

**GAS MALAYSIA BERHAD (240409-T)**

**MINUTES OF THE 27<sup>TH</sup> ANNUAL GENERAL MEETING OF GAS MALAYSIA  
BERHAD ("THE COMPANY") HELD AT GLENMARIE BALLROOM, HOLIDAY INN  
KUALA LUMPUR GLENMARIE, NO. 1, JALAN USAHAWAN U1/8, SEKSYEN  
U1, 40250 SHAH ALAM, SELANGOR DARUL EHSAN, MALAYSIA  
ON THURSDAY, 10 MAY 2018 AT 3.00 P.M.**

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**PRESENT :**

<b>BOARD OF DIRECTORS</b>	YBhg Datuk Hj Hasni Harun YBhg Dato' Sri Che Khalib Mohamad Noh Encik Kamalbahrin Ahmad Encik Shigeru Muraki YBhg Datuk Puteh Rukiah Abd Majid YBhg Datuk Syed Abu Bakar S Mohsin Almohdzar YBhg Datuk Ooi Teik Huat Encik David Tan Lye Chong	Chairman
<b>MANAGEMENT</b>	Encik Ahmad Hashimi Abdul Manap  Encik Mohamed Sophie Mohamed Rashidi  Puan Yanti Irwani Abu Hassan  The attendance of Directors, Company Secretaries and members of senior management is as set out in <b>Attachment I.</b>	Chief Executive Officer ("CEO")  Chief Financial Officer ("CFO")  Company Secretary
<b>SHAREHOLDERS</b>	As per the attendance list [Total : 277 shareholders representing 771,602 Ordinary Shares (0.08%)]	
<b>PROXIES</b>	As per the attendance list [Total : 320 shareholders representing 927,783,790 Ordinary Shares (98.47%) and 49 shareholders representing 13,573,719 Ordinary Shares (1.44%) represented by Chairman]	
<b>EXTERNAL AUDITORS</b>	Puan Hew Chooi Yoke and Encik Christopher Leong (Messrs. PricewaterhouseCoopers PLT)	
<b>POLL ADMINISTRATOR</b>	Symphony Share Registrars Sdn Bhd	

**SCRUTINEERS** Symphony Corporatehouse Sdn Bhd

AGM 1/2018 **OPENING ADDRESS**

The Chairman extended a warm welcome to the shareholders and proxies who attended the 27<sup>th</sup> Annual General Meeting ("27<sup>th</sup> AGM" or "AGM").

AGM 2/2018 **INTRODUCTION OF THE BOARD OF DIRECTORS AND KEY MANAGEMENT**

The Chairman introduced each and every member of the Board of Directors and Key Management to the shareholders and proxies.

AGM 3/2018 **QUORUM OF MEETING**

The Company Secretary confirmed that there was sufficient quorum in accordance with Article 71 of the Company's Articles of Association.

AGM 4/2018 **VOTING OF RESOLUTIONS AT THE MEETING**

The Chairman informed the Members, corporate representatives and proxies present that pursuant to Paragraph 8.29A of the Main Market Listing Requirements, the Company must ensure that any resolution set out in the notice of any general meeting would be conducted by way of electronic voting.

The Company had appointed Symphony Share Registrars Sdn Bhd as Poll Administrator to conduct the polling process, and Symphony Corporatehouse Sdn Bhd as Scrutineers to verify the poll results. The polling process for the resolutions would be conducted upon completion of the deliberation of all items to be transacted at the AGM.

AGM 5/2018 **NOTICE OF MEETING**

The Chairman proposed with the consent of all Company's shareholders and proxies in attendance, the 27<sup>th</sup> AGM Notice dated 1 April 2018 as stated in the Annual Report which circulated earlier to be deemed as read.

