

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

**MINUTES OF THE 28<sup>TH</sup> ANNUAL GENERAL MEETING OF GAS MALAYSIA BERHAD  
("THE COMPANY") HELD AT MAHKOTA II, HOTEL ISTANA, 73, JALAN RAJA CHULAN,  
50200 KUALA LUMPUR, MALAYSIA ON THURSDAY, 16 MAY 2019 AT 3.00 P.M.**

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**PRESENT :**

**BOARD OF  
DIRECTORS**

YBhg Datuk Haji Hasni Harun	Chairman
YBhg Dato' Sri Che Khalib Mohamad Noh	
Cik Sharifah Sofia Syed Mokhtar Shah	
Encik Nobuhisa Kobayashi	
Encik Kamalbahrin Ahmad	
Encik David Tan Lye Chong	
YBhg Datuk Puteh Rukiah Abd Majid YBhg	
YBhg Datuk Syed Abu Bakar S Mohsin Almohdzar	
YBhg Datuk Ooi Teik Huat	

**MANAGEMENT**

Encik Ahmad Hashimi Abdul Manap	Chief Executive Officer ("CEO")
Encik Zafian Supiat	Chief Financial Officer ("CFO")
Puan Yanti Irwani Abu Hassan	Company Secretary

The attendance of Directors, Company Secretaries and members of Senior Management is as set out in **Attachment I.**

**SHAREHOLDERS**

As per the attendance list  
[Total: 548 shareholders representing 1,769,563 Ordinary Shares (0.14%)]

**PROXIES**

As per the attendance list  
[Total: 640 shareholders representing 688,191,132 Ordinary Shares (53.60%) and 46 shareholders representing 22,542,337 Ordinary Shares (1.76%) represented by Chairman]

**EXTERNAL  
AUDITORS**

Puan Hew Chooi Yoke and Encik Christopher Leong  
(Messrs. PricewaterhouseCoopers PLT)

**POLL ADMINISTRATOR** Boardroom Share Registrars Sdn Bhd

**SCRUTINEERS** Boardroom Corporate Services Sdn Bhd

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AGM 1/2019 **OPENING ADDRESS**

The Chairman extended a warm welcome to the shareholders and proxies who attended the 28<sup>th</sup> Annual General Meeting (“28<sup>th</sup> AGM” or “AGM”).

AGM 2/2019 **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 3/2019 **QUORUM OF MEETING**

The Company Secretary confirmed that there was sufficient quorum in accordance with Article 71 of the Company’s Constitution.

AGM 4/2019 **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 Boardroom Share Registrars Sdn Bhd as Poll Administrator to conduct the polling process, and Boardroom Corporate Services 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 5/2019      **NOTICE OF MEETING**

The Chairman proposed with the consent of all Company's shareholders and proxies in attendance, the 28<sup>th</sup> AGM Notice dated 17 April 2019 as stated in the Annual Report which circulated earlier to be deemed as read.

AGM 6/2019      **PRESENTATION ON QUESTIONS FROM THE MINORITY SHAREHOLDERS WATCH GROUP**

The Chairman informed that the Company had responded to the letter dated 7 May 2019 from the Minority Shareholders Watch 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 Abdul Halim Alias, Head of Investor Relations and Corporate Communication 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 14 May 2019 are attached as **Attachment II**.

AGM 7/2019      **TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Chairman explained that the Audited Financial Statements for the financial year ended 31 December 2018 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 2018 together with the Reports of the Directors and Auditors thereon for discussions and opened the Meeting for questions.

In summary, the questions/comments raised by the members and the responses provided by the Chairman, CEO and CFO respectively are as follows:

(i) Mr. Ho Yueh Weng, a proxy, enquired on the following matters:

- Potential growth of Company's business
- Gas Malaysia's market share in Malaysia and competitors
- Source of gas
- Reason for higher mix of Liquefied Natural gas ("LNG")
- Any incentive/subsidy from the Government
- Global demand of gas impact to the Company's profitability
- Third Party Access implementation

The Chairman responded that Gas Malaysia runs a regulated business (under Gas Supply Act, 1993) which involves selling, marketing and distributing natural gas as well as to develop, operate and maintain the Natural Gas Distribution System within Peninsular Malaysia. Currently, the Company purchases the natural gas from PETRONAS Gas Berhad and supply to industrial, commercial and residential customers. Industrial customers account for more than 90% of the Group's total gas volume sold and remained as the key driver for the Group's growth. Gas Malaysia's growth could be indicated as in line with the growth of GDP of the country. Gas Malaysia always maintained a good relationship with the customers and its supply reliability is at 99.9%.

