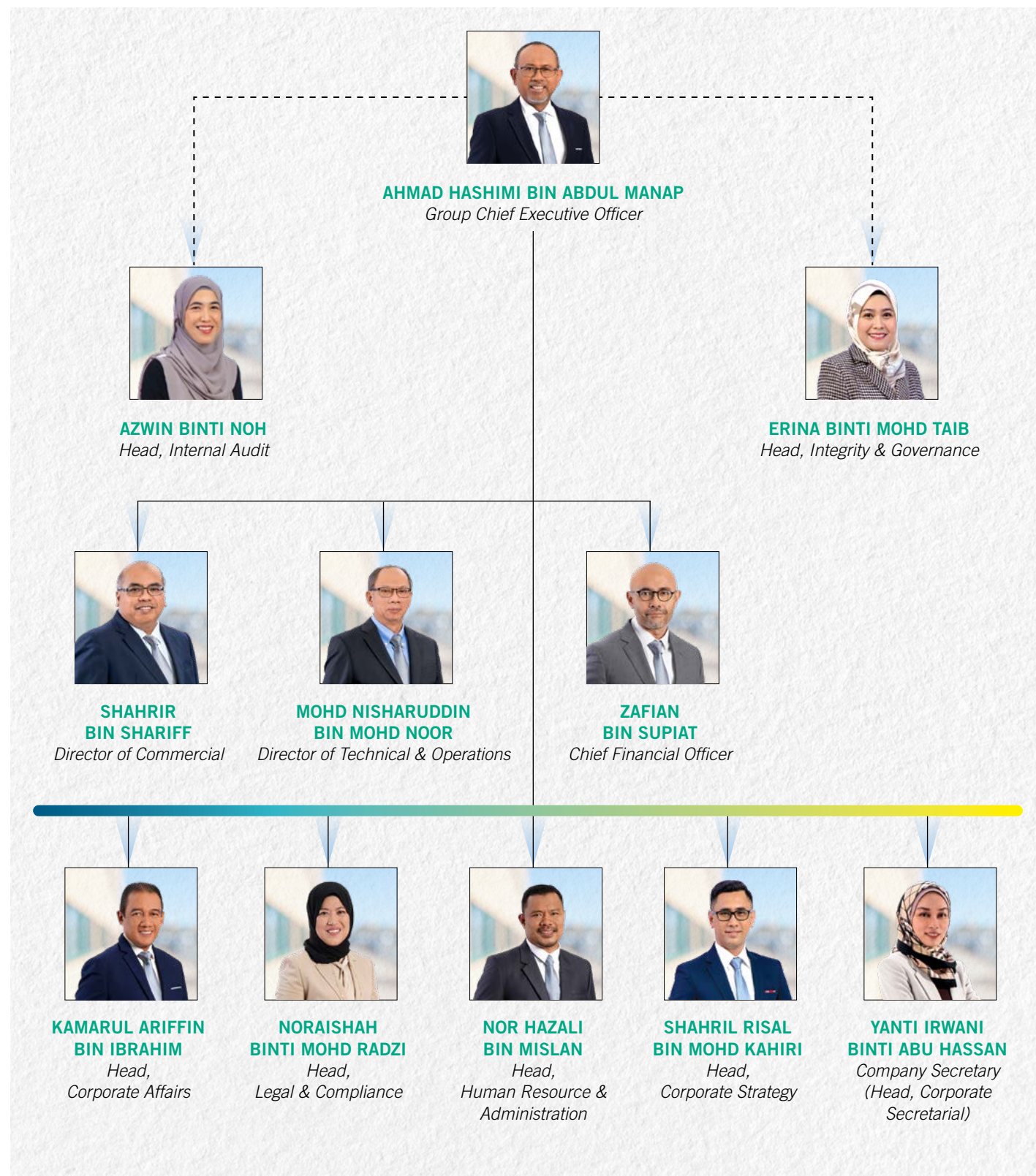
## DIRECTORSHIPS

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

None of the Management has:

1. Any family relationship with any Director and/or Major Shareholder of Gas Malaysia Berhad.
2. Any personal interest in any business arrangement involving the Company.
3. Any conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries.
4. Any conviction for offences within the past five (5) years other than traffic offences, public sanction or penalty imposed by its relevant regulatory bodies during the financial year under review.

# Organisation Chart





# Management Team

## CHAMPIONING EXCELLENCE: OUR RESULTS-DRIVEN MANAGEMENT TEAM

Our skilled and dynamic management team leads and guides our workforce, ensuring collaborative success, innovation and achievement.



**KAMARUL ARIFFIN  
BIN IBRAHIM**

*Head,  
Corporate Affairs*



**SHAHRL RISAL  
BIN MOHD KAHIRI**

*Head,  
Corporate Strategy*



**NOR HAZALI  
BIN MISLAN**

*Head,  
Human Resource &  
Administration*



**AZWIN  
BINTI NOH**

*Head,  
Internal Audit*



**NORAISHAH  
BINTI MOHD RADZI**

*Head,  
Legal & Compliance*



**ERINA  
BINTI MOHD TAIB**

*Head,  
Integrity & Governance*



**YANTI IRWANI  
BINTI ABU HASSAN**

*Company Secretary  
(Head,  
Corporate Secretarial)*

# 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 Gas Malaysia Berhad (“Gas Malaysia” or “the Company”) and its subsidiaries (“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’s (“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](http://www.gasmalaysia.com). The CG Report elaborates on the Company’s application of each Principle of the MCCG 2021 for the year under review.



Principle A  
**BOARD LEADERSHIP  
AND EFFECTIVENESS**

Principle B  
**EFFECTIVE AUDIT AND  
RISK MANAGEMENT**

Principle C  
**INTEGRITY IN CORPORATE  
REPORTING AND MEANINGFUL  
RELATIONSHIP WITH  
STAKEHOLDERS**

# Corporate Governance Overview Statement

A

## BOARD LEADERSHIP AND EFFECTIVENESS

### I. 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](http://www.gasmalaysia.com).



# Corporate Governance Overview Statement

## PRINCIPLE A

### BOARD ACTIVITIES FOR FYE 2023

The Board maintains an agenda that addresses strategic planning, budget approval, corporate governance matters, financial performance review, sustainability initiatives and evaluation of business opportunities. The Board actively contributes insights to the Management regarding the Group's overall strategy. The discussions focus on building strengths as total energy solutions provider, enhancing financial resilience, and delivering consistent and robust returns to shareholders.

### 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.

To effectively implement its 10-year strategic business plan, known as "GM32" and demonstrate the Company's commitment to supporting the national energy transition agenda, Gas Malaysia has crafted a comprehensive Sustainability Framework that serves as a key facilitator for sustainable growth and the optimisation of strategic advantages, which aligns with the National Energy Transition Roadmap and New Industrial Master Plan 2030.

Details of the Group's sustainability initiatives are reported in the Sustainability Statement on pages 45 to 74 of this Annual Report.

## II. BOARD COMPOSITION

### COMPOSITION OF THE BOARD

The Board comprises four (4) Independent Non-Executive Directors ("INEDs") and four (4) Non-Independent Non-Executive Directors ("NINEDs"), composed of members who bring experience from various disciplines primarily, accounting, finance, legal/regulatory, economics, commercial, engineering/technical, and gas and utilities.

With the retirement of the two (2) INEDs, Datuk Puteh Rukiah binti Abd. Majid and Encik Tan Lye Chong, there was a new appointment of Puan Chow Mei Mei as an INED on 21 August 2023.

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 79 to 87 of this Annual Report.

### INDEPENDENT DIRECTORS

The Board has implemented the subsequent measures to reinforce its autonomy in accordance with the Enhanced Director Amendments of MMLR:

- (i) The Board Charter has a policy limiting the tenure of INEDs to 12 years. In April 2023, Datuk Syed Abu Bakar bin S Mohsin Almohdzar had been re-designated as a NINED in view that his tenure as an INED of the Company was approaching 12 years.
- (ii) Due to the same reason above, at the 32<sup>nd</sup> Annual General Meeting ("AGM") held on 22 May 2023, Datuk Puteh Rukiah binti Abd. Majid and Encik Tan Lye Chong had voluntarily retired from the Board.

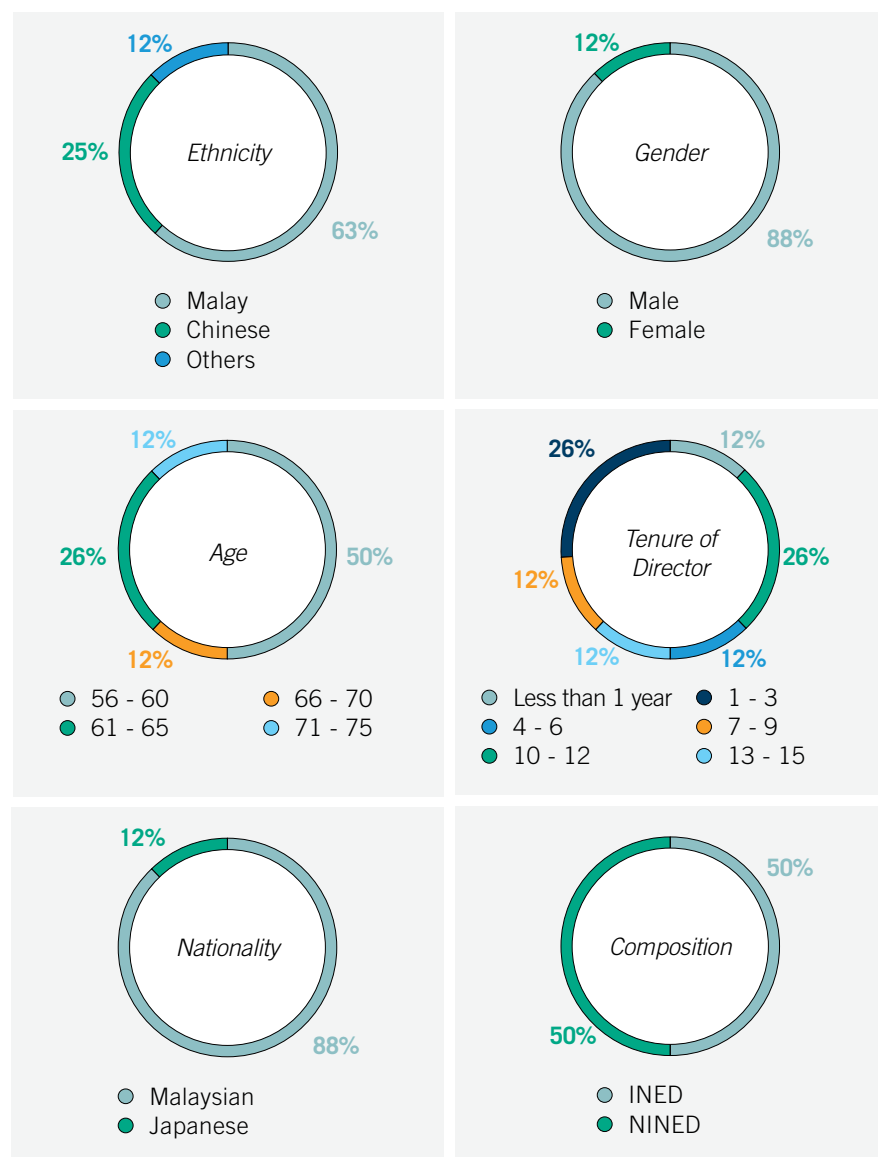
Following due consideration, the Board has determined that all INEDs have fulfilled the criteria under the definition of an independent director as stated in the MMLR of Bursa Securities and are able to maintain their independence and objective judgements, and contribute positively to the business strategies, operations and corporate governance of the Company and the Group.

# Corporate Governance Overview Statement

## 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 79 to 87.

The Company's boardroom diversity as at 31 December 2023 is illustrated below:



## BOARD SKILLS AND EXPERIENCE MATRIX

**Tan Sri Wan Zulkiflee bin Wan Ariffin**

T C O L

**Tan Sri Che Khalib bin Mohamad Noh**

A R E L

**Nobuhisa Kobayashi**

E C L

**Kamalbahrin bin Ahmad**

T O L

**Datuk Syed Abu Bakar bin S Mohsin Almohdzar**

A E L

**Datuk Ooi Teik Huat**

A E C L

**Maliki Kamal bin Mohd Yasin**

R O L

**Chow Mei Mei**

A E O L

### Legend

A	Accounting/Finance
R	Regulatory/Legal
E	Economics
T	Technical/Engineering
C	Commercial/Marketing
O	Operations/Industry Experience
L	Leadership & Strategy

# Corporate Governance Overview Statement

## PRINCIPLE A

### ATTENDANCE OF MEETINGS

The number of Board and Committee Meetings held in the financial year ended 31 December 2023 ("FYE 2023") and the attendance of each member of the Board at the respective Board and Committee meetings are as follows:

Name	Designation	Meeting Attendance				
		Board of Directors	Nomination & Remuneration Committee ("NRC")	Audit Committee ("AC")	Risk & Compliance Committee ("RCC")	Gas Procurement & Tariff Setting Committee ("GPTS")
<b>Tan Sri Wan Zulkiflee bin Wan Ariffin</b>	INED • Chairman of Board of Directors • Chairman of NRC • Chairman of GPTS	6/6	5/5	-	-	1/1
<b>Tan Sri Che Khalib bin Mohamad Noh</b>	NINED	6/6	-	-	-	0/1
<b>Nobuhisa Kobayashi</b>	NINED • Chairman of RCC	6/6	-	-	2/2	1/1
<b>Kamalbahrin bin Ahmad</b>	NINED	6/6	-	-	2/2	-
<b>Datuk Syed Abu Bakar bin S Mohsin Almohdzar**</b>	NINED	6/6	5/5	1/1	2/2	-
<b>Datuk Ooi Teik Huat*</b>	INED • Chairman of AC	6/6	2/2	5/5	-	-
<b>Maliki Kamal bin Mohd Yasin</b>	INED	6/6	-	2/2	-	1/1
<b>Chow Mei Mei*</b> (appointed w.e.f 21 August 2023)	INED	2/3	-	1/1	-	-
<b>Tan Lye Chong**</b> (retired w.e.f 22 May 2023)	INED • Chairman of AC	3/3	-	3/3	-	-
<b>Datuk Puteh Rukiah binti Abd. Majid**</b> (retired w.e.f 22 May 2023)	INED	3/3	3/3	3/3	-	-

#### Notes

\* Reflects the number of meetings held/attended during FYE 2023 after appointment as Director/Member of the Committee

\*\* Reflects the number of meetings held/attended during FYE 2023 prior to retirement as Director/cessation as Member of the Committee



# Corporate Governance Overview Statement

## 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. All employees are briefed and provided with a copy of the Code of Conduct and Discipline during employee induction programme.

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.

## DIRECTORS' CONFLICT OF INTEREST

The Board remains vigilant regarding situations where potential or perceived conflict of interest may arise involving the Directors. The Directors acknowledge their responsibility for avoiding an actual or potential conflict of interest. Any Director shall immediately disclose and declare to the Board any interest which is in conflict with Gas Malaysia, based on the procedure set out in the Board Charter as well as in accordance with provisions of the Companies Act 2016.

## 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](http://www.gasmalaysia.com).

## ANTI-BRIBERY & ANTI-CORRUPTION

In consideration of Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, Gas Malaysia maintains a policy of zero-tolerance towards any form of corruption acts as outlined in the Anti-Bribery and Anti-Corruption ("ABAC") Policy and Framework which was adopted on 13 February 2020. In support of this, the Company has established a mechanism for its employees and third parties to report any incidents of corruption or other violations of integrity to the Internal Audit Department via the established whistleblowing channel. The ABAC Policy and Framework underwent its most recent review by the Board in February 2023.

## FIT AND PROPER POLICY

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](http://www.gasmalaysia.com).

The aforementioned policies for the Group outlined above are crucial in instilling high standards of conduct throughout the organisation. They enhance integrity, governance and anti-corruption framework serving as effective measures to manage risks such as fraud, bribery, corruption, misconduct and unethical practices.

## 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.

# Corporate Governance Overview Statement

## PRINCIPLE A

### 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 108 to 113 of this Annual Report.

### REMUNERATION OF KEY SENIOR MANAGEMENT

Details of Key Senior Management remuneration as at 31 December 2023 on a named basis (including benefits-in-kind) are as follows:

Name of Senior Management	Designation	Total Remuneration Range in Year 2023 (in RM'000)				
		600-750	750-1,000	1,000-1,500	1,500-2,000	2,500-3,000
<b>Ahmad Hashimi bin Abdul Manap</b>	Group Chief Executive Officer					●
<b>Shahrir bin Shariff</b>	Director of Commercial				●	
<b>Mohd Nisharuddin bin Mohd Noor</b>	Director of Technical & Operations			●		
<b>Zafian bin Supiat</b>	Chief Financial Officer		●			
<b>Mohamad Farid bin Ghazali</b>	Chief Executive Officer, GMES		●			
<b>Shahrel Amir bin Mohd Rashid</b>	Chief Executive Officer, GMD	●				

# Corporate Governance Overview Statement

## B

## EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. AUDIT COMMITTEE (“AC”)

The AC comprises three (3) IDs:

Name of Director	Designation
<b>Datuk Ooi Teik Huat</b>	INED (Chairman)
<b>Maliki Kamal bin Mohd Yasin</b>	INED
<b>Chow Mei Mei</b>	INED

The AC's key roles are:

- To assist the Board in fulfilling its statutory and fiduciary responsibilities in examining and monitoring the Company and the Group's 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 arms-length 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 the Group presented by Management for the distribution to shareholders and the general public;
- Provide direction and oversight over the internal and external auditors of the Company 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;

- 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; and
- To review conflict of interest situations that arose, persist, or may arise within the Group and the measures taken to resolve, eliminate or mitigate such conflict.