AGM 6/2018     **PRESENTATION ON QUESTIONS FROM THE MINORITY  
SHAREHOLDER WATCHDOG GROUP**

The Chairman informed that the Company had responded to the letter dated 4 May 2018 from the Minority Shareholders Watchdog Group ("MSWG"). The reply of which was requested to be read at the Meeting for the benefit of all shareholders, the Chairman then invited Encik Zulkifli Mawardi, Head of Corporate Affairs to read out the questions raised by MSWG and the written response.

A copy of the said letter together with Gas Malaysia's written reply dated 9 May 2018 are attached as **Attachment II**.

AGM 7/2018     **TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR  
THE FINANCIAL YEAR ENDED 31 DECEMBER 2017  
TOGETHER WITH THE REPORTS OF THE DIRECTORS AND  
AUDITORS THEREON**

The Chairman explained that the Audited Financial Statements for the financial year ended 31 December 2017 together with the Reports of the Directors' and Auditors' thereon were meant for discussion only, as it did not require shareholders' approval under the provision of Section 340(1) of Companies Act 2016. Hence, it would not be put for voting.

The Chairman then tabled the Audited Financial Statements for the financial year ended 31 December 2017 together with the Reports of the Directors and Auditors thereon for discussions and opened the Meeting for questions.

Since there was no question, the Chairman proceeded to the next agenda.

AGM 8/2018     **ORDINARY RESOLUTION 1**  
**DECLARATION OF SINGLE-TIER FINAL DIVIDEND OF**  
**5.00 SEN PER ORDINARY SHARE IN RESPECT OF THE**  
**FINANCIAL YEAR ENDED 31 DECEMBER 2017**

The resolution on declaration of a single-tier final dividend of 5.00 sen per Ordinary Share in respect of the financial year ended 31 December 2017 was tabled.

The payment of the said single-tier final dividend will be made on 26 June 2018 based on the entitlement date of 31 May 2018.

The Ordinary Resolution 1 was duly proposed by Puan Anita Christine Ramakrishnan.

AGM 9/2018     **ORDINARY RESOLUTION 2**  
**RE-ELECTION OF DIRECTOR PURSUANT TO ARTICLE**  
**95(1) OF THE COMPANY'S ARTICLES OF ASSOCIATION**  
**- ENCIK KAMALBAHRIN AHMAD**

The Resolution 2 on re-election of Encik Kamalbahrin Ahmad who retires in accordance with Article 95(1) of the Company's Articles of Association was tabled.

Pursuant to Article 95(1) of the Company's Articles of Association, the Directors shall have power at any time and from time to time to appoint any person to be a Director of the Company either to fill a vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the maximum number fixed by the Articles of Association. Any Director, so appointed shall hold office only until the next following Annual General meeting of the Company and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

The Ordinary Resolution 2 was duly proposed by Encik Madon Mohd Jani.

Encik Madon Mohd Jani, a proxy, sought explanation on the conflict of interest that may be encountered by Encik Kamalbahrin Ahmad as a Managing Director of PETRONAS Gas Berhad ("PGB") and a Director of Gas Malaysia at the same time.

The Chairman responded that whenever Encik Kamalbahrin Ahmad is deemed interested in a transaction or business of the Company with PGB/PETRONAS, he will be abstained from all Board deliberations and also be abstained from voting on the matter.

With that, the Chairman proceeded to the next agenda.

AGM  
10/2018

**ORDINARY RESOLUTION 3**  
**RE-ELECTION OF DIRECTOR PURSUANT TO ARTICLE**  
**95(2) OF THE COMPANY'S ARTICLES OF ASSOCIATION**  
**- DATUK HAJI HASNI HARUN**

Since Datuk Haji Hasni Harun is the Director standing for re-election, Datuk Haji Hasni Harun passed the chair to Datuk Syed Abu Bakar to conduct the proceeding of the meeting.

The resolution 3 on re-election of Datuk Haji Hasni Harun who retires in accordance with Article 95(2) of the Company's Articles of Association was tabled.