Under the coming Third Party Access ("TPA"), Gas Malaysia will operate its core business via its wholly-owned subsidiaries (distribution and shipping companies) after the Final Unbundling Date ("FUD") set by the Government on 30 September 2019. Under this market liberalization, it is anticipated that there may be other shippers/ in the market competing with Gas Malaysia.

The Chief Executive Officer ("CEO") added that Gas Malaysia is a gas utility company which builds, owns and operates the gas distribution system and supplies gas to customers. Industrial sector contributed to 99% of the total volume, with 1% balance for commercial and residential customers. Gas Malaysia has been in business for 26 years and the following had contributed to the Company's business sustainability:-

1. Gas Malaysia supplies clean fuel with a competitive price that can substitute other fuels like LPG and diesel.
2. Gas Malaysia had constructed pipelines since in operation and to date, the pipelines length grows to more than 2,000 km and Gas Malaysia is planning to construct close to 500 km of new pipelines in the future.

3. Gas Malaysia has always been actively engaging and approaching new potential customers.

With regard to the mix of Natural Gas (“NG”) (60%) and Liquefied Natural Gas (“LNG”) (40%), shareholders were informed that it was due to the insufficient gas produced locally, hence PETRONAS had imported LNG to supply enough gas for domestic use.

On the subsidy/incentive from the Government, the domestic gas (i.e. 60% of NG) purchased from the supplier is already at a subsidized price. As far as Gas Malaysia is concern, the gas cost is a pass-through element in the tariff, hence any subsidy/incentive from the Government is actually enjoyed directly by the customers.

On TPA implementation, CEO further explained that TPA is a new law introduced by the Government which allows multiple entities to have access to and utilize gas facilities. It is envisaged that more players can compete in the market on a level playing field for healthy competition thus ensuring reliable and sustainable gas supply to customers. Under the TPA, the market forces will determine the final gas price.

Gas Malaysia is currently doing both activities i.e. operating and building the pipelines and selling the gas. In view of the coming TPA, Gas Malaysia is required to split and apply for a separate licenses i.e. as a distributor: to operate and build the pipelines; and as a shipper: to sell the molecule of gas through its wholly-owned subsidiary.

The profit from this business activities will be generated from the tolling fees regulated by the Government and the users/shippers will pay for the tolling fees. In future, this will be good as there will be more parties using the gas, optimizing pipelines utilization, expanding pipelines stretch and generates more income to the Company. The other subsidiary will apply for the shipping license from Suruhanjaya Tenaga, providing an opportunity to set up its own pricing mechanism and determine its profitability. At the same time, Gas Malaysia’s subsidiary will have an option to purchase the gas from other parties apart from Petronas.

The overall impact to Gas Malaysia will be positive as the Group continues to build, operate and collect tolling fees, anticipating higher gas consumption in the future and to be a shipper that can compete and sell gas in the open market.

The global price trends do not materially impact Gas Malaysia as the current gas tariff mechanism is neutral to gas cost elements. Any variation of the gas cost will be recovered in every tariff review by the Government i.e. currently every 6 month. This is to ensure Gas Malaysia is financially neutral with regard to the gas cost.

- (ii) *Mr C. Shivanandha, shareholder, asked with regard to the plan of expansion of supply to potential Large customers in the market.*

It was informed that Gas Malaysia is planning to build more pipelines and have been engaging with several Large potential customers and association (i.e. manufacturer, rubber, steel and etc.). Building pipelines system is a long term project and it will take long period of time and incur cost. The pipelines built so far is the commitment that Gas Malaysia have agreed upon with the customers. CEO added that Gas Malaysia had committed that in 2019 there will be another 50 to 60 new industrial customers to be secured and to commission the supply for another 200 customers in the next 3 years.

- (iii) *Mr Rien Hashim, shareholder, asked whether the shareholders can expect a similar or even more dividend payout in the future. He also asked whether Gas Malaysia is supplying gas to Gas District Cooling ("GDC") center. In addition, he also suggested that perhaps Gas Malaysia to consider setting-up GDC center and supply the energy to the location with the high consumption of the air-conditioners.*

The meeting was informed that the Company is expecting to maintain a dividend payout of not less than 75% of Profit After Tax and Zakat as stated in the Company's listing Prospectus.