Details of AC activities are reported in Audit Committee Report on pages 114 to 118 of this Annual Report.

### II. RISK MANAGEMENT AND INTERNAL CONTROL

The Board manages and performs its risk management and internal control through the 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 Director	Designation
<b>Nobuhisa Kobayashi</b>	NINED (Chairman)
<b>Datuk Syed Abu Bakar bin S Mohsin Almohdzar</b>	NINED
<b>Kamalbahrin bin Ahmad</b>	NINED

The RCC's key roles 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.

RCC met two (2) times in 2023 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 on Risk Management and Internal Controls on pages 102 to 107 of this Annual Report.

# Corporate Governance Overview Statement

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 32<sup>nd</sup> AGM held on 22 May 2023 was sent to shareholders on 20 April 2023. 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 2022 before the commencement of the 32<sup>nd</sup> AGM.

The Company's 32<sup>nd</sup> AGM was held virtually via Remote Participation & Electronic Voting ("RPEV") facilities. The Chairman, other members of the Board, the GCEO and Key Senior Management were physically present at the Broadcast Venue. The shareholders, corporate representatives and proxies attended the 32<sup>nd</sup> 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 32<sup>nd</sup> AGM had been published on the Company's website on 19 June 2023.

### KEY FOCUS AREAS AND FUTURE PRIORITIES

Since the release of the updated MCGG 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 FYE 2023.

The Board is cognisant that there are always opportunities to enhance corporate governance practices of the Group. The Board believes that a strong sustainability performance is becoming an increasing priority as such a Sustainability Framework which was adopted in August 2023 allows sustainability goals, strategies and initiatives be incorporated into Gas Malaysia's business strategy thereby allowing the Group to not only fulfil its environmental, ethical and social responsibilities but also helps ensure long-term success and resilience.

The Board's governance focuses for the financial year ending 2024 encompass refining strategic propositions, overseeing succession planning for both the Board and Mission Critical Positions, operationalising the sustainability strategy with transparent reporting on Environmental, Social and Governance progress, and evaluating opportunities for business diversification and exploring new business opportunities.

### COMPLIANCE STATEMENT

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board of Directors dated 25 March 2024.



# Statement on Risk Management and Internal Control

**Gas Malaysia Berhad (“the Company”) and its subsidiaries (“the Group”) are operating in a dynamic and challenging corporate environment. Acknowledging this, the Board of Directors (“the 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 RCMC & Senior Management Review Meeting (“RCMC”) in their meeting on 24 January 2024 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.
- B** Define risk management roles and responsibilities within the Group and outline procedures to mitigate risks.
- C** Ensure consistent and acceptable risk management practices throughout the Group.
- D** Define the reporting framework to ensure clear communication on all risk management activities and reporting.
- E** Accommodate the changing risk management needs of the Group while maintaining control of the overall risks.
- F** Details the approved methodology for risk assessment.
- G** 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:

### A) RISK MANAGEMENT

#### 1) GROUP’S RISK AND COMPLIANCE MANAGEMENT POLICIES AND PROCEDURES FRAMEWORK

The Board has devised its own risk and compliance management policies and procedures framework which is in line with the industry best practices for 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.

# Statement on Risk Management and Internal Control

## 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:

- |          |  |          |  |
|----------|--|----------|--|
| <b>A</b> | 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>E</b> | Identify key risks at the Group that needs to be escalated to the RCC.   |
| <b>B</b> | Conduct RCMC meetings on a half-yearly basis.  | <b>F</b> | Review and enhance the Group’s risk management structure to sustain the ERM framework and support the on-going delivery of risk management objectives. |
| <b>C</b> | Ensure that risks identified are reviewed prior to reporting to the RCC.   | <b>G</b> | Review and enhance the Group’s Risk Assessment process.  |
| <b>D</b> | Decide on the status and further action on matters arising with regards to the identified risks.   | <b>H</b> | Ensure that the ERM Policy and Framework has been adopted accordingly.   |

The Group Chief Executive Officer (“GCEO”) leads the RCMC as the Chairman with Heads of Companies (“HOCs”) and invited 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.

# Statement on Risk Management and Internal Control

## NOTE 2

### 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:

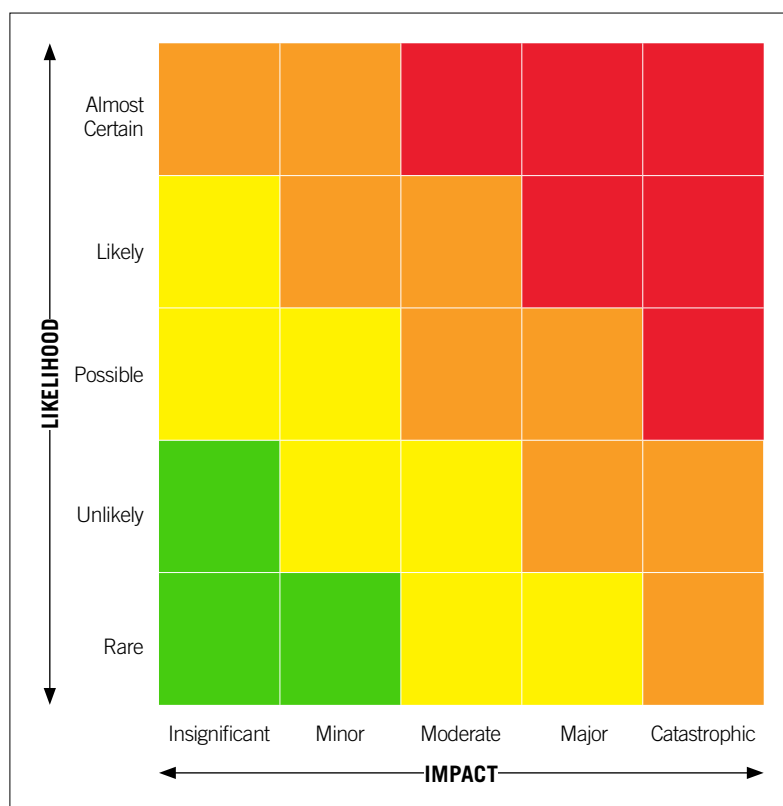
- A** To review the processes for determining and communicating the Group's risk appetite.
- B** To oversee the establishment and implementation of the risk management system of the Group of which the effectiveness of the system is reviewed annually.
- C** To review and approve the risk management framework 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.
- E** To review periodic reports on risk management of the Group and deliberate on key risk issues highlighted by the RCMC.
- F** To report to the Board on the key risks of the Group and the action plans to mitigate these risks.
- G** 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.

### 3) 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.



#### Legend:



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.

# Statement on Risk Management and Internal Control

## 4) 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:

### A 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 people, 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.

### B 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.

### C 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

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

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

### 1) 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, ISO/IEC 27001:2013 & ISO 37001:2016 are certifications obtained for the Group's operational processes.

### 2) 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.

### 3) 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 on 16 February 2020. The Policy was later reviewed, revised and approved by the Board of Directors on 16 February 2023. Minor amendments were made related to the change of Whistleblowing e-mail address domain, Policy Statement, Disclosures of Improper Conduct, Investigation Report and Revocation of Whistleblower Protection.

### 4) 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.

### 5) 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.

### 6) 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 Group has engaged external auditors to perform limited assurance review on the Statement on Risk Management and Internal Control (“SORMIC”) document in accordance with Audit and Assurance Practice Guide (“AAPG”) 3 issued by the Malaysian Institute of Accountants and report their findings to the Group's Board of Directors.

# Statement on Risk Management and Internal Control

- The external auditors will highlight significant deficiencies in internal control 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.

## 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 GCEO 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 SORMIC has been prepared in line with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), 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 25 March 2024.

## REVIEW BY EXTERNAL AUDITORS





As required by Paragraph 15.23 of the Bursa Securities MMLR, the external auditors have reviewed this SORMIC 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 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

**The Nomination & Remuneration Committee (“NRC”) Report is prepared in accordance with Paragraph 15.08A(3) of Bursa Malaysia Securities Berhad’s (“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 2023 (“FYE 2023”) are as follows:

Name of Director	Designation	Number of Meetings Attended
<b>Tan Sri Wan Zulkiflee bin Wan Ariffin</b>	Independent, Non-Executive (Chairman)	
<b>Datuk Syed Abu Bakar bin S Mohsin Almohdzar</b>	Non-Independent, Non-Executive	
<b>Datuk Ooi Teik Huat</b> <i>(appointed as member w.e.f 22 May 2023)</i>	Independent, Non-Executive	
<b>Datuk Puteh Rukiah binti Abd. Majid</b> <i>(retired w.e.f 22 May 2023)</i>	Independent, Non-Executive	

Currently, the NRC is chaired by Tan Sri Wan Zulkiflee bin Wan Ariffin, an Independent Director (“ID”), who is also the Chairman of the Board of Directors (“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.

During the year under review, there have been changes to the NRC’s composition with the re-designation of Datuk Syed Abu Bakar bin S Mohsin Almohdzar, from Independent Director to Non-Independent Director on 7 April 2023 and appointment of Datuk Ooi Teik Huat as member of NRC, following the retirement of Datuk Puteh Rukiah binti Abd. Majid on 22 May 2023.

The NRC’s key roles, among others are:

- To consider and recommend to the Board suitable persons for appointment as Board Members and the Group Chief Executive Officer (“GCEO”) of the Company, its Committees and its Subsidiaries;
- To annually review the performance of the Board Members and its Committees;
- 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 Group;
- 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 Annual General Meeting (“AGM”);
- Reviewed and recommended to the Board the NRC Report for inclusion in the Annual Report 2023;
- Assessed and recommended to the Board the appointment of Puan Chow Mei Mei as an Independent Non-Executive Director, and a member of the Audit Committee of the Company;

# Nomination & Remuneration Committee Report

- Reviewed and recommended to the Board the renewal of employment contract for the GCEO;
- Reviewed and recommended to the Board the appointment of new Chief Executive Officer of Gas Malaysia Distribution Sdn Bhd;
- Reviewed the succession planning on Mission Critical Positions and recommended to the Board; and
- Reviewed the 2024 Balanced Scorecard.

Written terms of reference of the NRC is available on Gas Malaysia's website at [www.gasmalaysia.com](http://www.gasmalaysia.com).

## RECRUITMENT AND ANNUAL ASSESSMENT OF DIRECTORS

One 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. Upon the retirement of Datuk Puteh Rukiah binti Abd. Majid at the 32<sup>nd</sup> Annual General Meeting of the Company held on 22 May 2023, and in complying with Paragraph 15.02(1)(b) of the MMLR of Bursa Securities which requires a listed issuer to have at least one (1) woman director, the NRC had reviewed and assessed Puan Chow Mei Mei's character, integrity, expertise, time and commitment and is satisfied that she has fulfilled the required criteria set by the Company's Fit & Proper Policy. With the recommendation of the NRC and having reviewed her vast knowledge and experience in the oil & gas and energy & utilities company, the Board approved her appointment as an ID of the Company with effect from 21 August 2023.

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 Company had engaged Boardroom Corporate Services Sdn Bhd ("Boardroom") an independent expert to facilitate the conduct of the Board Effectiveness Evaluation ("BEE"). The BEE was conducted through questionnaires circulated to the Board which comprised the assessment of the Board, Board Committees and Individual Directors, including IDs, and one-to-one online interview session with all eight (8) directors.

The effectiveness of the Board is assessed in the following areas:

- Board mix and composition;
- Board effectiveness/ Board function;
- Access to information;
- Board operation and issues on Board agenda;
- Board Chairman's role;
- Relationship with Management;
- Relationship with shareholders/stakeholders; and
- Environmental, Social and Governance.

The effectiveness of the Board Committees is assessed in terms of among others:

- Composition and governance;
- Quality, skills and competencies;
- Meeting administration and conduct; and
- Information technology.

The assessment of Individual Directors' contribution and performance is conducted based on the following areas:

- Leadership and strategy;
- Legal and regulatory requirements;
- Corporate governance, risk management and internal controls;
- Accounting and financial reporting;
- Industry experience;
- Operations and quality management; and
- Information technology.



# Nomination & Remuneration Committee Report

## RECRUITMENT AND ANNUAL ASSESSMENT OF DIRECTORS (CONTINUED)

In March 2024, Boardroom presented to the NRC and thereafter to the Board the outcome of the BEE. The overall average score for the areas of assessment was 93%. The results of these assessments form the basis of the NRC's recommendations to the Board for the re-election of Directors at the forthcoming AGM of the Company. The details of the BEE are described in the Corporate Governance Report.

In conclusion, based on the BEE conducted for the financial year under review, the Board is satisfied of its existing number and composition and is 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.

## DIRECTORS' REMUNERATION

The details of the Directors' remuneration comprising remuneration received/receivable from the Company for the FYE 2023 are as follows:

<b>Tan Sri Wan Zulkiflee bin Wan Ariffin</b>			
Directors' Fees (in RM'000)		Total (in RM'000)	
<b>396</b>		<b>444</b>	
Other allowances (in RM'000)			
<b>48</b>			
<b>Tan Sri Che Khalib bin Mohamad Noh</b>			
Directors' Fees (in RM'000)		Total (in RM'000)	
<b>126</b>		<b>171</b>	
Other allowances (in RM'000)			
<b>45</b>			
<b>Nobuhisa Kobayashi</b>			
Directors' Fees (in RM'000)		Total (in RM'000)	
<b>174</b>		<b>226</b>	
Other allowances (in RM'000)			
<b>52</b>			
<b>Kamalbahrin bin Ahmad</b>			
Directors' Fees (in RM'000)		Total (in RM'000)	
<b>126</b>		<b>177</b>	
Other allowances (in RM'000)			
<b>51</b>			
<b>Datuk Syed Abu Bakar bin S Mohsin Almohdzar</b>			
Directors' Fees (in RM'000)		Total (in RM'000)	
<b>157</b>		<b>215</b>	
Other allowances (in RM'000)			
<b>58</b>			
<b>Datuk Ooi Teik Huat</b>			
Directors' Fees (in RM'000)		Total (in RM'000)	
<b>154</b>		<b>214</b>	
Other allowances (in RM'000)			
<b>60</b>			
<b>Maliki Kamal bin Mohd Yasin</b>			
Directors' Fees (in RM'000)		Total (in RM'000)	
<b>130</b>		<b>181</b>	
Other allowances (in RM'000)			
<b>51</b>			
<b>Chow Mei Mei</b> <i>(appointed w.e.f 21 August 2023)</i>			
Directors' Fees (in RM'000)		Total (in RM'000)	
<b>46</b>		<b>67</b>	
Other allowances (in RM'000)			
<b>21</b>			
<b>Tan Lye Chong</b> <i>(retired w.e.f 22 May 2023)</i>			
Directors' Fees (in RM'000)		Total (in RM'000)	
<b>73</b>		<b>117</b>	
Other allowances (in RM'000)			
<b>44</b>			
<b>Datuk Puteh Rukiah binti Abd. Majid</b> <i>(retired w.e.f 22 May 2023)</i>			
Directors' Fees (in RM'000)		Total (in RM'000)	
<b>62</b>		<b>109</b>	
Other allowances (in RM'000)			
<b>47</b>			
<b>Total</b>	Directors' Fees (in RM'000) <b>1,444</b>	Other allowances (in RM'000) <b>477</b>	Total (in RM'000) <b>1,921</b>

# Nomination & Remuneration Committee Report

## DIRECTORS' TRAINING

In line with the requirement under Paragraph 15.08 of the MMLR of 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 programmes 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:

### Training/Seminar/Conference Attended

#### Tan Sri Wan Zulkiflee bin Wan Ariffin

##### 19 May 2023

MAG / MAB Board Development Program

##### 12 June 2023

Digitisation and Digitalisation of Corporate Companies

##### 20 June 2023

Anti-Bribery and Anti-Corruption Training Programme  
"Corporate Liability – How to Say No to Corruption"

##### 4 July 2023

ICDM Complimentary Session (Ask an Expert) - Supply Chain  
ESG: The Imperative Matters

##### 3 – 4 August 2023

DRB-HICOM Board Strategic Retreat 2023:  
(i) Macro and Market Updates: Navigating Through Growth Uncertainties and Market Volatility (presented by UOB)  
(ii) Malaysia Electric Vehicle ("EV") Outlook and Key Unlocks (presented by McKinsey & Company)  
(iii) Manufacturing & Engineering ("M&E") Landscape and Potential Opportunities (presented by AT Kearney)

##### 19 – 20 September 2023

Mandatory Accreditation Programme Part II: Leading for Impact ("LIP")

##### 20 – 22 September 2023

Gas Malaysia Board Retreat:  
(i) Awareness on ESG & Board's Role  
(ii) Organisational Culture Change  
(iii) Leadership Talk: "Charting Transformative Horizons: Navigating Boardroom's Leadership & Organizational Culture"

##### 25 September 2023

(i) Postal & Courier: Industry Insights and Pos Malaysia's Transformation Journey  
(ii) Briefing on Banking Industry and Macroeconomic Outlook

##### 16 November 2023

Panel Speaker at Malaysian Gas Symposium 2023

##### 5 December 2023

Chairman's Masterclass: Driving Sustainability from The Chair

# Nomination & Remuneration Committee Report

## Training/Seminar/Conference Attended (Continued)

### Tan Sri Che Khalib bin Mohamad Noh

#### 3 March 2023

Board Chairperson Leadership for Sustainability Actions – Roundtable discussion on how Chairpersons can help Board to make value-based decisions that accelerate sustainability

#### 30 May 2023

World Power Plant Innovation Conference 2023

#### 22 June 2023

Panel Speaker at Johor Business and Investment Forum – Transforming Johor in the New Normal: What are the new Growth Drivers? What are the New Opportunity?