Pursuant to Article 95(2) of the Company's Articles of Association, one third (1/3) of the Board at the time of the AGM or the numbers nearest to 1/3, shall retire from office at each AGM. The Directors to retire at the AGM shall be the Directors who have been longest in the office.

The Ordinary Resolution 3 was duly proposed by Encik Abdul Rahim Bidin.

Datuk Syed Abu Bakar then passed the chair back to the Chairman.

AGM 11/2018

**ORDINARY RESOLUTION 4**  
**RE-ELECTION OF DIRECTOR PURSUANT TO ARTICLE 95(2)**  
**OF THE COMPANY'S ARTICLES OF ASSOCIATION - DATUK**  
**PUTEH RUKIAH ABD. MAJID**

The resolution 4 on re-election of Datuk Puteh Rukiah Abd. Majid who retires in accordance with Article 95(2) of the Company's Articles of Association was tabled.

The Ordinary Resolution 4 was duly proposed by Miss Cheryl Kalip.

AGM  
12/2018

**ORDINARY RESOLUTION 5**  
**PAYMENT OF DIRECTOR' FEES AND ANY BENEFITS PAYABLE**  
**TO THE DIRECTORS FROM 11 MAY 2018 TO THE NEXT**  
**ANNUAL GENERAL MEETING ("AGM") OF THE COMPANY OF**  
**AN AMOUNT UP TO RM2,000,000.00**

The resolution 5 on the payment of directors' fees and any benefits payable to the directors from 11 May 2018 to the next AGM amounting to RM2,000,000.00 was tabled.

The Ordinary Resolution was duly proposed by Miss Cheryl Kalip.

AGM  
13/2018

**ORDINARY RESOLUTION 6**  
**RE-APPOINTMENT OF MESSRS. PRICEWATERHOUSECOOPERS**  
**PLT AS AUDITORS OF THE COMPANY FOR THE FINANCIAL**  
**YEAR ENDING 31 DECEMBER 2018 AND TO AUTHORISE THE**  
**DIRECTORS TO FIX THE AUDITORS' REMUNERATION**

The resolution on re-appointment of Messrs. PricewaterhouseCoopers PLT ("PwC") as Auditors of the Company until the conclusion of the next AGM and to authorise the Board of Directors to fix their remuneration was tabled.

The Ordinary Resolution 6 was duly proposed by Mr. Alvin Chan.

AGM  
14/2018

**SPECIAL BUSINESS: ORDINARY RESOLUTION 7**  
**RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND**  
**PROPOSED NEW SHAREHOLDERS' MANDATE FOR THE COMPANY**  
**AND/OR ITS SUBSIDIARIES TO ENTER INTO RECURRENT**  
**RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING**  
**NATURE WITH RELATED PARTIES**

Since Datuk Haji Hasni Harun is an Interested Director in this resolution, Datuk Haji Hasni Harun passed the chair to Datuk Syed Abu Bakar to conduct the proceeding of the meeting.

The resolution on the proposed renewal of existing shareholders' mandate and proposed new shareholders' mandate for the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions of a revenue or trading nature with related parties was tabled ("Proposed Shareholders' Mandate").

The details of the Proposed Shareholders' Mandate were elaborated in the Circular to Shareholders dated 11 April 2018 which was dispatched together with the Annual Report.

Datuk Syed Abu Bakar informed the Meeting that the related parties involved in the Recurrent Related Party Transactions which were stated earlier, namely Minister of Finance (Inc.), Petroliam Nasional Berhad, PETRONAS Gas Berhad, PETRONAS Dagangan Berhad and MMC Corporation Berhad and the Directors of the Company namely, Datuk Haji Hasni Harun, Dato' Sri Che Khalib Mohamad Noh, Datuk Ooi Teik Huat and Encik Kamalbahrin Ahmad were deemed interested and have abstained from all Board deliberations and also be abstained from voting on this resolution.