Pertaining to GDC, the CEO clarified that GDCs are not Gas Malaysia's direct customers but they are utilizing Gas Malaysia's pipelines to transport their gas to the plant and they were charged tolling fees for the utilization of the pipelines facilities.

Gas Malaysia has also setup a similar business as to GDC i.e. Combined Heat & Power ("CHP"), a smaller scale of GDC. To embark into this kind of project, it will depend on the energy balance required by the customers as the investment cost to be incurred is high. The Company needs to be more meticulous in embarking into any CHP project. However, Gas Malaysia believes that CHP business is feasible and will continue to explore the potential business.

The shareholder also commented on several administrative issues. The Management took note on the comments and hope to improve the shortfalls in the future. CEO also put on record a sincere apologies to the shareholders for all shortcoming encountered during the AGM.

- (iv) *Mr Chong Fook Khing, the shareholder asked for the reason that contributed to the big drop in the numbers of the commercial/residential customers.*

The meeting was informed that Gas Malaysia anticipated a growth of 4% to 6% in 2019 and 98% are from industrial customers that contributed to the volume growth. The drop in this sector is mainly from the residential customers' portion. This was due to the introduction of new law i.e. amendments to the current Gas Supply Act. Pursuant to the new law one party could not apply license to supply gas except they owned the assets. Due to this, most of the asset owners/joint management body are not willing to apply for license to supply gas. However, the decrease has no significant impact to the total volume and revenue of the Company as the residential customers contributed a very small percentage to the Company's bottom line.

- (v) *Mr Ng, the shareholder, asked the following:-*

- *With reference to MSWG replies, cost of expansion since Gas Malaysia anticipated to build approximately 200 km of new pipelines in 2019.*
- *In the financial statement, it was stated that the Government grant received has increased from RM5 million to RM10 million in 2018. What is the type and nature of the said grant that Gas Malaysia received from the Government and the reason for the increase.*
- *The reason for increase in the finance cost.*
- *Tax expense, to explain the item on expenses not deductible for tax which was reduced from RM6 million to RM3 million. Reason for such decrease.*

On expansion of approximately 200 km of pipelines in 2019, CEO informed the meeting that the cost is depending on the size and area of the pipelines stretch. The total cost budgeted for such expansion is around RM150 million to RM200 million and it was based on the project awarded in the past 2 years.

With regard to the Government grant received, it was explained that in an accounting classification, the amount is deemed as the capital contribution contributed by both Federal and the Perak State Government for Kinta Valley's project. The capital contribution was required to be contributed by the customers if the project does not meet the project IRR of Gas Malaysia.

The increase in finance cost in 2018 was due to the timing of the issuance of Sukuk. Meanwhile, for the item on 'expenses not deductible for tax' is mainly made up of the depreciation which is in line with the addition on construction of the pipelines.

- (vi) *Mr Low, the shareholder asked on the collaboration and signing of Memorandum of Understanding with Tokyo Gas on development of the value chain.*

Tokyo Gas-Mitsui is the second largest shareholders and is a consortium that undertakes the distribution of gas business in Malaysia. Tokyo Gas-Mitsui was selected to sign the MoU with the Company as they have tremendous experience as gas distribution company in Japan and largest in the world. During the initial stage of formation of Gas Malaysia, Tokyo Gas-Mitsui played a vital role in providing technical and marketing skills to local employees. With regard to the recent collaboration, it is to re-emphasize the important role of Tokyo Gas-Mitsui. The parties is looking forward to explore and expand business outside Malaysia through this collaboration.

AGM 8/2019

**ORDINARY RESOLUTION 1**

**DECLARATION OF SINGLE-TIER FINAL DIVIDEND OF 4.50 SEN PER ORDINARY SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

The resolution on declaration of a single-tier final dividend of 4.50 sen per Ordinary Share in respect of the financial year ended 31 December 2018 was tabled.

The payment of the said single-tier final dividend will be made on 3 July 2019 based on the entitlement date of 10 June 2019.

The Ordinary Resolution 1 was duly proposed by Encik Azril Haris Mat.