#### 9 August 2023

Talk on ChatGPT

#### 20 – 22 September 2023

Gas Malaysia Board Retreat:

- (i) Awareness on ESG & Board's Role
- (ii) Organisational Culture Change
- (iii) Leadership Talk: “Charting Transformative Horizons: Navigating Boardroom's Leadership & Organizational Culture”

#### 30 October 2023

Cybersecurity Awareness – Cyber Security Strategic Leadership

### Nobuhisa Kobayashi

#### 22 – 23 August 2023

Mandatory Accreditation Programme Part II: Leading for Impact (“LIP”)

#### 20 – 22 September 2023

Gas Malaysia Board Retreat:

- (i) Awareness on ESG & Board's Role
- (ii) Organisational Culture Change
- (iii) Leadership Talk: “Charting Transformative Horizons: Navigating Boardroom's Leadership & Organizational Culture”

### Kamalbahrin bin Ahmad

#### 4 – 7 September 2023

Mandatory Accreditation Programme Part II: Leading for Impact (“LIP”)

#### 20 – 22 September 2023

Gas Malaysia Board Retreat:

- (i) Awareness on ESG & Board's Role
- (ii) Organisational Culture Change
- (iii) Leadership Talk: “Charting Transformative Horizons: Navigating Boardroom's Leadership & Organizational Culture”

### Datuk Syed Abu Bakar bin S Mohsin Almohdzar

#### 28 March 2023

WIEF thinktalk Series 2023 – 1<sup>st</sup> Edition

#### 13 April 2023

WIEF FACE-TO-FACE “Space: The Final Business Frontier”

#### 16 May 2023

#iEmPOWER Women Drive: A Way Forward in Halal Economy

#### 22 June 2023

WIEF thinktalk Series 2023 – 2<sup>nd</sup> Edition

#### 8 August 2023

#iEmPOWER Women and ESG: Optimising Business Value

#### 14 September 2023

14<sup>th</sup> WIEF GLOBAL DISCOURSE “Cellular Agriculture: The Future of Food”

#### 20 – 22 September 2023

Gas Malaysia Board Retreat:

- (i) Awareness on ESG & Board's Role
- (ii) Organisational Culture Change
- (iii) Leadership Talk: “Charting Transformative Horizons: Navigating Boardroom's Leadership & Organizational Culture”

# Nomination & Remuneration Committee Report

## Training/Seminar/Conference Attended (Continued)

### Datuk Ooi Teik Huat

#### 12 June 2023

Digitisation and Digitalisation of Corporate Companies

#### 4 July 2023

Supply Chain ESG: The Imperative Matters

#### 3 – 4 August 2023

DRB-HICOM Board Strategic Retreat 2023:

- (i) Macro and Market Updates: Navigating Through Growth Uncertainties and Market Volatility (presented by UOB)
- (ii) Malaysia Electric Vehicle (“EV”) Outlook and Key Unlocks (presented by McKinsey & Company)
- (iii) Manufacturing & Engineering (“M&E”) Landscape and Potential Opportunities (presented by AT Kearney)

#### 9 August 2023

Generative Artificial Intelligence fundamental’s introduction session conducted by Bain & Company

#### 20 – 22 September 2023

Gas Malaysia Board Retreat:

- (i) Awareness on ESG & Board’s Role
- (ii) Organisational Culture Change
- (iii) Leadership Talk: “Charting Transformative Horizons: Navigating Boardroom’s Leadership & Organizational Culture”

#### 25 September 2023

- (i) Postal & Courier: Industry Insights and Pos Malaysia’s Transformation Journey
- (ii) Briefing on Banking Industry and Macroeconomic Outlook

### Maliki Kamal bin Mohd Yasin

#### 13 – 14 September 2023

Mandatory Accreditation Programme Part II: Leading for Impact (“LIP”)

#### 20 – 22 September 2023

Gas Malaysia Board Retreat:

- (i) Awareness on ESG & Board’s Role
- (ii) Organisational Culture Change
- (iii) Leadership Talk: “Charting Transformative Horizons: Navigating Boardroom’s Leadership & Organizational Culture”

### Chow Mei Mei

#### 19 – 20 September 2023

Pareto Annual Energy Conference (Oslo, Norway)

#### 14 November 2023

Malaysia 2024 Budget Briefing

#### 16 November 2023

Malaysian Gas Symposium 2023

#### 22 – 23 November 2023

Mandatory Accreditation Programme (“MAP”)

All Directors have attended the Mandatory Accreditation Programme (“MAP”) Part I prescribed by Bursa Securities while some Directors have also completed the MAP Part II, a new mandatory onboarding programme by Bursa Securities which Directors are required to complete by 1 August 2025.

This NRC Report is made in accordance with the resolution of the Board of Directors dated 25 March 2024.



# Audit Committee Report

The Audit Committee (“AC”) provides critical oversight of the Gas Malaysia Berhad (“the Company”) and its subsidiaries (“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 of Directors (“the Board”) to the AC through its approved Terms of Reference (“TOR”), which was last reviewed on 20 November 2023. 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 the Group is pleased to present the AC Report for the financial year ended 31 December 2023 (“FYE 2023”).

## AUDIT COMMITTEE COMPOSITION AND MEETINGS HELD

- The AC comprises three (3) Independent Directors as of 31 December 2023, all of whom are Non-Executive Directors. This composition is aligned with Paragraph 15.09 (1) (a) and (b) of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“MMLR”), 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, Datuk Ooi Teik Huat, 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. Datuk Ooi Teik Huat is a member of the Malaysian Institute of Accountants (“MIA”) and a member of CPA Australia. Chow Mei Mei is a member of the Institute of Chartered Accountants in England and Wales (“ICAEW”) and a member of the MIA.
- During the FYE 2023, 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 FYE 2023 are as follows:

No.	Name	Status of Directorship	Independent	No. of Meetings Attended
1	<b>Tan Lye Chong</b> <i>Former Chairman<sup>(1)</sup></i>	Non-Executive Director	Yes	<div><div></div><div></div><div></div></div>
2	<b>Datuk Puteh Rukiah Abd. Majid</b> <i>Former Member<sup>(1)</sup></i>	Non-Executive Director	Yes	<div><div></div><div></div><div></div></div>
3	<b>Datuk Ooi Teik Huat</b> <i>Chairman and Former Member<sup>(2)</sup></i>	Non-Executive Director	Yes	<div><div></div><div></div><div></div><div></div><div></div></div>
4	<b>Datuk Syed Abu Bakar S Mohsin Almohdzar</b> <i>Former Member<sup>(3)</sup></i>	Non-Executive Director	No	<div><div></div></div>
5	<b>Maliki Kamal Mohd Yasin</b> <i>Member<sup>(4)</sup></i>	Non-Executive Director	Yes	<div><div></div><div></div></div>
6	<b>Chow Mei Mei</b> <i>Member<sup>(5)</sup></i>	Non-Executive Director	Yes	<div><div></div></div>

### Notes:

- <sup>(1)</sup> Tan Lye Chong and Datuk Puteh Rukiah Abd. Majid retired from the office on 22 May 2023.  
<sup>(2)</sup> Datuk Ooi Teik Huat redesignated from the Member of AC to the Chairman of AC on 22 May 2023.  
<sup>(3)</sup> Datuk Syed Abu Bakar S Mohsin Almohdzar was appointed as the Member of AC on 22 May 2023 and ceased to hold office effective 21 August 2023.  
<sup>(4)</sup> Maliki Kamal Mohd Yasin was appointed as the Member of AC on 22 May 2023.  
<sup>(5)</sup> Chow Mei Mei was appointed as the Member of AC on 21 August 2023.

- 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

## SUMMARY OF ACTIVITIES OF THE AC

During the FYE 2023, 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 FYE 2023 were operating effectively and efficiently in all material respects. As required by Paragraph 15.23 of the Bursa Securities 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 had come to their attention that caused 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 Securities 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, AC Report, Management Discussion & Analysis and SORMIC for the FYE 2023 for inclusion in the Company Annual Report 2023 were reviewed and recommended for Board's approval by the AC on 20 March 2024. The AC had obtained assurance from the Management that all the statements and reports have complied with MMLR.

- The Corporate Governance Report for the FYE 2023 was reviewed and recommended for Board's approval by the AC on 20 March 2024.

### 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.

### Internal Audit

- Reviewed and approved the Annual Internal Audit Plan for 2024, 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.

# Audit Committee Report

## SUMMARY OF ACTIVITIES OF THE AC

- Reviewed and endorsed the revised TOR for the Board's approval. The changes made to the TOR took into consideration the enhancements made to MMLR and improvement opportunities to align with the Institute of Internal Auditors ("IIA") Standards' requirement (Standard 1100).
- Reviewed and endorsed the revised Internal Audit Charter for the Board's approval. A minor amendment was made pertaining to the frequency of the external assessment conducted by a qualified and independent assessor on Internal Audit Quality Assurance and Improvement Program ("QAIP").
- Reviewed and endorsed the revised Whistleblower Policy for the Board's approval. Minor amendments were made related to the change of Whistleblowing e-mail address domain, Policy Statement, Disclosures of Improper Conduct, Investigation Report and Revocation of Whistleblower Protection.
- AC reviewed internal audit's organisational independence declaration for the FYE 2023, which was prepared in accordance with the 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 the internal audit's audit engagements for the FYE 2023.
- AC took note on status and update of external assessment performed by third party on 11 July 2023 and internal assessment on Internal Audit QAIP for the FYE 2023.
- 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 work and to discuss any other matter that the internal auditors wish to escalate to the AC.
- Reviewed the External Auditors' fees prior to recommending it to the Board for approval.
- In relation to the auditors' remuneration for statutory audit fees and non-statutory audit related services fees of the Group for the FYE 2023, the amounts incurred were (i) statutory audit, which was RM300,000; and (ii) non-statutory audit related services fees, which was RM84,000. The non-statutory audit related services fees was in respect of review of the half-yearly interim financial information for announcements, SORMIC and regulatory reporting. The AC had received confirmation from the external auditors that they were not aware of any non-statutory audit related services that had compromised their independence as external auditors of the Group. The AC, based on its review, was satisfied that the non-statutory audit related services did not impair the independence and objectivity of the external auditors.
- 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.

### External Audit

- Reviewed the Audit Plan with the external auditors to ensure that the audit is carried out effectively and efficiently 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 FYE 2023. 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 2023 issued by Messrs. PwC, the AC had recommended to the Board to re-appoint Messrs. PwC for the ensuing financial year.
- The AC members have attended various relevant development and training programmes which are set out in pages 111 to 113 of the Nomination & Remuneration Committee Report in the Annual Report.
- The AC conducted an evaluation of its own performance for the FYE 2023, 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.

# Audit Committee Report

## INTERNAL AUDIT FUNCTION

- 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 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 in-house IAD.
- IAD has an independent status in the organisation, with direct reporting to the AC and administrative reporting to the GCEO. IAD maintained their impartiality, proficiency and due professional care at all times as outlined in its Internal Audit Charter.
- 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 20 November 2023, 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 2023, the professional qualifications, and certifications for the IAD staff are as follows:

Professional Bodies	No. of Staff
Institute of Internal Auditors (“IIA”)	3
Association of Chartered Certified Accountants (“ACCA”) – Fellow	1
Association of Chartered Certified Accountants (“ACCA”) – Affiliate	1
Malaysian Institute of Accountants (“MIA”) – Chartered Accountant	2

#### Note:

Some staff have more than one (1) professional membership

### 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.

### 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 the latest revision on 20 November 2023.
- 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 total cost incurred by IAD during the FYE 2023 was RM1,141,686.34.



# Audit Committee Report

## SUMMARY OF ACTIVITIES BY INTERNAL AUDITORS

- AC TOR has been revised and approved by the Board on 20 November 2023 following the announcement made by Bursa Securities on 26 May 2023 which includes the enhancements made to MMLR in relation to conflict of interest (“COI”) and other areas (COI & Other Amendments). In addition, further improvement has been made to AC TOR to align with IIA Standards’ requirement (Standard 1100) in response to the improvement opportunities highlighted during the external assessment on 11 July 2023.
- Participated in quarterly knowledge sharing sessions with internal audit function of MMC Corporation Berhad Group.
- Quarterly updates were prepared for the AC detailing the following:
  - Status of Audit Plan 2023 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 seven (7) planned audit assignments were conducted covering the governance, risk management and internal controls in the areas, as follows:
  - Management of Technical Services;
  - Business Development;
  - Security and Safety of Office Building & Premises;
  - Bank Reconciliations & Journal Entries Adjustment;
  - Contracts & Vendor Management;
  - Related Party Transactions; and
  - Management of Stock Take for 2<sup>nd</sup> Half of 2023.
- Performed nine (9) 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:
  - Gas Market Operation – Data & Billings Management;
  - Management and Oversight of Third Party Contractors;
  - Management of Stock Take 2<sup>nd</sup> Half 2021;
  - Tendering Process and e-Procurement Software;
  - Information System Security Assessment;
  - Resource Planning & Payroll Management;
  - Cybersecurity Risk Assessment Report (Information System);
  - Cybersecurity Risk Assessment Report (Gas Distribution Management); and
  - Audit Committee Report – Internal Control Recommendations for Financial Year Ended 31 December 2022.
- All internal audit findings and recommendations have been satisfactorily addressed.
- In addition, IAD had conducted a special review on Billing and Credit Control Management (Billing Adjustments) for period from 1 January until 31 December 2022.
- 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 Securities 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 FYE 2023, 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 AC Report has been approved by the Board at its meeting on 25 March 2024.

# 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 2023 ("FYE 2023") amounted to RM300,000.00 and RM60,000.00, respectively.

The amount of non-statutory audit related services paid to external auditors by the Group and the Company for services rendered amounted to RM84,000.00 and RM76,000.00, respectively.

## 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 FYE 2023.

## 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 32<sup>nd</sup> Annual General Meeting ("AGM") held on 22 May 2023, 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 33<sup>rd</sup> AGM of the Company.

In accordance with Paragraph 3.1.5 of Practice Note 12 of Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements ("MMLR"). The details of the RRPT conducted during the FYE 2023 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 2023	Nature of transactions
PETRONAS Dagangan Berhad ("PDB")	Gas Malaysia Group	<b>Interested Major Shareholders</b> PETRONAS <sup>(a)</sup> PGB <sup>(b)</sup>  <b>Interested Directors</b> Kamalbahrin bin Ahmad <sup>(c)</sup> Shariza Sharis binti Mohd Yusof <sup>(d)</sup>  <b>Interested Persons Connected</b> None	RM9,767,753.66	Purchase of Liquefied Petroleum Gas ("LPG") by Gas Malaysia Group from PDB.

# Additional Compliance Information

Related Parties	Companies within our Group	Name of Interested Related Parties	Value of transactions for FYE 2023	Nature of transactions
Petroliaam Nasional Berhad (“PETRONAS”) Group	Gas Malaysia Group	<b>Interested Major Shareholders</b> PETRONAS <sup>(a)</sup> PGB <sup>(b)</sup>  <b>Interested Directors</b> Kamalbahrin bin Ahmad <sup>(c)</sup> Shariza Sharis binti Mohd Yusof <sup>(d)</sup>  <b>Interested Persons Connected</b> None	RM59,690,974.43	Tolling fees paid by PETRONAS Group to Gas Malaysia Group for the transportation of gas to PETRONAS's customers.
PETRONAS Gas Berhad (“PGB”)	Gas Malaysia Group		RM241,688.21	Tenancy of land from PGB to Gas Malaysia Group for odouriser 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		RM3,712,639.90	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		RM7,270,223,788.20	Purchase of Natural Gas (“NG”) by Gas Malaysia Group from PETRONAS Group.
PETRONAS Group	Gas Malaysia Group		RM0.00 <i>Note: No transaction for the financial year under review due to unavailability of slot for cargo delivery.</i>	Purchase of spot Liquefied Natural Gas (“LNG”) cargo by Gas Malaysia Group, from PETRONAS Group.
PETRONAS Group	Gas Malaysia Group		RM0.00 <i>Note: No transaction for the financial year under review due to non-utilisation of the facilities.</i>	Tolling fees paid by Gas Malaysia Group to PETRONAS Group for regasification and transportation of gas.