The Major Shareholders, PETRONAS Gas Berhad and MMC Corporation Berhad, and persons connected to them were also deemed interested and shall abstained to vote on this resolution.

The Ordinary Resolution 7 was duly proposed by Mr Hoh But Kien @ Ho Pat Kin.

Datuk Syed Abu Bakar then passed the chair back to the Chairman.

AGM  
15/2018

**POLLING PROCESS**

Upon the invitation of the Chairman, Puan Rozleen Monzali, the Poll Administrator explained the procedures for the conduct of poll at the 27<sup>th</sup> AGM using Symphony e-voting system.

AGM  
16/2018

**ANNOUNCEMENT OF POLL RESULTS**

At 3.55 p.m, the Chairman called the meeting to order for the declaration of the results. He informed that he had received the poll results from Symphony Share Registrars and Symphony Corporatehouse, attached as **Attachment II**. The Chairman read out the results of the poll to the members and proxies present.

(a) Declaration of Dividend

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 1	941,424,129	100	215	0

The Chairman declared that Resolution 1 was duly passed as follows:

“THAT a single-tier final dividend of 5.00 sen per Ordinary Share for the financial year ended 31 December 2017 be approved.”

(b) Re-election of Director - Encik Kamalbahrin Ahmad

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 2	939,670,529	99.9999	1,215	0.0001

The Chairman declared that Resolution 2 was duly passed as follows:

"THAT Encik Kamalbahrin Ahmad retiring in accordance with Article 95(1) of the Company's Articles of Association, be and is hereby re-elected as Director of the Company."

- (c) Re-election of Director - Datuk Haji Hasni Harun

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 3	939,512,355	99.9828	161,889	0.0172

The Chairman declared that Resolution 3 was duly passed as follows:

"THAT Datuk Haji Hasni Harun retiring in accordance with Article 95(2) of the Company's Articles of Association, be and is hereby re-elected as Director of the Company."

- (d) Re-election of Director - Datuk Puteh Rukiah Abd. Majid

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 4	939,674,029	100	215	0

The Chairman declared that Resolution 4 was duly passed as follows:

"THAT Datuk Puteh Rukiah Abd. Majid retiring in accordance with Article 95(2) of the Company's Articles of Association, be and is hereby re-elected as Director of the Company."

- (e) Payment of Directors' Fees and Any Benefits Payable to the Directors from 11 May 2018 to the next AGM

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 5	941,421,629	100	215	0



The Chairman declared that Resolution 5 was duly passed as follows:

"THAT payment of directors' fees and any benefits payable to the directors from 11 May 2018 to the next AGM amounting to RM2,000,000.00, be and is hereby approved."

(f) Re-appointment of Auditors

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 6	941,420,829	99.9996	3,515	0.0004

The Chairman declared that Resolution 6 was duly passed as follows:

"THAT the appointment of Messrs. PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 31 December 2018 and authorization to the Board of Directors to determine their remuneration be approved."

(g) Proposed Shareholders' Mandate

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 7	354,235,089	99.9999	215	0.0001

The Chairman declared that Resolution 7 was duly passed as follows:-

"THAT subject to the provisions of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties, as set out in Section 2.4 of the Circular to Shareholders dated 11 April 2018, which are necessary for the day-to-day operations; and are undertaken in the ordinary course of business of the Company and its subsidiaries, on arm's length basis, on normal commercial terms which are not more favourable 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 Annual General Meeting ("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."

AGM  
17/2018

**TO TRANSACT ANY OTHER BUSINESS OF WHICH DUE NOTICE  
SHALL HAVE BEEN GIVEN IN ACCORDANCE WITH THE ACT**

Upon confirmation by the Company Secretary, the Chairman confirmed that the Company had not received any notice of any other business in accordance with the Act.

AGM  
18/2018

**CLOSURE OF MEETING**

There being no other business to be transacted, the meeting ended at 4.00 p.m. with a vote of thanks to the Chair.