AGM 9/2019      **ORDINARY RESOLUTION 2**  
**RE-ELECTION OF DIRECTOR PURSUANT TO ARTICLE 95(1) OF THE**  
**COMPANY'S ARTICLES OF ASSOCIATION – CIK SHARIFAH SOFIA BINTI**  
**SYED MOKHTAR SHAH**

The Resolution 2 on re-election of Cik Sharifah Sofia binti Syed Mokhtar Shah who retired 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 Miss Cheryl Rinai Kalip.

AGM 10/2019      **ORDINARY RESOLUTION 3**  
**RE-ELECTION OF DIRECTOR PURSUANT TO ARTICLE 95(1) OF THE**  
**COMPANY'S ARTICLES OF ASSOCIATION – ENCIK NOBUHISA**  
**KOBAYASHI**

The Resolution 3 on re-election of Encik Nobuhisa Kobayashi who retired in accordance with Article 95(1) of the Company's Articles of Association was tabled.

The Ordinary Resolution 3 was duly proposed by Miss Cheryl Rinai Kalip.

With that, the Chairman proceeded to the next agenda.

AGM 11/2019      **ORDINARY RESOLUTION 4**  
**RE-ELECTION OF DIRECTOR PURSUANT TO ARTICLE 95(2) OF THE**  
**COMPANY'S ARTICLES OF ASSOCIATION – ENCIK TAN LYE CHONG**

The Resolution 4 on re-election of Encik Tan Lye Chong who retired 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 4 was duly proposed by Encik Azril Haris Mat.

AGM 12/2019    **ORDINARY RESOLUTION 5**  
**RE-ELECTION OF DIRECTOR PURSUANT TO ARTICLE 95(2) OF THE**  
**COMPANY'S ARTICLES OF ASSOCIATION – DATUK SYED ABU BAKAR**  
**BIN S MOHSIN ALMOHDZAR**

The Resolution 5 on re-election of Datuk Syed Abu Bakar bin S Mohsin Almohdzar who retired in accordance with Article 95(2) of the Company's Articles of Association was tabled.

The Ordinary Resolution 5 was duly proposed by Miss Cheryl Rinai Kalip.

AGM 13/2019    **ORDINARY RESOLUTION 6**  
**RE-ELECTION OF DIRECTOR PURSUANT TO ARTICLE 95(2) OF THE**  
**COMPANY'S ARTICLES OF ASSOCIATION – DATUK OOI TEIK HUAT**

The Resolution 6 on re-election of Datuk Ooi Teik Huat who retired in accordance with Article 95(2) of the Company's Articles of Association was tabled.

The Ordinary Resolution 6 was duly proposed by Encik Azril Haris Mat.

AGM 14/2019    **ORDINARY RESOLUTION 7**  
**PAYMENT OF DIRECTOR' FEES AND ANY BENEFITS PAYABLE TO THE**  
**DIRECTORS FROM 17 MAY 2019 TO THE NEXT AGM OF THE COMPANY**  
**OF AN AMOUNT UP TO RM2,000,000.00**

The Resolution 7 on the payment of directors' fees and any benefits payable to the directors from 17 May 2019 to the next AGM amounting to RM2,000,000.00 was tabled.

The Ordinary Resolution 7 was duly proposed by Miss Cheryl Rinai Kalip.

AGM 15/2019 **ORDINARY RESOLUTION 8**

**RE-APPOINTMENT OF MESSRS. PRICEWATERHOUSECOOPERS PLT AS AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2019 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 8 was duly proposed by Encik Azril Haris Mat.

AGM 16/2019 **SPECIAL BUSINESS: ORDINARY RESOLUTION 9**

**RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH RELATED PARTIES**

The resolution on the proposed renewal of existing shareholders' mandate for 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 17 April 2019 which was dispatched together with the Annual Report.

The Chairman informed the Meeting that the related parties involved in the Recurrent Related Party Transactions which were stated earlier, namely Minister of Finance (Incorporated), Petroliam Nasional Berhad, PETRONAS Gas Berhad, PETRONAS Dagangan Berhad, 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; and the Directors of the Company namely, Dato' Sri Che Khalib bin Mohamad Noh, Cik Sharifah Sofia binti Syed Mokhtar Shah, Datuk Ooi Teik Huat and Encik Kamalbahrin bin 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 Anglo-Oriental (Annuities) Sdn Bhd, and persons connected to them were deemed interested and shall abstain to vote on this resolution.