# Additional Compliance Information

Related Parties	Companies within our Group	Name of Interested Related Parties	Value of transactions for FYE 2023	Nature of transactions
DRB-HICOM Group	Gas Malaysia Group	<b>Interested Major Shareholders</b> TSM <sup>(e)</sup> ICSB <sup>(f)</sup> STJSB <sup>(g)</sup> MMC <sup>(h)</sup> AOA <sup>(i)</sup>	RM11,469,104.94	Purchase of Compressed Natural Gas (“CNG”) by DRB-HICOM Group from Gas Malaysia Group to supply CNG to its customers.
DRB-HICOM Group	Gas Malaysia Group		RM13,130,718.64	Supply of NG by Gas Malaysia Group.
Tradewinds Corp Group	Gas Malaysia Group	<b>Interested Directors</b> Tan Sri Wan Zulkiflee bin Wan Ariffin <sup>(j)</sup> Datuk Ooi Teik Huat <sup>(k)</sup>  <b>Interested Persons Connected</b> None	RM98,931.51	Supply of NG by Gas Malaysia Group.
BERNAS Group	Gas Malaysia Group	<b>Interested Major Shareholders</b> TSM <sup>(e)</sup>	RM196,722,074.33	Supply of NG by Gas Malaysia Group.
Horsedale Development Berhad	Gas Malaysia Group	ICSB <sup>(f)</sup> STJSB <sup>(g)</sup> MMC <sup>(h)</sup> AOA <sup>(i)</sup>  <b>Interested Directors</b> None  <b>Interested Persons Connected</b> None	RM367,399.43	Supply of NG by Gas Malaysia Group.
Mitsui & Co.	Gas Malaysia Group	<b>Interested Major Shareholders</b> Mitsui & Co. <sup>(l)</sup> Mitsui & Co. (M) <sup>(m)</sup> TGM <sup>(n)</sup>  <b>Interested Directors</b> Nobuhisa Kobayashi <sup>(q)</sup>  <b>Interested Persons Connected</b> None	RM0.00 <i>Note: No transaction for the financial year under review due to unavailability of slot for cargo delivery.</i>	Purchase of spot LNG cargo by Gas Malaysia Group from Mitsui & Co.



# Additional Compliance Information

Related Parties	Companies within our Group	Name of Interested Related Parties	Value of transactions for FYE 2023	Nature of transactions
GMEA	Gas Malaysia Group	<b>Interested Major Shareholders</b> TG <sup>(a)</sup> TGIH <sup>(p)</sup> TGM <sup>(n)</sup>  <b>Interested Directors</b> Nobuhisa Kobayashi <sup>(q)</sup>  <b>Interested Persons Connected</b> None	RM149,279,821.54	Supply of NG by Gas Malaysia Group.

## Notes:

- (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%.
- (j) Tan Sri Wan Zulkiflee bin Wan Ariffin is a Chairman of Gas Malaysia and Chairman of DRB-HICOM.
- (k) Datuk Ooi Teik Huat is a Director of Gas Malaysia and DRB-HICOM.
- (l) 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.
- (m) 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%.
- (o) 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 the Act.
- (p) TGIH is deemed interested in Gas Malaysia through its shareholding in TGM pursuant to Section 8 of the Act.
- (q) 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:

- Gas Malaysia is to provide an undertaking that they will resolve the non-compliances of the nine (9) outstanding Affected Stations;
- 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
- Maybank Investment Bank Berhad/Gas Malaysia is to update the SC when such disclosure is made in the annual report.

# Additional Compliance Information

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.
- (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.
- (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.
- (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	After further negotiation with the landlord in January 2024, Gas Malaysia is currently exploring options and take the necessary steps to search for a suitable land to accommodate the relocation of the district station.
2.	Jln Petaling, Off Jalan Tampoi (Perisind Auto)	HS(D) 29209, PTB 12374, Bandar Johor Bahru, Daerah Johor Bahru, Johor	District station	Gas Malaysia has obtained the support of the landlord (via a letter/ or agreement in principle) to apply for the conversion of the land use condition ("Conversion") and accordingly, has decided to extend the lease term of the said land. The lease agreement is currently being finalised and the application process for the Conversion.
3.	Lot 11, Mukim Tanjung 12, Teluk Panglima Garang, Kuala Langat, Klang	N/A	District station	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".  Gas Malaysia is currently exploring options such as relocating the district station or to acquire the said land so that Gas Malaysia can take an active role in applying for the Conversion.

# Directors' Responsibility Statement

*in respect of the Audited Financial Statements*

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 2023, and of the financial performance and cash flows of the Group and of the Company for the financial year ended 31 December 2023.

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 the Board of Directors dated 25 March 2024.

# Directors' Report

*for the financial year ended 31 December 2023*

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 2023.

## 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 Syed Abu Bakar bin S Mohsin Almohdzar	
Datuk Ooi Teik Huat	
Nobuhisa Kobayashi	
Maliki Kamal bin Mohd Yasin	
Datuk Puteh Rukiah binti Abd. Majid	(Retired on 22 May 2023)
Tan Lye Chong	(Retired on 22 May 2023)
Chow Mei Mei	(Appointed on 21 August 2023)

In accordance with Clause 107 of the Company's constitution, Puan Chow Mei Mei shall retire at the forthcoming Annual General Meeting and being eligible, offers herself for re-election as a Director.

In accordance with Clause 101 of the Company's constitution, Encik Kamalbahrin bin Ahmad and Encik Nobuhisa Kobayashi 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  
 Shahrel Amir bin Mohd Rashid  
 Mohd Shariff Lubis b. Mohd Ghazali Lubis  
 Noraishah binti Mohd Radzi  
 Sharifaizal bin Mohd Rozali



# Directors' Report

*for the financial year ended 31 December 2023 (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	383,399	316,425

## 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 2023 was RM1,921,000. Further details are disclosed in Directors' Remuneration section of this Directors' Report on page 128.

During and at the end of the financial year ended 31 December 2023, 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.

# Directors' Report

for the financial year ended 31 December 2023 (continued)

## DIRECTORS' BENEFITS (CONTINUED)

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 128) 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.

## 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 2023 was RM33,082.

## 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.

## DIVIDENDS

The dividends paid or declared by the Company since 31 December 2022 are as follows:

In respect of the financial year ended 31 December 2022, as reported in the Directors' Report for the previous financial year:

	RM'000
Second interim dividend paid on 31 March 2023:	
- 8.24 sen per ordinary share	105,802
Final dividend paid on 15 June 2023:	
- 8.62 sen per ordinary share	110,681
	<hr/> 216,483

# Directors' Report

for the financial year ended 31 December 2023 (continued)

## DIVIDENDS (CONTINUED)

In respect of the financial year ended 31 December 2023:

	RM'000
First interim dividend paid on 27 October 2023:	
- 5.72 sen per ordinary share	73,445
Second interim dividend declared on 20 February 2024*:	
- 8.42 sen per ordinary share	108,113
Final dividend declared on 25 March 2024*:	
- 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 2023 will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2024.

## DIRECTORS' REMUNERATION

Directors' remuneration for the financial year is as follows:

	Group and Company RM'000
Fees	1,444
Other benefits	477
	1,921

## 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.

# Directors' Report

*for the financial year ended 31 December 2023 (continued)*

## OTHER STATUTORY INFORMATION (CONTINUED)

- (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 statements 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.



# Directors' Report

*for the financial year ended 31 December 2023 (continued)*

## SUBSIDIARIES

### (a) Details of subsidiaries

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

### (b) 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 2023.

## AUDITORS' REMUNERATION

Auditors' remuneration for the financial year is as follows:

	Group RM'000	Company RM'000
Auditors' remuneration:		
- statutory audit	300	60
- non-statutory audit related services	84	76
	384	136

## 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 25 March 2024. Signed on behalf of the Board of Directors:

**TAN SRI WAN ZULKIFLEE BIN WAN ARIFFIN**  
CHAIRMAN

Shah Alam

**DATUK OOI TEIK HUAT**  
DIRECTOR

# Statement by Directors

*pursuant To Section 251 (2) Of The Companies Act 2016*

We, Tan Sri Wan Zulkiflee bin Wan Ariffin and Ooi Teik Huat, 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 137 to 198 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 2023 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 25 March 2024.

**TAN SRI WAN ZULKIFLEE BIN WAN ARIFFIN**  
CHAIRMAN

**DATUK OOI TEIK HUAT**  
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 137 to 198 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 25 March 2024.

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 2023, 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 2023 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, comprising a summary of material accounting policies, as set out on pages 137 to 198.

### 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.

# 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

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.

Key audit matter	How our audit addressed the key audit matter
Accrual for gas costs	We performed the following:
The Group recognised gas cost accrual of RM486.3 million as at 31 December 2023 as disclosed in Note 23 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.	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.
Refer to 3(h)(ii), Note 5 and Note 23 to the financial statements.	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 obtained in prior year to ascertain the Group's obligation in accruing the gas cost.
	Based on the procedures performed, there were no material exceptions.

We have determined that there are no key audit matters to report for the Company.



# 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)

### 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 2023 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 and will 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.

### Responsibilities of the Directors for the financial statements

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.

# 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)

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.
- (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.

# 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)

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

25 March 2024

# Statements of Comprehensive Income

for the financial year ended 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	4	8,078,921	7,649,364	342,527	267,852
Cost of sales, net of reversal	5	(7,485,241)	(7,031,488)	(20,826)	27,639
Gross profit		593,680	617,876	321,701	295,491
Administrative expenses	5	(89,798)	(78,933)	(6,023)	(5,204)
Selling and distribution expenses	5	(1,402)	(1,075)	-	-
Other operating income		4,144	2,715	706	578
Profit from operations	6	506,624	540,583	316,384	290,865
Finance costs	9	(11,085)	(10,179)	(7)	(4)
Share of results in joint ventures (net of tax)		3,921	4,512	-	-
Finance income	9	19,148	11,858	348	136
Profit before zakat and taxation		518,608	546,774	316,725	290,997
Zakat		(3,500)	(3,500)	(100)	(100)
Tax expense	10	(131,709)	(153,731)	(200)	(9,580)
Net profit for the financial year		383,399	389,543	316,425	281,317
Other comprehensive loss (net of tax):					
Items that will be reclassified to profit or loss					
Share of other comprehensive loss of a joint venture					
- Cash flow hedge		(3,931)	(247)	-	-
Total comprehensive income for the financial year		379,468	389,296	316,425	281,317
Net profit attributable to:					
- Owners of the Company		383,399	389,543	316,425	281,317
Total comprehensive income attributable to:					
- Owners of the Company		379,468	389,296	316,425	281,317
Earnings per ordinary share attributable to the equity holders of the Company:					
- Basic and diluted earnings per share (RM)	11	0.30	0.30		

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



# Statements of Financial Position

as at 31 December 2023

		2023 RM'000	Group 2022 RM'000	2023 RM'000	Company 2022 RM'000
	Note				
<b>Non-Current Assets</b>					
Property, plant and equipment	12	1,732,383	1,616,047	300	292
Right-of-use assets	13	16,685	16,807	-	-
Investments in subsidiaries	14	-	-	1,284,447	1,284,447
Investments in joint ventures	15	78,212	76,110	-	-
Amounts due from subsidiaries	16	-	-	50,893	45,639
Trade and other receivables	17	7,823	15,215	-	-
Deferred tax assets	21	3,903	2,233	1,123	645
		1,839,006	1,726,412	1,336,763	1,331,023
<b>Current Assets</b>					
Trade and other receivables	17	672,518	824,769	3,786	2,994
Tax recoverable		3,634	4,653	3,600	3,751
Cash and cash equivalents	18	691,792	591,297	21,130	17,523
		1,367,944	1,420,719	28,516	24,268
Total assets		3,206,950	3,147,131	1,365,279	1,355,291
<b>Equity and Liabilities</b>					
Share capital	19	642,000	642,000	642,000	642,000
Cash flow hedge reserve		(731)	3,200	-	-
Retained profits		726,606	633,135	518,125	491,628
Total equity		1,367,875	1,278,335	1,160,125	1,133,628
<b>Non-Current Liabilities</b>					
Redeemable preference share	20	-*	-*	-*	-*
Deferred tax liabilities	21	232,988	226,168	-	-
Borrowings	24	80,000	80,000	-	-
Lease liabilities	25	2,060	2,074	-	-
		315,048	308,242	-	-

\* Denotes RM0.50

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

# Statements of Financial Position

as at 31 December 2023 (continued)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Current Liabilities</b>					
Trade and other payables	23	1,246,017	1,361,886	8,470	5,222
Contract liabilities	22	1,254	1,254	-	-
Amounts due to subsidiaries	16	-	-	196,684	216,441
Borrowings	24	250,191	161,233	-	-
Lease liabilities	25	1,392	1,184	-	-
Tax payable		25,173	34,997	-	-
		1,524,027	1,560,554	205,154	221,663
Total liabilities		1,839,075	1,868,796	205,154	221,663
Total equity and liabilities		3,206,950	3,147,131	1,365,279	1,355,291

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

# Statements of Changes in Equity

for the financial year ended 31 December 2023

	Note	Share capital RM'000	Cash flow hedge reserve* RM'000	Retained profits RM'000	Total RM'000
<b>Group</b>					
At 1 January 2023		642,000	3,200	633,135	1,278,335
Net profit for the financial year		-	-	383,399	383,399
Other comprehensive loss for the financial year		-	(3,931)	-	(3,931)
Total comprehensive income for the financial year		-	(3,931)	383,399	379,468
Transactions with owners:					
Dividend: financial year ended 31 December 2023	26	-	-	(73,445)	(73,445)
Dividends: financial year ended 31 December 2022	26	-	-	(216,483)	(216,483)
Total transactions with owners		-	-	(289,928)	(289,928)
At 31 December 2023		642,000	(731)	726,606	1,367,875

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

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

# Statements of Changes in Equity

for the financial year ended 31 December 2023 (continued)

	Note	Share capital RM'000	Cash flow hedge reserve* RM'000	Retained profits RM'000	Total RM'000
<b>Group</b>					
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		-	(247)	-	(247)
Total comprehensive income for the financial year		-	(247)	389,543	389,296
Transactions with owners:					
Dividend: financial year ended 31 December 2022	26	-	-	(75,756)	(75,756)
Dividends: financial year ended 31 December 2021	26	-	-	(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

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

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



# Statements of Changes in Equity

for the financial year ended 31 December 2023 (continued)

	Note	Share capital RM'000	Retained profits RM'000	Total RM'000
<b>Company</b>				
At 1 January 2023		642,000	491,628	1,133,628
Net profit for the financial year/ Total comprehensive income for the financial year		-	316,425	316,425
Transactions with owners:				
Dividend: financial year ended 31 December 2023	26	-	(73,445)	(73,445)
Dividends: financial year ended 31 December 2022	26	-	(216,483)	(216,483)
Total transactions with owners		-	(289,928)	(289,928)
At 31 December 2023		642,000	518,125	1,160,125
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	26	-	(75,756)	(75,756)
Dividends: financial year ended 31 December 2021	26	-	(165,251)	(165,251)
Total transactions with owners		-	(241,007)	(241,007)
At 31 December 2022		642,000	491,628	1,133,628

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

# Statements of Cash Flows

for the financial year ended 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Operating Activities</b>					
Profit before zakat and taxation		518,608	546,774	316,725	290,997
Adjustments for:					
Depreciation and amortisation	5	103,892	101,993	121	100
Loss allowance on trade receivables	17	152	4,669	-	-
Write back of loss allowance on trade receivables	17	(116)	-	-	-
Gain on disposal of property, plant and equipment		(486)	(871)	-	-
Property, plant and equipment written off		507	977	-	-
Reversal of impairment loss on plant, property and equipment		(281)	-	-	-
Impairment loss on property, plant and equipment	12	20	442	-	-
Share of results in joint ventures		(3,921)	(4,512)	-	-
Finance costs	9	11,085	10,179	7	4
Finance income	9	(19,148)	(11,858)	(348)	(136)
Dividend income		-	-	(331,281)	(251,964)
		610,312	647,793	(14,776)	39,001
Changes in working capital:					
Receivables		159,705	(73,780)	(792)	(443)
Payables and contract liabilities		(155,920)	130,335	3,248	(40,852)
Intercompany balances		-	-	10,313	2,197
Cash flows generated from/(used in) operations		614,097	704,348	(2,007)	(97)
Zakat paid		(3,500)	(3,500)	(100)	(100)
Income tax paid		(135,921)	(74,767)	(880)	(3,082)
Tax refund		557	-	353	-
Net cash flows generated from/(used in) operating activities		475,233	626,081	(2,634)	(3,279)

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

# Statements of Cash Flows

for the financial year ended 31 December 2023 (continued)

	Note	2023 RM'000	Group 2022 RM'000	2023 RM'000	Company 2022 RM'000
<b>Investing Activities</b>					
Proceeds from disposal of property, plant and equipment		767	875	-	-
Purchase of property, plant and equipment	12	(178,351)	(152,153)	(129)	(50)
Finance income received		19,050	11,685	348	145
Withdrawal of investment funds with licensed financial institutions		-	413,000	-	4,000
Advances to subsidiaries	28	-	-	(3,434)	(4,237)
Repayment from subsidiaries	28	-	-	265	1,399
Dividend income received from subsidiaries	28	-	-	299,126	251,964
Dividend income received from a joint venture	15	1,320	660	-	-
Investments in joint ventures	15	(3,432)	(6,128)	-	-
Advances to a joint venture	28	-	(3,255)	-	-
Net cash flows (used in)/ generated from investing activities		(160,646)	264,684	296,176	253,221
<b>Financing Activities</b>					
Dividends paid	26	(289,928)	(241,007)	(289,928)	(241,007)
Issuance of Islamic Commercial Papers ("iCP") and Islamic Medium Term Notes ("iMTN")	24	1,670,000	2,350,000	-	-
Repayment of iMTN and iCP	24	(1,581,000)	(2,440,000)	-	-
Lease liabilities paid		(1,654)	(1,700)	-	-
Finance cost paid		(11,510)	(9,708)	(7)	(4)
Net cash flows used in financing activities		(214,092)	(342,415)	(289,935)	(241,011)

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

# Statements of Cash Flows

for the financial year ended 31 December 2023 (continued)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>100,495</b>	548,350	<b>3,607</b>	8,931
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>		<b>591,297</b>	42,947	<b>17,523</b>	8,592
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	18	<b>691,792</b>	591,297	<b>21,130</b>	17,523

Notes to the statements of cash flows:

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

	2023 RM'000	Group 2022 RM'000
(i) Finance income receivable arising from deposits with financial institutions	351	253

- b. In the previous financial year, the Company 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. In the previous financial year, the Company's consideration for the acquisition of additional 10,000,000 ordinary shares in GMES amounting to RM10,000,000 was settled via intercompany balances.
- d. The Company received dividend income from its subsidiaries amounting to RM331,281,000 of which RM299,126,000 was paid by cash and the remaining RM32,155,000 was set-off against intercompany balances.