**GAS MALAYSIA BERHAD (240409-T)**

**ATTENDANCE OF 27<sup>TH</sup> ANNUAL GENERAL MEETING OF GAS MALAYSIA BERHAD  
HELD AT GLENMARIE BALLROOM, HOLIDAY INN KUALA LUMPUR GLENMARIE, NO.  
1, JALAN USAHAWAN U1/8, SEKSYEN U1, 40250 SHAH ALAM, SELANGOR DARUL  
EHSAN, MALAYSIA ON THURSDAY, 10 MAY 2018 AT 3.00 P.M.**

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**Board of Directors**

- |    |  |          |
|----|--|----------|
| 1. | YBhg Datuk Haji Hasni Harun                  | Chairman |
| 2. | YBhg Dato' Sri Che Khalib Mohamad Noh        |          |
| 3. | YBhg Datuk Puteh Rukiah Abd. Majid           |          |
| 4. | YBhg Datuk Syed Abu Bakar S Mohsin Almohdzar |          |
| 5. | YBhg Datuk Ooi Teik Huat                     |          |
| 6. | Encik Kamalbahrin Ahmad                      |          |
| 7. | Encik Shigeru Muraki                         |          |
| 8. | Encik David Tan Lye Chong                    |          |

**Company Secretaries**

1. Puan Yanti Irwani Abu Hassan
2. Encik Noor Raniz Mat Nor

**Senior Management**

- |     |   |             |
|-----|---|-------------|
| 1.  | Encik Ahmad Hashimi bin Abdul Manap             | [CEO]       |
| 2.  | Encik Shahrir bin Shariff                       | [DOC]       |
| 3.  | Encik Mohamed Sophie bin Mohamed Rashidi        | [CFO]       |
| 4.  | Encik Mohd Nisharuddin bin Mohd Noor            | [GMOM]      |
| 5.  | Encik Mohamad Farid bin Ghazali                 | [GMM]       |
| 6.  | YM Raja Iskandar bin Raja Mukhtaruddin          | [GMHRA]     |
| 7.  | Encik Shahrel Amir bin Mohd Rashid              | [DGMGNI]    |
| 8.  | Encik Ikhwan Nasir bin Abdul Manaf              | [DGMGSM]    |
| 9.  | Puan Azrina binti Abdul Samad                   | [DGMRESE]   |
| 10. | Encik Mohd Daharie bin Che Din                  | [SMPC]      |
| 11. | Encik Jekria bin Hj Ibrahim                     | [SMHSEQ]    |
| 12. | Encik Zulkifli bin Mawardi                      | [SMCA]      |
| 13. | Encik Mohd Shariff Lubis bin Mohd Ghazali Lubis | [COO, GMEA] |
| 14. | Encik Tajuddin bin Mat Ali                      | [HGMVP]     |
| 15. | Cik Noraishah Mohd Radzi                        | [HLC]       |
| 16. | Puan Azwin binti Noh                            | [MIA]       |



**MINORITY SHAREHOLDER WATCHDOG GROUP**  
*Shareholder Activism and Protection of Minority Interest*

4 May 2018

**BY FAX/HAND**

**(Fax No. 603-51926766/6749)**

The Board of Directors  
**Gas Malaysia Berhad**  
 No. 5, Jalan Serendah 26/17  
 Seksyen 26  
 40732 Shah Alam  
 Selangor Darul Ehsan

**Attention:** Puan Yanti Irwani Binti Abu Hassan/  
 Encik Noor Raniz Bin Mat Nor  
 Company Secretaries

Dear Sirs

**Re: 27<sup>th</sup> Annual General Meeting (AGM) of Gas Malaysia Berhad ("Gas Malaysia" or "the Company") to be held on 10 May 2018**

In the interest of minority shareholders and all other stakeholders of the Company, we would like to raise the following issues at the 27<sup>th</sup> Annual General Meeting of Gas Malaysia Berhad:-