The Ordinary Resolution 9 was duly proposed by Encik Rien Hashim.

AGM 16/2019 **SPECIAL RESOLUTION**  
**ADOPTION OF A NEW CONSTITUTION OF THE COMPANY ("PROPOSED ADOPTION")**

The resolution on the adoption of a new Constitution of the Company ("Proposed Adoption") was tabled. The Proposed Adoption is to be in line with the Companies Act 2016 which came into force on 31 January 2017, the updated provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other prevailing laws, guidelines or requirements of the relevant authorities as well as to enhance administrative efficiency of the Company.

The details of the Proposed Adoption were elaborated in the Circular to Shareholders dated 17 April 2019 which was dispatched together with the Annual Report.

The Special Resolution was duly proposed by Encik Azril Haris Mat.

AGM 17/2019 **POLLING PROCESS**

Upon the invitation of the Chairman, Puan Rozleen Monzali, the Poll Administrator explained the procedures for the conduct of poll at the 28<sup>th</sup> AGM using e-voting system.

AGM 18/2019 **ANNOUNCEMENT OF POLL RESULTS**

At 5.00 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 Boardroom Share Registrars Sdn Bhd and Boardroom Corporate Services Sdn Bhd, 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	949,937,120	99.999995	50	0.000005

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

“THAT a single-tier final dividend of 4.50 sen per Ordinary Share for the financial year ended 31 December 2018 be approved.”

(b) Re-election of Director – Cik Sharifah Sofia binti Syed Mokhtar Shah

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 2	947,996,645	99.966844	314,425	0.033156

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

“THAT Cik Sharifah Sofia binti Syed Mokhtar Shah 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 – Encik Nobuhisa Kobayashi

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 3	948,280,545	99.997108	27,424	0.002892

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

“THAT Encik Nobuhisa Kobayashi 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.”

(d) Re-election of Director – Encik Tan Lye Chong

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 4	948,307,919	99.999668	3,151	0.000332

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

“THAT Encik Tan Lye Chong 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) Re-election of Director – Datuk Syed Abu Bakar bin S Mohsin Almohdzar

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 5	948,307,919	99.999668	3,151	0.000332

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

“THAT Datuk Syed Abu Bakar bin S Mohsin Almohdzar 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.”

- (f) Re-election of Director – Datuk Ooi Teik Huat

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 6	947,996,545	99.966833	314,525	0.033167

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

“THAT Datuk Ooi Teik Huat 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.

- (g) Payment of Directors' Fees and Any Benefits Payable to the Directors from 17 May 2019 to the next AGM

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 7	936,287,019	98.563047	13,650,151	1.436953

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

"THAT payment of directors' fees and any benefits payable to the directors from 17 May 2019 to the next AGM amounting to RM2,000,000.00, be approved."

- (h) Re-appointment of Auditors

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 8	949,933,219	99.999584	3,951	0.000416

The Chairman declared that Resolution 8 was duly passed as follows:

"THAT the appointment of Messrs. PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 31 December 2019 and authorization to the Board of Directors to determine their remuneration be approved."

- (i) Proposed Shareholders' Mandate

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 9	362,744,779	99.999076	3,351	0.000924

The Chairman declared that Resolution 9 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 2.4.1 of Part A of the Circular to Shareholders dated 17 April 2019, 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
- ii) 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.”

(j) Proposed Adoption of a New Constitution

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Special Resolution	949,933,919	99.999658	3,251	0.000342



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

“That approval be and is hereby given for the Company to adopt the new Constitution in the form and manner as set out in Appendix II of the Circular to Shareholders dated 17 April 2019, in place of the existing Constitution AND That the Directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing.”

AGM  
19/2019

**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 20/2019    **CLOSURE OF MEETING**

There being no other business to be transacted, the meeting ended at 5.15 p.m. with a vote of thanks to the Chair.