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



# Statements of Cash Flows

for the financial year ended 31 December 2023 (continued)

## Notes to the statements of cash flows: (continued)

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

	Borrowings RM'000	Dividend payable RM'000	Lease liabilities RM'000	Total RM'000
<b>Group</b>				
At 1 January 2023	241,233	-	3,258	244,491
Cash flows – net of drawdown and repayment/payment	77,490	(289,928)	(1,654)	(214,092)
<u>Non-cash items:</u>				
- Dividends declared	-	289,928	-	289,928
- Finance costs	11,468	-	159	11,627
- Addition of lease liabilities	-	-	1,759	1,759
- Accrual of unpaid lease liabilities	-	-	(70)	(70)
At 31 December 2023	330,191	-	3,452	333,643
<b>Group</b>				
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)
<u>Non-cash items:</u>				
- 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

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

# Statements of Cash Flows

for the financial year ended 31 December 2023 (continued)

## Notes to the statements of cash flows: (continued)

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

	Borrowings RM'000	Dividend payable RM'000	Total RM'000
<b>Company</b>			
At 1 January 2023	-	-	-
Cash flows – payment	(7)	(289,928)	(289,935)
<u>Non-cash items:</u>			
- Dividends declared	-	289,928	289,928
- Finance costs	7	-	7
At 31 December 2023	-	-	-
<b>Company</b>			
At 1 January 2022	-	-	-
Cash flows – payment	(4)	(241,007)	(241,011)
<u>Non-cash items:</u>			
- Dividends declared	-	241,007	241,007
- Finance costs	4	-	4
At 31 December 2022	-	-	-

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

# Notes to the Financial Statements

*for the financial year ended 31 December 2023*

## 1 GENERAL INFORMATION

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.

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 25 March 2024.

## 2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 2023 (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 (1) 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 (3) 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.

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.



# Notes to the Financial Statements

for the financial year ended 31 December 2023 (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)

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 (4) 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 2023 (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 24.

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 2023 (continued)

## 2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (b) Credit risk (continued)

#### 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:

	Company	
	2023 RM'000	2022 RM'000
Corporate guarantee provided to a bank on the Sukuk Murabahah Programmes	330,191	241,233

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

Credit risk from cash and cash equivalents 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 RM156,083,000 (2022: RM139,835,000) and RM176,638,000 (2022: RM197,395,000) 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 RM870,000,000 (2022: RM959,000,000) as at 31 December 2023.

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 2023 (continued)

## 2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (c) Liquidity risk (continued)

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:

	Less than 3 months RM'000	Between 3 months to 1 year RM'000	Between 1 to 2 years RM'000	More than 2 years RM'000	Total
<b>Group</b>					
<b>2023</b>					
Trade and other payables	1,016,513	229,504	-	-	1,246,017
Borrowings (principal and interest)	252,179	2,838	3,784	87,568	346,369
Lease liabilities (principal and interest)	402	1,108	1,276	873	3,659
<b>2022</b>					
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
<b>Company</b>					
<b>2023</b>					
Trade and other payables	-	8,470	-	-	8,470
Amounts due to subsidiaries	-	196,684	-	-	196,684
Financial guarantee contracts	346,369	-	-	-	346,369
<b>2022</b>					
Trade and other payables	-	5,222	-	-	5,222
Amounts due to subsidiaries	-	216,441	-	-	216,441
Financial guarantee contracts	261,734	-	-	-	261,734

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (d) Capital management

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:

	Group	
	2023 RM'000	2022 RM'000
Total debt	333,643	244,491
Total equity	1,367,875	1,278,335
Total capital	1,701,518	1,522,826
Gearing ratio	19.6%	16.1%

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 2023 (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.

(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 years.

### (f) Financial instruments by categories

	Financial assets at amortised cost			
	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b><u>Non-current asset:</u></b>				
Other receivables	7,823	15,215	-	-
Amounts due from subsidiaries	-	-	50,893	45,639
<b><u>Current assets:</u></b>				
Trade and other receivables (exclude prepayments)	664,608	820,962	2,376	2,698
Cash and cash equivalents	691,792	591,297	21,130	17,523
Total	1,364,223	1,427,474	74,399	65,860

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (f) Financial instruments by categories (continued)

	Other financial liabilities at amortised cost			
	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b><u>Non-current liability:</u></b>				
Borrowings	80,000	80,000	-	-
<b><u>Current liabilities:</u></b>				
Trade and other payables	1,246,017	1,361,886	8,470	5,222
Borrowings	250,191	161,233	-	-
Amounts due to subsidiaries	-	-	196,684	216,441
Total	1,576,208	1,603,119	205,154	221,663

## 3 SUMMARY OF MATERIAL 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

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 material 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 material to the financial statements are disclosed in Note 3(h).

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (a) Basis of preparation (continued)

- (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 2023:

- Amendments to MFRS 108 on “Disclosure of Accounting Policies” and “Definition of Accounting Estimates”
- Amendments to MFRS 101 “Classification of liabilities as current or non-current” (‘2020 amendments’)
- Amendments to MFRS 112 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction” and “International Tax Reform - Pillar Two Model Rules”

The Group and the Company also adopted amendments to MFRS 101 and MFRS Practice Statement 2 on disclosure of accounting policies from 1 January 2023. The amendments impacted the disclosure of the accounting policy information in the financial statements but did not result in any changes to the accounting policies themselves.

The disclosure of “material” rather than “significant” accounting policies is required. The amendments provide guidance on the application of materiality to the disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users may need to understand the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in the respective notes to the financial statements.

Other than amendments to MFRS 101 and MFRS Practice Statement 2 stated above, the adoption of these amendments did not have any material impact on the amounts recognised in prior periods and is 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.

# Notes to the Financial Statements

*for the financial year ended 31 December 2023 (continued)*

## 3 SUMMARY OF MATERIAL 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 2024. 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 2024

- The amendment to MFRS 101 '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.

The amendments shall be applied retrospectively.

- 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 recognising 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.

#### Effective for financial year beginning on or after 1 January 2025

- Amendments to MFRS 121 "The effect of changes in Foreign Exchange Rates" on "Lack of exchangeability"

The amendment specifies on assessment to determine whether a currency is exchangeable into another currency or not. When a currency is not exchangeable into another currency, the spot exchange rate needs to be estimated. The objective in estimating the spot exchange rate at a measurement date is to determine the rate at which an orderly exchange transaction would take place at that date between market participants under prevailing economic conditions.

A framework is set out to estimate the spot exchange rate when exchangeability is lacking.

The amendments include accompanying new disclosures to help investors to understand the effects, risks and estimated rates and techniques used when a currency is not exchangeable.

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 3 SUMMARY OF MATERIAL 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 (continued)

The Group and the Company intend 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 not 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 not expected to be any 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.

### (b) 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.

### (c) Financial instruments

- (i) 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.



# Notes to the Financial Statements

*for the financial year ended 31 December 2023 (continued)*

## 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (c) Financial instruments (continued)

#### (i) Financial guarantee contracts (continued)

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.

### (d) 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:

- (i) Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
- (ii) Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
- (iii) 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 2023 (continued)

## 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (d) 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 2023, 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 (1) 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.

# Notes to the Financial Statements

*for the financial year ended 31 December 2023 (continued)*

## 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (e) Income recognition

#### Revenue from contract with customers

#### (i) Sale of gas

The Group's revenue is mainly derived from the sales of natural gas to industrial, commercial and residential customers. The Group 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, customers may be required to pay a connectivity charge to the Group (i.e. payment of capital contribution in order for the Group to connect the customer's premise to the natural gas distribution system ("NGDS") network). In the case of the Group, 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 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 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 sales are based on a credit term of 30 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 22 to 24 days from the date of invoice.

#### (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.

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (f) Property, plant and equipment

#### (i) 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

### (g) 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.

### (h) Critical accounting estimates, assumptions and judgements

#### (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.

# Notes to the Financial Statements

*for the financial year ended 31 December 2023 (continued)*

## 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (h) Critical accounting estimates, assumptions and judgements (continued)

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 (continued)

The Group's carrying amount of the property, plant and equipment as at 31 December 2023 will be increased by approximately RM23,442,000 if the useful lives of the pipelines system 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.

#### (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 Note 23 to the financial statements for further details.



# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 4 REVENUE

	2023 RM'000	Group 2022 RM'000	2023 RM'000	Company 2022 RM'000
Revenue from contract with customers:				
<u>Sale of gas:</u>				
- Sale of natural gas and CNG	7,936,157	7,557,173	-	-
- Sale of LPG	29,985	26,414	-	-
- Cash contribution for pipelines construction	-	6,897	-	-
Provision for tolling services	101,648	48,849	-	-
Provision for metered services	11,131	10,031	-	-
Management fees	-	-	11,246	15,888
	8,078,921	7,649,364	11,246	15,888
Revenue from other source:				
Dividend income	-	-	331,281	251,964
	8,078,921	7,649,364	342,527	267,852
Timing of revenue from contracts with customers:				
- Over time	8,078,921	7,649,364	11,246	15,888

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 5 EXPENSES BY NATURE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cost of natural gas	7,307,034	6,889,230	-	-
Reversal of cost accrual no longer required	(33,168)	(40,481)	-	(40,481)
Cost of LPG	20,677	21,975	-	-
Staff costs (Note 7)	90,341	77,089	20,826	12,842
Depreciation and amortisation:				
- Property, plant and equipment (Note 12)	102,010	100,124	121	100
- Right-of-use assets (Note 13)	1,882	1,869	-	-
Net loss allowance on trade receivables (Note 17)	36	4,669	-	-
Property, plant and equipment written off (Note 12)	507	977	-	-
Impairment loss on property, plant and equipment (Note 12)	20	442	-	-
Gas licence fee	2,295	4,387	-	-
Sales commission expenses	1,402	1,075	-	-
Infrastructure capacity charges	20,675	-	-	-
Other expenses	62,730	50,140	5,902	5,104
	7,576,441	7,111,496	26,849	(22,435)

The above is a combination of cost of sales, administrative expenses and selling and distribution expenses in the statements of comprehensive income.

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 6 PROFIT FROM OPERATIONS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit from operations is arrived at after crediting:				
Gain on disposal of property, plant and equipment	486	871	-	-
Write back of loss allowance on trade receivables (Note 17)	116	-	-	-
Reversal of impairment loss on plant, property and equipment (Note 12)	281	-	-	-
and after charging:				
Auditors' remuneration:				
- statutory audit	300	301	60	57
- non-statutory audit related services	84	80	76	72
Loss allowance on trade receivables (Note 17)	152	4,669	-	-
Rental of equipment (Note 25)	152	160	3	8
Rental of premises (Note 25)	637	381	9	9

## 7 STAFF COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Wages, bonuses and salaries	76,941	69,310	14,464	8,692
Defined contribution plan - contributions	12,338	10,068	2,251	1,357
Other employee benefits	10,686	7,512	4,111	2,793
	99,965	86,890	20,826	12,842
Less: Staff costs capitalised in property, plant and equipment	(9,624)	(9,801)	-	-
	90,341	77,089	20,826	12,842

The staff costs include Directors' remuneration as disclosed in Note 8.

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 8 DIRECTORS' REMUNERATION

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

	Group and Company	
	2023 RM'000	2022 RM'000
Fees	1,444	1,456
Other benefits	477	492
	1,921	1,948

## 9 FINANCE COSTS AND FINANCE INCOME

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(a) Finance cost				
Bank charges	1,108	1,189	7	4
Profit rate:				
- iMTN	3,857	3,666	-	-
- iCP	6,503	4,888	-	-
Lease liabilities	159	833	-	-
	11,627	10,576	7	4
Less: Finance costs capitalised in property, plant and equipment (Note 12)	(542)	(397)	-	-
	11,085	10,179	7	4
(b) Finance income				
Finance income from:				
- Deposits placed with licensed banks and financial institutions	19,148	11,858	348	136

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 10 TAX EXPENSE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Income tax:				
- Current financial year	126,882	137,963	771	10,331
- Over accrual in prior financial year	(323)	(10,845)	(93)	(813)
	126,559	127,118	678	9,518
Deferred taxation: (Note 21)				
- Origination and reversal of temporary difference	5,150	26,613	(478)	62
Tax expense	131,709	153,731	200	9,580

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		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before taxation and after zakat	515,108	543,274	316,625	290,897
Tax calculated at the Malaysian income tax rate of 24% (2022: 24%)	123,626	130,386	75,990	69,815
Tax effects of:				
- Income not subject to tax	-	(1,315)	(79,507)	(60,129)
- Expenses not deductible for tax	4,022	2,793	3,810	707
- Difference in tax rate arising from Cukai Makmur	-	21,016	-	-
- Share of results in joint ventures	(941)	(1,083)	-	-
- Origination and reversal of temporary differences during the year	318	-	-	-
- Recognition of previously unrecognised tax losses	(1,225)	-	-	-
Under/(Over) accrual of taxes in prior financial year (net)	5,909	1,934	(93)	(813)
Tax expense	131,709	153,731	200	9,580

The Finance Act 2022 gazetted on 31 December 2021 enacted the prosperity tax ("Cukai Makmur") on companies that generate chargeable income up to first RM100 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 2023 (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 Group by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2023	2022
Net profit for the financial year attributable to equity holders of the Company (RM'000)	383,399	389,543
Weighted average number of ordinary shares ('000)	1,284,000	1,284,000
Basic earnings per share (RM)	0.30	0.30
Diluted earnings per share (RM)	0.30	0.30

The Group has no dilutive potential ordinary shares and therefore the diluted EPS is the same as the basic EPS.

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 12 PROPERTY, PLANT AND EQUIPMENT

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 RM'000	Capital work-in-progress RM'000	Total RM'000
<b>2023</b>									
<u>Cost</u>									
At 1 January	9,894	22,228	12,489	85,372	792	11,243	2,384,913	182,855	2,709,786
Additions	-	-	2,629	10,774	53	946	3,723	200,748*	218,873
Disposals	-	-	(1,308)	-	-	-	(943)	-	(2,251)
Write-off	-	-	-	-	-	-	(1,322)	-	(1,322)
Reclassifications	-	-	-	1,804	-	83	116,346	(118,233)	-
At 31 December	9,894	22,228	13,810	97,950	845	12,272	2,502,717	265,370	2,925,086
<u>Accumulated depreciation</u>									
At 1 January	-	10,305	6,142	58,012	756	10,519	999,915	-	1,085,649
Depreciation for the financial year	-	501	1,943	10,638	16	408	88,504	-	102,010
Disposals	-	-	(1,308)	-	-	-	(662)	-	(1,970)
Write-off	-	-	-	-	-	-	(815)	-	(815)
At 31 December	-	10,806	6,777	68,650	772	10,927	1,086,942	-	1,184,874
<u>Accumulated impairment loss</u>									
At 1 January	-	-	-	-	-	-	7,979	111	8,090
Impairment for the financial year	-	-	-	-	-	-	20	-	20
Reversal for the financial year	-	-	-	-	-	-	(281)	-	(281)
At 31 December	-	-	-	-	-	-	7,718	111	7,829
<u>Net book value</u>									
At 31 December	9,894	11,422	7,033	29,300	73	1,345	1,408,057	265,259	1,732,383

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 12 PROPERTY, PLANT AND EQUIPMENT (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 RM'000	Capital work-in-progress RM'000	Total RM'000
<b>2022</b>									
<u>Cost</u>									
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	-	-	-	-	-	-	(3,438)	-	(3,438)
Reclassifications	-	-	-	5,623	-	-	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
<u>Accumulated depreciation</u>									
At 1 January	-	9,804	6,071	49,754	755	10,270	912,737	-	989,391
Depreciation for the financial year	-	501	1,470	8,264	1	249	89,639	-	100,124
Disposals	-	-	(1,399)	(6)	-	-	-	-	(1,405)
Write-off	-	-	-	-	-	-	(2,461)	-	(2,461)
At 31 December	-	10,305	6,142	58,012	756	10,519	999,915	-	1,085,649
<u>Accumulated impairment loss</u>									
At 1 January	-	-	-	-	-	-	7,648	-	7,648
Impairment for the financial year	-	-	-	-	-	-	331	111	442
At 31 December	-	-	-	-	-	-	7,979	111	8,090
<u>Net book value</u>									
At 31 December	9,894	11,923	6,347	27,360	36	724	1,377,019	182,744	1,616,047

\* Included in the Group's addition of pipeline and distribution systems during the financial year was finance costs of RM542,000 (2022: RM397,000) which were capitalised at an average rate of 4.18% (2022: 3.06% per annum).