**Strategic and Financial Matters**

1. Under the Management Discussion & Analysis on page 45 of the Annual Report, the Group has initiated functional separation of Gas Malaysia businesses by incorporating two companies for licence application purposes, namely Gas Malaysia Distribution Sdn Bhd and Gas Malaysia Energy Services Sdn. Bhd. as part of the Group's preparation for Third Party Access ("TPA") implementation.
  - (i) How will the implementation of the TPA framework be expected to impact the Group's revenue and earnings moving forward?
  - (ii) What opportunities and challenges will the Group foresee with the implementation of this framework?
2. The total customer base, represented by the industrial, commercial and residential sectors, grew from 38,377 in FY2016 to 38,883 in FY 2017.  
 What will be the expected customer growth for FY2018, in particular the industrial customer base?
3. It was stated in the Management Discussion & Analysis on page 44 of the Annual Report that operational risks come mainly in the form of service disruption that would hinder the Group from delivering gas to its customers as supply visibility is no longer an issue with the importation of LNG.

**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**

(Incorporated in Malaysia • Company No: 524989-M)

Tingkat 11, Bangunan KWSP, No: 3, Changkat Raja Chulan, Off Jalan Raja Chulan, 50200 KUALA LUMPUR.

Tel: (603) 2070 9090 Fax: (603) 2070 9107

E-Mail: [watchdog@mswg.org.my](mailto:watchdog@mswg.org.my) Website: [www.mswg.org.my](http://www.mswg.org.my)

Did the Company encounter any form of major service disruption in FY2017 and if so, how were these issues resolved? What measures are taken to mitigate such risks?

4. The share of results in joint ventures improved from a loss of RM1.5 million in FY2016 to a profit of RM3.3 million in FY2017. The improved results were mainly contributed by Gas Malaysia Energy Advance Sdn. Bhd. as disclosed in Note 14 on page 171 of the Annual Report.

What is the Board's expectation on the results of the joint ventures for FY2018?

#### **Corporate Governance Matters**

1. The Company in its Corporate Governance Report has stated that it has adopted Step Up Practice 4.3 of MCCG. However, in the explanation column on the application of Step Up Practice 4.3, it was stated that "the policy allows exceptions, subject to the annual assessment of the Nomination & Remuneration Committee and on an annual basis." This is contrary to Step Up Practice 4.3 which does not provide for any extension of tenure beyond the 9-year tenure of INEDs.

We hope the Board would take note of this.

2. We noted that the Company in its CG Report had stated that it has applied Practice 8.2 of MCCG. However, the Company stated that it will revise the Terms of Reference for Audit Committee to include a cooling-off period of at least two years if any former key audit partner is considered as a candidate for Audit Committee in the future.

Under paragraph 3.2C (b) of Practice Note 9 of the Main Market Listing Requirements, a Large Company is required to disclose the timeframe required to achieve the application of the Practice.

We hope the Board would take note of this.

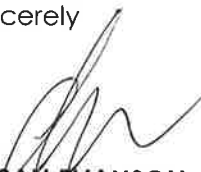
3. Under Practice 11.2 of MCCG, large companies are encouraged to adopt integrated reporting based on a globally recognised framework. Based on the Company's explanation given on the application of Practice 11.2, the Company has not applied the Practice.

We hope the Board would take note of this.

We would appreciate if the Board could present the points raised by us and the related answers for the shareholders present at the forthcoming general meeting. At the same time, we await a written reply as soon as possible for our record.

Thank you.