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Motor vehicles RM'000	Office and gas equipment RM'000	Total RM'000
<b>2023</b>			
<u>Cost</u>			
At 1 January	277	397	674
Additions	-	129	129
At 31 December	277	526	803
<u>Accumulated depreciation</u>			
At 1 January	96	286	382
Depreciation for the financial year	69	52	121
At 31 December	165	338	503
<u>Net book value</u>			
At 31 December	112	188	300
<b>2022</b>			
<u>Cost</u>			
At 1 January	277	347	624
Additions	-	50	50
At 31 December	277	397	674
<u>Accumulated depreciation</u>			
At 1 January	27	255	282
Depreciation for the financial year	69	31	100
At 31 December	96	286	382
<u>Net book value</u>			
At 31 December	181	111	292

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### ACCOUNTING POLICIES AND SIGNIFICANT JUDGEMENT

#### a. Impairment assessment

In the current financial year, the Group recorded an impairment of RM20,000 (2022: RM442,000) 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:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Acquisition during the financial year	218,873	185,040	129	50
Add:				
- Payment for property, plant and equipment acquired in the prior financial year	42,692	47,077	-	-
Less:				
- Acquisition of property, plant and equipment not paid as at the reporting date (Note 23)	(82,672)	(79,567)	-	-
- Finance cost capitalised during the financial year (Note 9)	(542)	(397)	-	-
Net cash outflows for the acquisition of property, plant and equipment	178,351	152,153	129	50



# Notes to the Financial Statements

for the financial year ended 31 December 2023 (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.

Group	Land and buildings RM'000	Office equipment RM'000	Total RM'000
<b>2023</b>			
At 1 January	16,768	39	16,807
Additions during the financial year	1,760	-	1,760
Depreciation for the financial year (Note 5)	(1,861)	(21)	(1,882)
At 31 December	16,667	18	16,685
<b>2022</b>			
At 1 January	17,394	46	17,440
Additions during the financial year	1,207	29	1,236
Depreciation for the financial year (Note 5)	(1,833)	(36)	(1,869)
At 31 December	16,768	39	16,807

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 14 INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost	1,284,447	1,284,447

Details of the subsidiaries are as follows:

Name of company	Principal activities	Country of incorporation	Group's effective interest	
			2023 %	2022 %
<u>Direct subsidiaries</u>				
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

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 14 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Principal activities	Country of incorporation	Group's effective interest	
			2023 %	2022 %
Gas Malaysia Green Ventures Sdn. Bhd. ("GMGV")* (formerly known as Gas Malaysia Virtual Pipeline Sdn. Bhd. ("GMVP"))*	Virtual pipeline	Malaysia	100	100
Gas Malaysia Green Venture 1 Sdn. Bhd. ("GMV1")*	Investment holding	Malaysia	100	100
Gas Malaysia Green Venture 2 Sdn. Bhd. ("GMV2")*	Investment holding	Malaysia	100	100

\* Audited by PricewaterhouseCoopers PLT, Malaysia.

In the previous financial year, the Company had subscribed to an additional 10,000,000 ordinary shares issued by GMES at RM10,000,000.

## 15 INVESTMENTS IN JOINT VENTURES

	Group	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost	48,447	45,015
Share of post-acquisition reserves	33,347	33,357
Accumulated impairment losses	(282)	(282)
Accumulated dividends	(3,300)	(1,980)
	78,212	76,110

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 15 INVESTMENTS IN JOINT VENTURES (CONTINUED)

Details of the joint ventures are as follows:

Name of company	Principal activities	Country of incorporation	Group's effective interest	
			2023 %	2022 %
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 3,432,000 shares at a consideration of RM3,432,000 had no impact to the Group's effective equity interest in GMEA of 66%.

In the previous 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%.

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.

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 15 INVESTMENTS IN JOINT VENTURES (CONTINUED)

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:

	GMEA	
	2023 RM'000	2022 RM'000
<u>Summarised statement of financial position</u>		
As at 31 December		
Non-current assets	165,872	151,562
Non-current liabilities	(38,608)	(41,521)
Current assets	51,103	45,390
Current liabilities	(65,060)	(45,565)
Net current liabilities	(13,957)	(175)
Net assets	113,307	109,866
Included in the statement of financial position are:		
- Deposits, cash and bank balances	13,124	9,109
- Current financial liabilities (excluding trade and other payables and provisions)	31,056	24,834
- Non-current financial liabilities (excluding trade and other payables and provisions)	38,608	41,521
<u>Summarised statement of comprehensive income</u>		
Financial year ended 31 December		
Revenue	172,138	160,461
Cost of sales (excluding depreciation)	(169,164)	(155,547)
Administrative expenses	(2,139)	(2,158)
Depreciation	(18)	(14)
Finance cost	(2,031)	(853)
Finance income	8,155	8,994
Other income	3,096	20
Taxation	(3,842)	(2,488)
Profit after taxation	6,195	8,415
Other comprehensive loss	(5,956)	(374)
Total comprehensive income	239	8,041



# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 15 INVESTMENTS IN JOINT VENTURES (CONTINUED)

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	
	2023 RM'000	2022 RM'000
<u>Reconciliation of net assets to carrying amount</u>		
Group's share of net assets/Carrying amount in the statement of financial position at 31 December	74,783	72,512
<u>Group's share of results</u>		
Group's share of results for the financial year	4,089	5,554
Group's share of other comprehensive loss for the financial year	(3,931)	(247)
Dividend income received	1,320	660

Set out below are the financial information of all individually immaterial joint ventures on an aggregate basis:

	2023 RM'000	2022 RM'000
Group's share of net assets/Carrying amount in the statement of financial position at 31 December	3,429	3,598
Group's share of loss for the financial year	(168)	(1,042)

There is no outstanding commitment or contingent liability as at 31 December 2023 and 31 December 2022 in respect of the joint ventures.

## 16 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
Amounts due from subsidiaries		
- Non-current	50,893	45,639
Amounts due to subsidiaries		
- Current	(196,684)	(216,441)

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (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 (2022: RM8,500,000) which is unsecured and carries a profit rate at 4.56% (2022: 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		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Current:</u>				
Trade receivables	648,252	811,823	6,478	6,478
Accumulated loss allowance on trade receivables	(11,323)	(11,287)	(6,478)	(6,478)
	636,929	800,536	-	-
Other receivables	9,405	8,958	2,376	2,698
Deposits	18,274	11,468	-	-
Prepayments	7,910	3,807	1,410	296
	672,518	824,769	3,786	2,994
<u>Non-current:</u>				
Deposits	7,823	15,215	-	-
	680,341	839,984	3,786	2,994

Included in the Group's and in the Company's other receivables as at the reporting date are amounts of RM5,057,000 (2022: RM5,351,000) and RM1,345,000 (2022: RM1,645,000) due from joint venture companies. The amounts due from joint venture companies are unsecured, profit rate free and repayable on demand.

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 17 TRADE AND OTHER RECEIVABLES (CONTINUED)

As at 31 December 2023, trade receivables of RM37,988,000 (2022: RM44,063,000) 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		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Neither past due nor impaired	598,941	756,473	-	-
Past due but not impaired:				
- Up to 2 months (overdue)	21,922	35,779	-	-
- Over 2 months (overdue)	16,066	8,284	-	-
Credit-impaired	11,323	11,287	6,478	6,478
	648,252	811,823	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 RM1,865,828,000 (2022: RM1,739,379,000) and RM78,298,000 (2022: RM78,390,000) 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 2023, trade receivables amounting to RM11,323,000 (2022: RM11,287,000) for the Group and RM6,478,000 (2022: 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 RM29,725,000 (2022: RM37,862,000) 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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	11,287	6,618	6,478	6,478
Loss allowance (Note 6)	152	4,669	-	-
Write back of loss allowance (Note 6)	(116)	-	-	-
At 31 December	11,323	11,287	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 2023 (continued)

## 18 CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits placed with licensed banks	677,171	572,215	13,396	14,112
Cash and bank balances	14,621	19,082	7,734	3,411
	691,792	591,297	21,130	17,523

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	
	2023 % per annum	2022 % per annum	2023 % per annum	2022 % per annum
Deposits placed with licensed banks	3.26	2.32	3.60	2.25

Deposits placed with licensed banks of the Group and of the Company have an average maturity period of 20 days and 30 days (2022: 17 days and 1 day) respectively. Bank balances are deposits held at call with licensed banks.

## 19 SHARE CAPITAL

	Group and Company			
	2023		2022	
	Number of shares '000	Value RM'000	Number of shares '000	Value 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

# Notes to the Financial Statements

*for the financial year ended 31 December 2023 (continued)*

## 20 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 Petroliaam 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 (“Bursa Securities”) Main Market Listing Requirements (“MMLR”);
- (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 MMLR:
  - (i) when the dividend or part of the dividend on the share is in arrears for more than six (6) months, if applicable;
  - (ii) on a proposal to reduce the Company’s share capital;
  - (iii) on a proposal for the disposal of the whole of the Company’s property, business and undertaking;
  - (iv) on a proposal that affects rights attached to the RPS;
  - (v) on a proposal to wind-up the Company; and
  - (vi) during the winding-up of the Company.

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

- (c) The Special Shareholder shall have no right to appoint or nominate any Directors;
- (d) The RPS shall confer no right to dividend;
- (e) The RPS is not transferable and is to be held by PETRONAS. Notwithstanding this, the RPS may be transferred to an entity wholly owned by the Government of Malaysia;
- (f) The Special Shareholder may 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



# Notes to the Financial Statements

*for the financial year ended 31 December 2023 (continued)*

## 20 REDEEMABLE PREFERENCE SHARE (CONTINUED)

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

- (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 2023 (continued)

## 21 DEFERRED TAXATION

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deferred tax liabilities	232,988	226,168	-	-
Deferred tax assets	(3,903)	(2,233)	(1,123)	(645)
	229,085	223,935	(1,123)	(645)
At 1 January	223,935	197,322	(645)	(707)
Charged/(Credited) to profit or loss:				
- Unutilised tax losses	(1,225)	-	-	-
- Property, plant and equipment	8,890	29,343	(4)	(11)
- Right-of-use assets	4	2,500	-	-
- Trade and other payables	(2,445)	(5,183)	(474)	73
- Lease liabilities	(74)	(47)	-	-
	5,150	26,613	(478)	62
At 31 December	229,085	223,935	(1,123)	(645)
Subject to income tax:				
Deferred tax assets (before offsetting)				
- Trade and other payables	20,416	17,971	1,157	683
- Lease liabilities	761	687	-	-
- Unutilised tax losses	1,225	-	-	-
	22,402	18,658	1,157	683
Offsetting	(18,499)	(16,425)	(34)	(38)
Deferred tax assets (after offsetting)	3,903	2,233	1,123	645
Deferred tax liabilities (before offsetting)				
- Property, plant and equipment	248,441	239,551	34	38
- Right-of-use assets	3,046	3,042	-	-
	251,487	242,593	34	38
Offsetting	(18,499)	(16,425)	(34)	(38)
Deferred tax liabilities (after offsetting)	232,988	226,168	-	-

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 21 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 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:

	Group	
	2023 RM'000	2022 RM'000
No expiry period:		
- Unabsorbed capital allowances	12,643	6,211
- Other deductible temporary differences	357	381
	13,000	6,592
Unutilised tax losses expiring in the following financial years:		
- 2026	-	3,799
- 2027	-	690
- 2031	-	613
- 2034	992	-
	992	5,102
	13,992	11,694

Under the Malaysia Finance Act 2022 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.

## 22 CONTRACT LIABILITIES

	Group	
	2023 RM'000	2022 RM'000
Contract liabilities:		
- Capital contribution received from customers	1,254	1,254
Analysed as follows:		
- Current liabilities	1,254	1,254

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 22 CONTRACT LIABILITIES (CONTINUED)

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 (1) 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	
	2023 RM'000	2022 RM'000
At 1 January	1,254	8,151
Revenue recognised that was included in the contract liabilities balance at the beginning of the financial year	-	(6,897)
At 31 December	1,254	1,254

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.

## 23 TRADE AND OTHER PAYABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade payables	1,016,513	1,117,622	-	-
Other payables	34,112	52,540	1,766	1,942
Customers' deposits	78,298	78,390	-	-
Accruals				
- Operating expenditure	34,422	33,767	6,704	3,280
- Capital expenditure	82,672	79,567	-	-
	1,246,017	1,361,886	8,470	5,222

Included in the trade payables of the Group at the end of the reporting period is an amount of RM486,272,000 (2022: RM479,260,000) in respect of the accruals due to the Group's gas supplier, which is a related party, for the purchase of natural gas.

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 23 TRADE AND OTHER PAYABLES (CONTINUED)

As at 31 December 2023, included in other payables is an amount of RM3,873,000 (2022: RM33,093,000) 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 Group, for which the Government has confirmed to the Group on the refund of this balance through the revenue cap adjustment mechanism. See Note 3(h)(iii) for the rights and obligations of the Group under the IBR framework and TPA.

## 24 BORROWINGS

	Group	
	2023 RM'000	2022 RM'000
Current (unsecured):		
- iMTN	-	11,233
- iCP	250,191	150,000
	250,191	161,233
Non-current (unsecured):		
- iMTN	80,000	80,000
	330,191	241,233
Analysis of repayment schedule:		
- Not later than 1 year	250,191	161,233
- Later than 2 years	80,000	80,000
	330,191	241,233

During the financial year, the Company issued ten iCPs amounting to RM1,670 million for a tenure of one (1) to three (3) months under the Sukuk Murabahah Programme ("SMP"). The Group repaid the iCPs amounting to RM1,570 million and iMTN of RM11 million respectively during the financial year.

During the previous financial year, the Company issued eleven iCPs amounting to RM2,270 million for a tenure of one (1) to three (3) months and RM80 million iMTN for a tenure of five (5) years under the SMP. The Group repaid the iCPs amounting to RM2,340 million and iMTN of RM100 million respectively during the previous financial year.

The iCPs and iMTNs carry profit rates of 3.20% to 3.90% per annum (2022: 1.99% to 3.90% per annum) and 4.56% to 4.73% per annum (2022: 4.56% to 4.73% per annum) respectively as at the reporting date.



# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 25 LEASE LIABILITIES

	Group	
	2023 RM'000	2022 RM'000
Current	1,392	1,184
Non-current	2,060	2,074
	3,452	3,258
Maturity analysis of lease liabilities:		
- Not later than 1 year	1,392	1,184
- Later than 1 year but not later than 2 years	1,212	973
- Later than 2 years	848	1,101
	3,452	3,258

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 low-value 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		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Short-term leases	637	381	9	9
Leases of low-value assets	152	160	3	8
	789	541	12	17

Total cash outflow for leases (including short-term leases and leases of low-value assets) in the financial year ended 31 December 2023 for the Group and the Company amounted to RM2,443,000 (2022: RM2,241,000) and RM12,000 (2022: and RM17,000) respectively.

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 26 DIVIDENDS

Company	Per share		Total amount	
	2023 sen	2022 sen	2023 RM'000	2022 RM'000
Dividends paid during the financial year:				
1) First interim dividend per ordinary share – in respect of:				
- financial year ended 2023	5.72	-	73,445	-
- financial year ended 2022	-	5.90	-	75,756
2) 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
3) Final dividend per ordinary share – in respect of:				
- financial year ended 2022	8.62	-	110,681	-
- financial year ended 2021	-	6.87	-	88,211
	22.58	18.77	289,928	241,007
Dividends declared subsequent to the financial year end:				
1) Second interim dividend per ordinary share – in respect of:				
- financial year ended 2023*	8.42	-	108,113	-
- financial year ended 2022	-	8.24	-	105,802
2) Final dividend per ordinary share – in respect of:				
- financial year ended 2023*	8.62	-	110,681	-
- financial year ended 2022	-	8.62	-	110,681

- \* The above second interim and the final dividend declared subsequent to the financial year ended 31 December 2023 will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2024.

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 27 CAPITAL COMMITMENTS

	Group 2023 RM'000	2022 RM'000
In respect of purchase of property, plant and equipment:		
Authorised by the Board:		
- Not contracted for	302,237	253,862
- Contracted but not provided for in the financial statements	56,022	24,314

## 28 SIGNIFICANT RELATED PARTIES DISCLOSURES

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
Perusahaan 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

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 28 SIGNIFICANT RELATED PARTIES DISCLOSURES (CONTINUED)

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

Related parties	Relationship	Country of incorporation
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 wholly owned 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 20.

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.

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.

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 28 SIGNIFICANT RELATED PARTIES DISCLOSURES (CONTINUED)

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:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(a) Transactions with subsidiaries				
Advances to:				
- GMV	-	-	3,434	4,237
Repayment of advances from:				
- GMGV	-	-	(265)	(1,399)
Recharge of finance costs to:				
- GMGV	-	-	387	389
Dividend income:				
- GMD	-	-	162,680	161,883
- GMES	-	-	164,601	88,421
- GMRS	-	-	4,000	1,000
- GMV1	-	-	-	660
Management fees:				
- GMD	-	-	7,668	13,829
- GMES	-	-	3,578	2,059
(b) Transactions with joint ventures				
Natural gas sales to:				
- GMEA	149,280*	137,864*	-	-
- GMSD	18,947*	3,578*	-	-
* The transactions have been entered into the normal course of business and have been established under negotiated terms agreed by both parties.				
Dividend income:				
- GMEA	1,320	660	-	-
Advances to a joint venture:				
- GMSD	-	3,255	-	-



# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 28 SIGNIFICANT RELATED PARTIES DISCLOSURES (CONTINUED)

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)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(c) Transactions with other related parties				
(i) The transactions have been entered into the normal course of business and have been established under negotiated terms agreed by both parties.				
Natural gas sales to:				
- CSR	142,654	119,281	-	-
- CSRPT	54,068	49,882	-	-
- HAMM	3,961	3,657	-	-
- HICOM-Teck See	1,141	585	-	-
- PROTON	12,063	11,122	-	-
- HICOM Diecastings	1,071	876	-	-
- Honda	6,078	4,846	-	-
- HDB	367	428	-	-
- OSI	285	261	-	-
- THR	99	99	-	-
Purchase of LPG from PDB	(9,768)	(11,335)	-	-
Purchase of natural gas from PEGT	(7,270,224)	(6,866,237)	-	-
Infrastructure capacity charges by PEGT	(20,675)	-	-	-
Cash contribution for Citygate construction paid to PGB	(3,713)	(523)	-	-
Rental fee on leased land payable to PETRONAS	(242)	(242)	-	-
Logistic services by JPL	-	(90)	-	-
(ii) The transactions have been entered into based on regulated prices.				
Tolling fee income charged to PEGT	59,691	76,799	-	-

The significant outstanding balances with related parties are disclosed in Note 17 and 23.

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 28 SIGNIFICANT RELATED PARTIES DISCLOSURES (CONTINUED)

### (d) Key management compensation

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Salaries and bonuses	12,881	12,025	6,879	4,958
Directors' fees	1,444	1,456	1,444	1,456
Defined contribution plan				
- Contributions	2,095	1,984	1,129	819
Other benefits	504	492	489	492
	16,924	15,957	9,941	7,725

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.

## 29 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 (2) 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 and cash and cash equivalents, and exclude investments in joint ventures, deferred tax assets and tax recoverable.

Segment liabilities comprise trade and other payables, contract liabilities, borrowings and lease liabilities, and exclude tax payable and deferred tax liabilities.

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 29 SEGMENT REPORTING (CONTINUED)

Group	Natural Gas & LPG RM'000	Others RM'000	Elimination RM'000	Total RM'000
<b>2023</b>				
<u>Revenue:</u>				
Total segment revenue - external	8,078,921	-	-	8,078,921
Inter-segment revenue	-	140	(140)	-
	8,078,921	140	(140)	8,078,921
<u>Results:</u>				
Profit before zakat and taxation	514,845	3,763	-	518,608
Finance income	(19,148)	-	-	(19,148)
Depreciation and amortisation	103,837	55	-	103,892
Earnings before finance income, zakat, taxation, depreciation and amortisation (segment results)	599,534	3,818	-	603,352
<u>Other information:</u>				
Segment assets	3,112,318	8,883	-	3,121,201
Investments in joint ventures	-	78,212	-	78,212
Deferred tax assets	3,903	-	-	3,903
Tax recoverable	3,634	-	-	3,634
Total assets	3,119,855	87,095	-	3,206,950
Segment liabilities	(1,580,827)	(87)	-	(1,580,914)
Tax payable	(25,173)	-	-	(25,173)
Deferred tax liabilities	(232,988)	-	-	(232,988)
Total liabilities	(1,838,988)	(87)	-	(1,839,075)
<u>Other disclosure:</u>				
Capital expenditure incurred	218,873	-	-	218,873
Depreciation and amortisation	103,837	55	-	103,892
Loss allowance on trade receivables	152	-	-	152
Property, plant and equipment written off	507	-	-	507
Impairment on property, plant and equipment	20	-	-	20
Share of results in joint ventures	-	(3,921)	-	(3,921)
Finance costs	11,085	-	-	11,085

# Notes to the Financial Statements

for the financial year ended 31 December 2023 (continued)

## 29 SEGMENT REPORTING (CONTINUED)

Group	Natural Gas & LPG RM'000	Others RM'000	Elimination RM'000	Total RM'000
<b>2022</b>				
<u>Revenue:</u>				
Total segment revenue - external	7,649,364	-	-	7,649,364
Inter-segment revenue	-	140	(140)	-
	7,649,364	140	(140)	7,649,364
<u>Results:</u>				
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
<u>Other information:</u>				
Segment assets	3,056,281	7,854	-	3,064,135
Investments in joint ventures	-	76,110	-	76,110
Deferred tax assets	2,233	-	-	2,233
Tax recoverable	4,653	-	-	4,653
Total assets	3,063,167	83,964	-	3,147,131
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)
<u>Other disclosure:</u>				
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

# Corporate Information

as at 29 March 2024

## 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

**DATUK OOI TEIK HUAT**  
Non-Independent Non-Executive Director

**MALIKI KAMAL BIN MOHD YASIN**  
Independent Non-Executive Director

**CHOW MEI MEI**  
Independent Non-Executive Director

**SHARIZA SHARIS BINTI MOHD YUSOF**  
Alternate Director to Kamalbahrin bin Ahmad  
Non-Independent Non-Executive Director

## GROUP CHIEF EXECUTIVE OFFICER

**AHMAD HASHIMI BIN ABDUL MANAP**

## COMPANY SECRETARIES

**YANTI IRWANI BINTI ABU HASSAN**  
(MACS 01349)  
(SSM PC No. 201908003274)

**MAZIAH BINTI MARTIN**  
(MACS 01864)  
(SSM PC No. 202208000294)

## AUDIT COMMITTEE

- **CHOW MEI MEI** (Chairman)
- **DATUK OOI TEIK HUAT**
- **MALIKI KAMAL BIN MOHD YASIN**

## NOMINATION & REMUNERATION COMMITTEE

- **TAN SRI WAN ZULKIFLEE BIN WAN ARIFFIN** (Chairman)
- **DATUK SYED ABU BAKAR BIN S MOHSIN ALMOHDZAR**
- **MALIKI KAMAL BIN MOHD YASIN**

## 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**
- **DATUK OOI TEIK HUAT**

## INVESTOR RELATIONS

**KAMARUL ARIFFIN BIN IBRAHIM**

Email : [investor@gasmalaysia.com](mailto: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](http://www.gasmalaysia.com)

Email : [enquiries@gasmalaysia.com](mailto:enquiries@gasmalaysia.com)

## AUDITORS

**PricewaterhouseCoopers PLT**

Level 10, Menara TH 1 Sentral

Jalan Rakyat

Kuala Lumpur Sentral

50706 Kuala Lumpur

Wilayah Persekutuan

Malaysia

Tel : (603) 2173 1188

Fax : (603) 2173 1288

## STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad

(Main Market)

Stock Name : GASMSIA

Stock Code : 5209

## SHARE REGISTRAR & DIVIDEND SERVICE PROVIDER

Boardroom Share Registrars Sdn Bhd

11<sup>th</sup> 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](mailto:BSR.Helpdesk@boardroomlimited.com)

## PRINCIPAL BANKER

Malayan Banking Berhad

Seksyen 20, Shah Alam

No. 19 & 21, Jalan Singa 20/C

40000 Shah Alam

Selangor Darul Ehsan

Malaysia

Tel : (603) 5032 0808



# Shareholding Statistics

as at 29 March 2024

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 : 7,845

## SUBSTANTIAL SHAREHOLDERS (AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS)

Name	No. of Shares Held			
	Direct	%	Indirect	%
Anglo-Oriental (Annuities) Sdn Bhd <sup>(1)</sup>	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 <sup>(2)</sup>	-	-	397,179,040	30.93
Seaport Terminal (Johore) Sdn Bhd <sup>(3)</sup>	-	-	397,179,040	30.93
Indra Cita Sdn Bhd <sup>(4)</sup>	-	-	397,179,040	30.93
Tan Sri Dato' Seri Syed Mokhtar Shah bin Syed Nor <sup>(5)</sup>	-	-	397,179,040	30.93
Tokyo Gas International Holdings B.V. <sup>(6)</sup>	-	-	237,546,000	18.50
Tokyo Gas Co. Ltd <sup>(7)</sup>	-	-	237,546,000	18.50
Mitsui & Co. (Malaysia) Sdn Bhd <sup>(8)</sup>	-	-	237,546,000	18.50
Mitsui & Co. (Asia Pacific) Pte Ltd <sup>(9)</sup>	-	-	237,546,000	18.50
Mitsui & Co. Ltd <sup>(10)</sup>	-	-	237,546,000	18.50
Petroleum Nasional Berhad <sup>(11)</sup>	-	-	190,010,000	14.80

### Notes:

- <sup>(1)</sup> Of which 100,000,000 shares held through Bank Muamalat Malaysia Berhad
- <sup>(2)</sup> Deemed interest through its shareholding in Anglo-Oriental (Annuities) Sdn Bhd
- <sup>(3)</sup> Deemed interest through its shareholding in MMC Corporation Berhad
- <sup>(4)</sup> Deemed interest through its shareholding in Seaport Terminal (Johore) Sdn Bhd
- <sup>(5)</sup> Deemed interest through his shareholding in Indra Cita Sdn Bhd
- <sup>(6)</sup> Deemed interest through its shareholding in Tokyo Gas-Mitsui & Co. Holdings Sdn Bhd
- <sup>(7)</sup> Deemed interest through its shareholding in Tokyo Gas International Holdings B.V.
- <sup>(8)</sup> Deemed interest through its shareholding in Tokyo Gas-Mitsui & Co. Holdings Sdn Bhd
- <sup>(9)</sup> Deemed interest through its shareholding in Mitsui & Co. (Malaysia) Sdn Bhd
- <sup>(10)</sup> Deemed interest through its shareholding in Mitsui & Co. (Asia Pacific) Pte Ltd
- <sup>(11)</sup> Deemed interest through its shareholding in PETRONAS Gas Berhad

# Shareholding Statistics

as at 29 March 2024

## ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shares Held
Less than 100 shares	474	6.04	2,748	0.00
100 to 1,000 shares	2,183	27.83	1,504,480	0.12
1,001 to 10,000 shares	3,898	49.69	16,243,508	1.26
10,001 to 100,000 shares	1,091	13.91	31,574,708	2.46
100,001 to less than 5% of issued shares	194	2.47	246,484,416	19.20
5% and above of issued shares	5	0.06	988,190,140	76.96
<b>TOTAL</b>	<b>7,845</b>	<b>100.00</b>	<b>1,284,000,000</b>	<b>100.00</b>

## DIRECTORS' AND GROUP CHIEF EXECUTIVE OFFICER'S INTERESTS

a) Directors' Interest in the Company as per the Register of Directors' Shareholding

Name	No. of Shares Held			
	Direct	%	Indirect	%
Tan Sri Wan Zulkiflee bin Wan Ariffin	-	-	-	-
Tan Sri Che Khalib bin Mohamad Noh	-	-	-	-
Nobuhisa Kobayashi	-	-	-	-
Kamalbahrin bin Ahmad	-	-	-	-
Datuk Syed Abu Bakar bin S Mohsin Almohdzar	-	-	-	-
Datuk Ooi Teik Huat	-	-	-	-
Maliki Kamal bin Mohd Yasin	-	-	-	-
Chow Mei Mei	-	-	-	-
Shariza Sharis binti Mohd Yusof (Alternate Director to Kamalbahrin bin Ahmad)	-	-	-	-

b) Group Chief Executive Officer (*Who is not a Director*)

Name	No. of Shares Held			
	Direct	%	Indirect	%
Ahmad Hashimi bin Abdul Manap	21,500	0.00*	-	-

\* Negligible

# Shareholding Statistics

as at 29 March 2024

## 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	297,179,040	23.14
2	Tokyo Gas - Mitsui & Co. Holdings Sdn Bhd	237,546,000	18.50
3	PETRONAS Gas Berhad	190,010,000	14.80
4	Bank Muamalat Malaysia Berhad Pledged Securities Account For Anglo-Oriental (Annuities) Sdn Bhd	100,000,000	7.79
5	Lembaga Tabung Haji	90,801,900	7.07
6	Amanahraya Trustees Berhad Amanah Saham Bumiputera	42,271,500	3.30
7	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	40,030,378	3.12
8	Kumpulan Wang Persaraan (Diperbadankan)	31,807,350	2.48
9	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Islamic)	16,450,522	1.28
10	Citigroup Nominees (Asing) Sdn Bhd Exempt An For Citibank New York (Norges Bank 22)	12,114,900	0.94
11	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AsianIslamic)	9,706,400	0.76
12	Amanahraya Trustees Berhad Public Islamic Select Treasures Fund	7,609,600	0.59
13	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (SHF)	7,604,000	0.59
14	Amanahraya Trustees Berhad Amanah Saham Malaysia	6,000,000	0.47
15	Citigroup Nominees (Asing) Sdn Bhd Exempt An For Citibank New York (Norges Bank 19)	5,936,864	0.46
16	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For AIA Bhd.	5,862,700	0.46
17	Amanahraya Trustees Berhad Amanah Saham Malaysia 3	5,790,400	0.45
18	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad For Eastspring Investmentssmall-Cap Fund	5,745,300	0.45
19	Cartaban Nominees (Tempatan) Sdn Bhd PAMB For Prulink Equity Income Fund	5,427,400	0.42
20	Lembaga Tabung Angkatan Tentera	4,003,800	0.31
21	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund WTAU For Wisdomtree Emerging Markets Smallcap Dividend Fund	3,936,300	0.31

# Shareholding Statistics

as at 29 March 2024

No.	Name	No. of Shares Held	% of Shares Held
22	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (Non Par 1)	3,478,000	0.27
23	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (PHEIM)	3,255,900	0.25
24	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CGS CIMB)	3,210,000	0.25
25	Amanahraya Trustees Berhad Public Islamic Treasures Growth Fund	3,169,400	0.25
26	Maybank Nominees (Tempatan) Sdn Bhd Etiqua Life Insurance Berhad (Life Par)	3,127,600	0.24
27	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (Par 4)	2,662,500	0.21
28	Maybank Nominees (Tempatan) Sdn Bhd Etiqua Family Takaful Berhad (Family)	2,434,300	0.19
29	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Manulife Investment Al-Fauzan (5170)	2,372,200	0.18
30	Maybank Nominees (Tempatan) Sdn Bhd Etiqua Life Insurance Berhad (Life Non Par)	2,345,200	0.18
<b>TOTAL</b>		<b>1,151,889,454</b>	<b>89.71</b>

# List of Properties

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

No.	Location	Description/ Existing Use	Tenure	Area (Acres)	Net Book Value as at 31-Dec-23 RM'000	Age of Building (Years)	Year of Acquisition
1	No. Hakmilik PN 37269 Lot No. 6265 Mukim Sungai Tiram Daerah Johor Bahru Johor Darul Takzim	Vacant land	Leasehold expiring in 2063	27.502	RM7,929	-	2003
2	No. Hakmilik 89023 Lot No. 52547 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	RM5,041	25	1994
3	HS(M) 1457 PT No. 2957 Mukim 06 Seberang Perai Tengah Pulau Pinang	Vacant land	Freehold	3.02	RM5,270	-	2013
4	No. Hakmilik 26774 Lot No. 85 Sek 87A Kuala Lumpur Branch Office No. 20, Jalan Gurney 54100 Kuala Lumpur	Office	Freehold	0.191	RM2,997	16	2011
5	No Hakmilik 7115 Lot No. 8938 Eastern Regional Office Lot 104, Gebeng Industrial Area 26080 Kuantan Pahang Darul Makmur	Office and warehouse	Leasehold expiring in 2064	2.999	RM1,630	24	1995
6	No Hakmilik 13007 Lot No. 813 Shah Alam Branch Office No.1, 1A & 1B Jalan Bola Jaring 13/15 Seksyen 13 40000 Shah Alam Selangor Darul Ehsan	Office	Leasehold expiring in 2100	0.08	RM1,642	28	2009



# List of Properties

No.	Location	Description/ Existing Use	Tenure	Area (Acres)	Net Book Value as at 31-Dec-23 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	RM1,462	-	2000
	No. Hakmilik 6545 Lot No. 5810			0.565			
	No. Hakmilik 6546 Lot No. 6461			0.115			
	No. Hakmilik HS(D) 34458 PT No. 4101			0.0375			
	No. Hakmilik 5948 Lot No. 5809			0.0375			
	No. Hakmilik HS(D) 34510 PT No. 1654 Prai Industrial Park Pulau Pinang			0.0783			
8	HS(D) 221664 PTD 115555 Southern Regional Office PLO 343 Jalan Emas Tiga 81700 Pasir Gudang Johor Darul Takzim	Office	Leasehold expiring in 2055	3.0352	RM62	24	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	RM220	22	2000
10	HS(D) 108992 Lot No. 4228 Senawang Branch Office No. 34, Jalan Bunga Raya 6 Pusat Perniagaan Senawang 70400 Seremban Negeri Sembilan	Office	Freehold	0.0378	RM120	26	1995

# Notice of 33<sup>rd</sup> Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT the Thirty-Third Annual General Meeting (“33<sup>rd</sup> AGM”) of Gas Malaysia Berhad (“the Company”) will be held virtually at the 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, Malaysia on Thursday, 30 May 2024 at 3.00 p.m. or any adjournment thereof, for the following purposes:**

## AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 and the Reports of the Directors and Auditors thereon.  
(Note 2)
2. To re-elect Encik Kamalbahrin bin Ahmad 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)**  
  
Encik Nobuhisa Kobayashi, who retires by rotation pursuant to Clause 101 of the Company’s Constitution, has expressed his intention not to seek re-election and will retire from office upon the conclusion of the 33<sup>rd</sup> AGM of the Company.  
**(Refer Explanatory Note A)**
3. To re-elect Puan Chow Mei Mei who retires by rotation in accordance with Clause 107 of the Company’s Constitution and who being eligible offers herself 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 33<sup>rd</sup> 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 2024 and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 4)**

# Notice of 33<sup>rd</sup> Annual General Meeting

## AS SPECIAL BUSINESS

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

**6. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW 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 5)**

"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 Sections 2.4.1(i) and 2.4.2(i) of the Circular to Shareholders dated 29 April 2024, 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:

- 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;
- 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 D)**

# Notice of 33<sup>rd</sup> Annual General Meeting

**7. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW 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 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 TSM, ICSB, STJSB, MMC and AOA, as set out in Sections 2.4.1(ii) and 2.4.2(ii) of the Circular to Shareholders dated 29 April 2024, 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:

- 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;
- 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 D)**

**8. 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. (ASIA PACIFIC) PTE LTD ("MITSUI & CO. (AP)"), MITSUI & CO. (MALAYSIA) SDN BHD ("MITSUI & CO. (M)") AND TOKYO-GAS MITSUI & CO. HOLDINGS SDN BHD ("TGM")**

**(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 Mitsui & Co., Mitsui & Co. (AP), Mitsui & Co. (M) and TGM, as set out in Section 2.4.1(iii) of the Circular to Shareholders

# Notice of 33<sup>rd</sup> Annual General Meeting

dated 29 April 2024, 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:

- 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;
- 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 D)**

## **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 TOKYO GAS CO. LTD ("TG"), TOKYO GAS INTERNATIONAL HOLDINGS B.V ("TGIH") 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 TG, TGIH and TGM, as set out in Section 2.4.1(iv) of the Circular to Shareholders dated 29 April 2024, 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:

- 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;
- 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.