Yours sincerely



**DEVANESAN EVANSON**  
 Chief Executive Officer

(DE/LR/RV/GMB/agm 2018)



A Member of  MMC Group

9 May 2018

**Mr. Devanesan Evanson**  
**Chief Executive Officer**  
 Minority Shareholder Watchdog Group  
 Tingkat 11, Bangunan KWSP  
 No. 3, Changkat Raja Chulan  
 Off Jalan Raja Chulan  
 50200 Kuala Lumpur

**By Hand**

Dear Sir

**Re: 27<sup>th</sup> Annual General Meeting ("AGM") of Gas Malaysia Berhad ("Gas Malaysia" or "the Company") to be held on 10 May 2018**

Thank you for your official letter dated 4 May 2018. We would be happy to highlight the points raised in your letter and present our answers for the benefit of our shareholders. Our written reply is set out below for your record.

**Strategic and Financial Matters**

1. Under the Management Discussion & Analysis on page 45 of the Annual Report, the Group has initiated functional separation of Gas Malaysia businesses by incorporating two companies for licence application purposes, namely Gas Malaysia Distribution Sdn Bhd and Gas Malaysia Energy and Services Sdn Bhd as part of the Group's preparation for Third Party Access ("TPA") implementation.
  - (i) How will the implementation of the TPA framework be expected to impact the Group's revenue and earnings moving forward?

**Answer:**

Gas Malaysia Berhad currently develops, operates and maintains the distribution network as well as procures and sells natural gas to customers.

TPA shall result in unbundling of those functions such that Gas Malaysia Distribution Sdn Bhd ("GMD") shall continue to develop, operate and maintain the distribution network whilst Gas Malaysia Energy and Services Sdn Bhd ("GMES") shall continue to procure and sell natural gas to customers.

From the Group's perspective, we expect positive impacts to the revenues and earnings.





**GAS**  
MALAYSIA

Re: 27<sup>th</sup> Annual General Meeting ("AGM") of Gas Malaysia Berhad ("Gas Malaysia" or "the Company") to be held on 10 May 2018

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- (ii) What opportunities and challenges will the Group foresee with the implementation of this framework?

**Answer:**

Opportunities for the Group include:

- Sales margin by GMES;
- Ability to source natural gas at competitive price; and
- Tapping into new markets leading to higher gas demand.

Challenges to the Group include:

- Managing competition in the natural gas market;
- Developing effective wholesale gas procurement program; and
- Formulating competitive pricing structures.

2. The total customer base, represented by the industrial, commercial and residential sectors grew from 38,377 in FY2016 to 38,883 in FY2017.

What will be the expected customer growth for FY2018, in particular the industrial customer base?

**Answer:**

We expect the number of industrial customers to grow between 7% and 9%; whilst the overall customer base is expected to grow between 4% and 6%.

3. It was stated in the Management Discussion & Analysis on page 44 of the Annual Report that operational risks come mainly in the form of service disruption that would hinder the Group from delivering gas to its customers as supply visibility is no longer an issue with the importation of LNG.

Did the Company encounter any form of major service disruption in FY2017 and if so, how were these issues resolved? What measures are taken to mitigate such risks?

**Answer:**

The Company did not encounter any form of major service disruption in FY2017. To date, we have consistently achieved service reliability rate of above 99%.



**GAS**  
MALAYSIA

Re: 27<sup>th</sup> Annual General Meeting ("AGM") of Gas Malaysia Berhad ("Gas Malaysia" or "the Company") to be held on 10 May 2018

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Measures taken to mitigate the risks of service disruption, among others, include:

- (i) Daily pipeline inspection;
  - (ii) Comprehensive maintenance programme;
  - (iii) Adoption of stringent international standards for gas facilities design, material selection, construction and maintenance procedures;
  - (iv) Systematic management of third party works near gas pipeline; and
  - (v) Surveillance via 24-hour Operations Control Centre.
4. The share of results in joint ventures improved from a loss of RM1.5 million in FY2016 to a profit of RM3.3 million in FY2017. The improved results were mainly contributed by Gas Malaysia Energy Advance Sdn Bhd as disclosed in Note 14 on Page 171 of the Annual Report.