# Notice of 33<sup>rd</sup> Annual General Meeting

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 D)**

10. 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 33<sup>rd</sup> 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 23 May 2024.

## 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

29 April 2024

## NOTES:

### 1. IMPORTANT NOTICE

- The Broadcast Venue of the 33<sup>rd</sup> 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 33<sup>rd</sup> AGM.
- 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.
- In respect of deposited securities, only members whose names appear on the Record of Depositors on 23 May 2024 (General Meeting Record of Depositors) shall be eligible to attend, participate, speak and vote at the meeting.
- 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.
- 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.
- 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.
- 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.
- 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, 11<sup>th</sup> 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](mailto:BSR.Helpdesk@boardroomlimited.com), no later than Wednesday, 29 May 2024 at 3.00 p.m. The proxy appointment may also be lodged electronically via Boardroom Smart Investor Online 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 fully virtual general meeting for further details.

# Notice of 33<sup>rd</sup> Annual General Meeting

## EXPLANATORY NOTES:

- A. Encik Kamalbahrin bin Ahmad ("the retiring Director") is standing for re-election as Director of the Company and has offered himself for re-election. For the purpose of determining eligibility of the retiring Director, the Board has considered the results of the Board evaluation conducted for the year 2023. The retiring Director met the performance criteria required of an effective and high-performance Board based on the results. Therefore, the Board is recommending the re-election of the retiring Director for the shareholders' approval.

Encik Nobuhisa Kobayashi is due to retire in accordance with Clause 101 of the Company's Constitution. He has expressed his intention not to seek re-election. Hence, Encik Nobuhisa Kobayashi will retire from office upon the conclusion of the 33<sup>rd</sup> AGM of the Company.

The profile of the retiring Director is set out on page 82 of the Annual Report.

- B. Clause 107 of the Company's Constitution provides that any director appointed to fill a casual vacancy shall retire at the next following AGM and shall be eligible for re-election. Puan Chow Mei Mei, who was appointed on 21 August 2023 will be seeking re-election under Clause 107 of the Company's Constitution. Therefore, the Board is recommending the re-election of the retiring Director for the shareholders' approval.

Her profile is set out on page 86 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 33<sup>rd</sup> 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 30 May 2024 to the next AGM of the Company tentatively to be held in May 2025.
- 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

- 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 23 May 2023 to 30 May 2024 of an amount up to RM2,300,000.00 at the 32<sup>nd</sup> AGM of the Company which was held on 22 May 2023. The total Directors' fees and any benefits paid for the financial year 2023 was RM1,444,000 and RM477,000 respectively.
- D. **Ordinary Resolutions 5, 6, 7 and 8 - Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The Ordinary Resolutions 5, 6, 7 and 8 if passed, will benefit the Company by facilitating the Company and its subsidiaries ("the Group") to enter into transactions with Related Parties specified in Section 2.4 of the Circular to Shareholders dated 29 April 2024 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 33<sup>rd</sup> Annual General Meeting

[PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD]

The Directors retiring in accordance with the Company's Constitution and seeking for re-election are as follows:

Pursuant to Clause 101 of the Company's Constitution

Encik Kamalbahrin bin Ahmad

Pursuant to Clause 107 of the Company's Constitution

Puan Chow Mei Mei

The profiles of the abovenamed Directors are stated in the Board of Directors' Profile on pages 82 and 86 of this Annual Report.

# Administrative Details

## 33<sup>rd</sup> Annual General Meeting (“33<sup>rd</sup> AGM”)

Thursday, 30 May 2024 at 3.00 p.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 submit questions in advance on the AGM resolutions and Annual Report 2023 prior to the 33<sup>rd</sup> 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 (33<sup>rd</sup>) ANNUAL GENERAL MEETING”** from the list of Meeting Event to pose questions (“Pre-AGM Meeting Questions”) not later than 3.00 p.m. on Wednesday, 29 May 2024.
- 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.

## 1. VIRTUAL MEETING

- The Company will conduct its 33<sup>rd</sup> AGM on a virtual basis via Remote Participation and Electronic Voting (“RPEV”) Facilities on 30 May 2024.
- 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 33<sup>rd</sup> AGM by indicating the voting instructions in the Form of Proxy.
- The Broadcast Venue of the 33<sup>rd</sup> 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 23 May 2024 shall be entitled to participate in the 33<sup>rd</sup> 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 33<sup>rd</sup> AGM.

# Administrative Details

## 4. PROXY

- If a Shareholder is unable to attend the 33<sup>rd</sup> 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 33<sup>rd</sup> AGM dated 29 April 2024) 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 11<sup>th</sup> 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 Wednesday, 29 May 2024 at 3.00 p.m. The Form of Proxy may also be lodged electronically via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. For further information, kindly refer to item 6 – Step 1 to Step 3.
- 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 33<sup>rd</sup> AGM.
- Corporate Shareholders that wish to appoint a representative to participate and vote remotely at the 33<sup>rd</sup> AGM may refer to details set out under item 6 or contact the share registrars, Boardroom Share Registrars Sdn Bhd (“Boardroom”), with the details set out under item 10 below for assistance and will be required to provide the following documents to Boardroom not later than Wednesday, 29 May 2024 at 3.00 p.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 33<sup>rd</sup> 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 33<sup>rd</sup> AGM, the NC shareholder(s) can request its nominee company to appoint him/her as a proxy to participate and vote remotely at the 33<sup>rd</sup> AGM. The nominee company may refer to the details set out under item 6 or contact Boardroom’s officer with the details set out under item 10 for assistance and will be required to provide the following documents to Boardroom not later than Wednesday, 29 May 2024 at 3.00 p.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.

# Administrative Details

## 5. VOTING PROCEDURE

- The voting at the 33<sup>rd</sup> 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 in conducting 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 33<sup>rd</sup> AGM, the scrutineers will verify the poll results followed by the Chairman's announcement whether the resolutions are duly passed.

## 6. 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 online meeting, you will be able to view a live webcast of the meeting, submit questions to the Chairman and submit your votes in real time whilst the meeting is in progress.
- Kindly 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 the 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.*

- Access website <https://investor.boardroomlimited.com>.
- Click **<<Register>>** to sign up as a user and select the correct account type i.e. sign up as **"Shareholder"** or **"Corporate Holder"**.
- Complete registration with all required information. Upload and attach softcopy of your MyKad (front and reverse) or Passport in JPEG, PNG or PDF format. For corporate holders, please also attach the authorization letter. Click **"Sign Up"**.
- Please enter a valid email address and wait for email verification from Boardroom. You will receive an email from Boardroom for email address verification. Click **"Verify Email Address"** from the email received to continue with the registration.
- Once your email address is verified, you will be re-directed to Boardroom Smart Investor Portal for verification of mobile number. Click **"Request OTP Code"** and an OTP code will be sent to the registered mobile number. Please enter the OTP Code to complete the process.
- The registration will be verified and approved within one (1) business day and an email notification will be provided.



# Administrative Details

## Step 2 - Submit Request for Remote Participation User ID and Password

- **For Individual and Corporate Members**

- Login to <https://investor.boardroomlimited.com> using your User ID and Password from Step 1 above.
- Select **"GAS MALAYSIA BERHAD (33<sup>rd</sup>) ANNUAL GENERAL MEETING"** from the list of Meeting Events and click **"Enter"**.
- Click on **"Register for RPEV"**.
- Enter your CDS Account Number.
- Read and accept the Terms & Conditions.
- Click **"Register"** to submit your request.

- **eProxy Lodgment**

**For Individual and Corporate Shareholders**

- Login to <https://investor.boardroomlimited.com> using your User ID and Password from Step 1 above.
- Select **"GAS MALAYSIA BERHAD (33<sup>rd</sup>) ANNUAL GENERAL MEETING"** from the list of Meeting Event and click **"Enter"**.
- Click on **"Submit eProxy Form"**.
- Select the company you would like to be represented (if more than one) - for Corporate Shareholders.
- Enter the CDS account number and the total number of securities held.
- Select your proxy(ies) - either the Chairman of the Meeting ("Chairman") or individual named proxy(ies).
- Read and accept the Terms and Conditions and click **"Next"**.
- Enter the required particulars of your proxy(ies).
- Indicate your voting instructions – **FOR** or **AGAINST** or **ABSTAIN**. If you wish to have your proxy(ies) to act upon his/her discretion, please indicate **DISCRETIONARY**.
- Review & confirm your proxy(ies) appointment.
- Click **"Apply"**.
- Download or print the eProxy form acknowledgement.

- **For Authorised Nominee and Exempt Authorised Nominee**

- Login to <https://investor.boardroomlimited.com> using your User ID and Password from Step 1 above.
- Select **"GAS MALAYSIA BERHAD (33<sup>rd</sup>) ANNUAL GENERAL MEETING"** from the list of Corporate Meetings Event and click **"Enter"**.
- Click on **"Submit eProxy Form"**.
- Select the company you would like to be represented (if more than one).
- Proceed to download the file format for **"Submission of Proxy Form"**.
- Prepare the file for the appointment of proxy/proxies by inserting the required data.
- Proceed to upload the duly completed Proxy Appointment file.
- Review and confirm your proxy/proxies appointment and click **"Submit"**.
- Download or print the eProxy form as acknowledgement.

*Note: If you are the authorised representative 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 the company name.*

# Administrative Details

- **Corporate Shareholders, Authorised Nominees and Exempt Authorised Nominees (via email)**

- Write to BSR.Helpdesk@boardroomlimited.com by providing the name of the Member and CDS Account Number, accompanied by the Certificate of Appointment of Corporate Representative or Proxy Form (as the case may be), to submit the request.
- Please provide a copy of the Corporate Representative's or Proxy Holder's MyKad (front and back) or Passport in JPEG, PNG or PDF format as well as his/her email address.
  - You will receive a notification from Boardroom that your request has been received and is being verified.
  - Upon system verification of your registration against the AGM's Record of Depositors as at 23 May 2024, you will receive an email from Boardroom either approving or rejecting your registration for remote participation.
  - You will also receive your remote access User ID and Password along with the email from Boardroom if your registration is approved.
  - You are encouraged to submit your request at least 24 hours before the commencement of the 33<sup>rd</sup> AGM, i.e. by Wednesday, 29 May 2024 at 3.00 p.m., to avoid any delay in the registration process.

*Note: If you wish to appoint more than one (1) company, kindly click the home button and select "Edit Profile" in order to add the Company name.*

## Step 3 – Login to Virtual Meeting Portal

*Note: Please note that the quality of the connectivity to Virtual Meeting Portal for live webcast 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.*

- The Virtual Meeting Portal will be opened for login starting one (1) hour before the commencement of 33<sup>rd</sup> AGM, which is from 2.00 p.m. on Thursday, 30 May 2024.
- The Meeting Platform can be accessed via one of the following methods :-
  - Use the QR Scanner Code given in the email notification received after successful registration; or
  - Navigate the website <https://meeting.boardroomlimited.my>
- Please 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).
- The steps given will also guide you on how to view live webcast, ask questions and vote.
- The live webcast will end and the Messaging window (for asking questions) will be disabled once the Chairman announces the closure of the 33<sup>rd</sup> AGM.
- You can then logout from the Virtual Meeting Portal.

## 7. PARTICIPATION THROUGH LIVE WEBCAST, QUESTION AND VOTING AT THE 33<sup>RD</sup> 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 33<sup>rd</sup> 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 33<sup>rd</sup> AGM after the Chairman has opened the poll on the resolutions. Shareholders are reminded to cast their votes before the poll is closed.

# Administrative Details

## 8. PROCEDURE OF THE 33<sup>RD</sup> AGM

- The Login User Guide for participation, posing questions and voting at the 33<sup>rd</sup> 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 33<sup>rd</sup> 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 33<sup>rd</sup> AGM has commenced. Therefore, it is your responsibility to ensure that connectivity for the duration of the 33<sup>rd</sup> 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.

## 9. COMMUNICATION GUIDANCE

- Shareholders are reminded to monitor the Company's website and announcements for any changes to the arrangement of the 33<sup>rd</sup> AGM.

## 10. ENQUIRY

- If you have any enquiry prior to the 33<sup>rd</sup> AGM, pertaining to the RPEV, Shareholder(s) and Proxy(ies) registration, please contact our Share Registrar during office hours from 9.00 a.m. to 5.00 p.m. (Monday to Friday):

### Boardroom Share Registrars Sdn Bhd

Address : 11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

General Line : +603 7890 4700 (Helpdesk)

Fax Number : +603 7890 4670

Email : BSR.Helpdesk@boardroomlimited.com.



# Form of Proxy

33<sup>rd</sup> Annual General Meeting

Number of Ordinary Share(s) held	
CDS Account No.	

I/We, \_\_\_\_\_ (NRIC No./Passport No./Company No.) \_\_\_\_\_  
(FULL NAME OF SHAREHOLDER IN BLOCK LETTERS)

of \_\_\_\_\_  
(FULL ADDRESS)

being a member/members of **GAS MALAYSIA BERHAD**, hereby appoint:

Full Name (in CAPITAL Letters):	NRIC/Passport No.:	Proportion of shareholding to be represented by the proxy/proxies:	
		No. of Shares	%
Address:			
Tel. No.:		Email Address:	

\* and/or

Full Name (in CAPITAL Letters):	NRIC/Passport No.:	Proportion of shareholding to be represented by the proxy/proxies:	
		No. of Shares	%
Address:			
Tel. No.:		Email Address:	

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the 33<sup>rd</sup> Annual General Meeting of the Company, which 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 Boardroom Share Registrars' website at <https://meeting.boardroomlimited.my> on Thursday, 30 May 2024 at 3.00 p.m. or at any adjournment thereof, on the following resolutions referred to in the Notice of the Annual General Meeting:

(Please indicate "X" in the appropriate box against each Resolution as to how you wish your proxy(ies) to vote. If you do not do so, the proxy(ies) may vote or abstain from voting at his/her discretion.)

NO.	AGENDA		FOR	AGAINST
1.	To receive the Audited Financial Statements and the Reports of the Directors and Auditors (Note 2)			
<b>As Ordinary Business</b>				
2.	Re-election of Director – Encik Kamalbahrin bin Ahmad	Ordinary Resolution 1		
3.	Re-election of Director – Puan Chow Mei Mei	Ordinary Resolution 2		
4.	Payment of Directors' Fees and any benefits payable to the Directors from the 33 <sup>rd</sup> AGM to the next AGM	Ordinary Resolution 3		
5.	Re-appointment of Auditors	Ordinary Resolution 4		
<b>As Special Business</b>				
6.	Proposed Renewal of Existing Shareholders' Mandate and Proposed New 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 Petrolam Nasional Berhad and PETRONAS Gas Berhad	Ordinary Resolution 5		
7.	Proposed Renewal of Existing Shareholders' Mandate and Proposed New 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, Indra Cita Sdn Bhd, Seaport Terminal (Johore) Sdn Bhd, MMC Corporation Berhad and Anglo-Oriental (Annuities) Sdn Bhd	Ordinary Resolution 6		
8.	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. (Asia Pacific) Pte Ltd, Mitsui & Co. (Malaysia) Sdn Bhd and Tokyo-Gas Mitsui & Co. Holdings Sdn Bhd	Ordinary Resolution 7		
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 Tokyo Gas Co. Ltd, Tokyo Gas International Holdings B.V. and Tokyo-Gas Mitsui & Co. Holdings Sdn Bhd	Ordinary Resolution 8		

\* Please delete the words "the Chairman of the Meeting" if you wish to appoint some other person to be your proxy.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

Signature of Member and/or Common Seal

Contact No. \_\_\_\_\_

**NOTES:**

**1. IMPORTANT NOTICE**

- The Broadcast Venue of the 33<sup>rd</sup> 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 33<sup>rd</sup> 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 23 May 2024 (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.
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, 11<sup>th</sup> 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](mailto:BSR.Helpdesk@boardroomlimited.com), no later than Wednesday, 29 May 2024 at 3.00 p.m. The proxy appointment may also be lodged electronically via Boardroom Smart Investor Online 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 fully virtual general meeting for further details.

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**Gas Malaysia Berhad**

Annual General Meeting  
30 May 2024

Stamp here

**Boardroom Share Registrars Sdn Bhd**

11<sup>th</sup> 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**

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Fax: +603 5192 6766/6794



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