What is the Board's expectation on the results of the joint ventures for FY2018?

**Answer**

The Board expects further improvement in the results of the joint ventures for FY2018.

**Corporate Governance Matters**

1. The Company in its Corporate Governance Report has stated that it has adopted Step Up Practice 4.3 of MCCG. However, in the explanation column on the application of Step Up Practice 4.3, it was stated that "the policy allows exceptions, subject to the annual assessment of the Nomination & Remuneration Committee and on an annual basis." This is contrary to Step Up Practice 4.3 which does not provide for any extension of tenure beyond the 9-year tenure of INEDs.

We hope the Board would take note of this.

**Answer:**

The Board thanks MSWG for the observation and will consider the matter accordingly. Currently, none of the Company's Independent Non Executive Directors has exceeded a cumulative term of 9 years.





**GAS**

Re: 27<sup>th</sup> Annual General Meeting ("AGM") of Gas Malaysia Berhad ("Gas Malaysia" or "the Company") to be held on 10 May 2018

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2. We noted that the Company in its CG Report has stated that it has applied Practice 8.2 of MCCG. However, the Company stated that it will revise the Terms of Reference for Audit Committee to include a cooling-off period of at least two years if any former key audit partner is considered as a candidate for Audit Committee in the future.

Under paragraph 3.2C (b) of Practice Note 9 of the Main Market Listing Requirements, a Large Company is required to disclose the timeframe required to achieve the application of the Practice.

We hope the Board would take note of this.

**Answer:**

The Board thanks MSWG for the observation and takes note of the finding. The Terms of Reference of AC shall be revised accordingly in 2018.

3. Under Practice 11.2 of MCCG, large companies are encouraged to adopt integrated reporting based on a globally recognised framework. Based on the company's explanation given on the application of Practice 11.2, the Company has not applied the Practice.

We hope the Board would take note of this.

**Answer:**

The Board thanks MSWG for the observation and takes note of the finding.

We thank MSWG for the valuable observations and look forward to meeting your representative(s) at our AGM.

Thank you.

Yours faithfully,

**GAS MALAYSIA BERHAD**

**AHMAD HASHIMI BIN ABDUL MANAP**  
Chief Executive Officer

## Polling Results

**GAS MALAYSIA BERHAD**  
**27th Annual General Meeting**  
**Date/Time: 10/05/2018 3:00:00 PM**

**Glenmarie Ballroom, Holiday Inn Kuala Lumpur Glenmarie, No. 1, Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor**

	FOR		AGAINST		TOTAL		ABSTAIN
	NO. OF		NO. OF		NO. OF		NO. OF
Ordinary Resolution	SHARES	%	SHARES	%	SHARES	%	SHARES
Ordinary Resolution 1: Declaration of Dividend	941,424,129	100	215	0	941,424,344	100	0
Ordinary Resolution 2: Re-election of Director – Encik Kamalbahrin bin Ahmad	939,670,529	99.9999	1,215	0.0001	939,671,744	100	1,752,600
Ordinary Resolution 3: Re-election of Director – Datuk Haji Hasni bin Harun	939,512,355	99.9828	161,889	0.0172	939,674,244	100	1,750,100
Ordinary Resolution 4: Re-election of Director – Datuk Puteh Rukiah binti Abd. Majid	939,674,029	100	215	0	939,674,244	100	1,750,100
Ordinary Resolution 5: Payment of Directors' Fees and any benefits payable to the Directors from 11 May 2018 to the next AGM	941,421,629	100	215	0	941,421,844	100	2,500
Ordinary Resolution 6: Re-appointment of Auditors	941,420,829	99.9996	3,515	0.0004	941,424,344	100	0
Ordinary Resolution 7: Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for the Company and/or its Subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature with Related Parties	354,235,089	99.9999	215	0.0001	354,235,304	100	587,189,040



*[Handwritten signature]*  
 10/5/2018  
 @ 3.53pm