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

**ATTENDANCE OF 28<sup>TH</sup> ANNUAL GENERAL MEETING OF GAS MALAYSIA BERHAD  
MAHKOTA II, HOTEL ISTANA, 73, JALAN RAJA CHULAN, 50200 KUALA LUMPUR,  
MALAYSIA ON THURSDAY, 16 MAY 2019 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 Nobuhisa Kobayashi                     |          |
| 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 Zafian bin Supiat                          | [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. Puan Azrina binti Abdul Samad                    | [DGMRESE]   |
| 9. Encik Mohd Daharie bin Che Din                   | [SMPC]      |
| 10. Encik Jekria bin Hj Ibrahim                     | [SMHSEQ]    |
| 11. Encik Abdul Halim Alias                         | [HIRCC]     |
| 12. Encik Mohd Shariff Lubis bin Mohd Ghazali Lubis | [COO, GMEA] |
| 13. Cik Noraishah Mohd Radzi                        | [HLC]       |
| 14. Puan Azwin binti Noh                            | [MIA]       |



**MINORITY SHAREHOLDERS WATCH GROUP**  
*Shareholder Activism and Protection of Minority Interest*

9 May 2019

**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  
 Malaysia

**Attention: Yanti Irwani binti Abu Hassan / Noor Raniz bin Mat Nor**  
**Company Secretaries**

Dear Directors,

**Re: 28<sup>th</sup> Annual General Meeting (AGM) of Gas Malaysia Berhad ("Gas Malaysia") to be held on Thursday, 16 May 2019**

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We hereby retract Question 5 of our earlier letter dated 7 May 2019. The redrafted Question 5 should read as follows:

**Strategy & Financial Matters**

- 1) We note on Page 177 (Note 19) that the Group has investment funds with a licensed financial institution (unquoted) which increased from nil in 2017 to RM171.2 million in 2018.

What is the nature of the investment funds, the reason for investing in such funds and the returns in 2018?

We would appreciate if the Board could present the points raised here, and the related answer, for the shareholders present at the forthcoming AGM. At the same time, we await a written reply as soon as possible for our records.

Thank you.

Yours sincerely

**Devanesan Evanson**  
 Chief Executive Officer  
 DE/CCF/nkk/GAS/AGM 2019

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**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: mswatch@mswg.org.my Website: www.mswg.org.my



**MINORITY SHAREHOLDERS WATCH GROUP**  
*Shareholder Activism and Protection of Minority Interest*

7 May 2019

**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  
Malaysia

**Attention: Yanti Irwani binti Abu Hassan**  
**Noor Raniz bin Mat Nor**  
**Company Secretaries**

Dear Directors,

**Re: 28<sup>th</sup> Annual General Meeting (AGM) of Gas Malaysia Berhad ("Gas Malaysia") to be held on Thursday, 16 May 2019**

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In the interest of minority shareholders and all other stakeholders of the Company, we would like to raise the following issues: -

**Strategy & Financial Matters**

- 1) In the Chairman's Statement (Page 23), it is reported that the higher revenue recorded was mainly due to two key factors. The first being an increase in the volume of gas sold to customers. The second factor that attributed to the higher revenue was the two gas tariff revisions that transpired in 2018.
  - (a) What was the increase in the numbers of customers in each segment in 2018 compared to 2017?
  - (b) Please provide the comparison in tariffs before and after the revisions.
  - (c) What is the expected rate of increase in gas demand in 2019?
- 2) We note that the Group has been continuing to expand the NGDS network to more areas within Peninsular Malaysia to meet potential gas demand.
  - (a) What is the additional kilometers of NGDS pipelines that will be completed in 2019 and the total kilometers by end of 2019?

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**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: mswatch@mswg.org.my Website: www.mswg.org.my

(b) What is the expected growth in number of customers in 2019?

- 3) The Chairman's Statement, states that in order to comply with the TPA framework which is expected to commence in the 4th quarter of this year, the Group has incorporated two wholly-owned subsidiaries to functionally and legally separate its gas distribution and shipping activities as required by the TPA framework. In addition, other measures are concurrently being taken to ensure its transition and readiness in embracing the TPA framework and chart the transformation of the Group in a TPA-compliant environment.

How and to what extent would the TPA framework impact the Group particularly on its revenue growth?

- 4) On Page 28 (MD&A), it is reported that in an effort to solidify its position in the industry, the Group has further broadened its business portfolio by diversifying into the non-regulated sphere of the gas distribution business. The Group via its subsidiary and joint-venture entities, has channeled its business focus to non-core activities such as the Combined Heat and Power ("CHP") system, Virtual Pipeline and Bio-Compressed Natural Gas ("BioCNG"). These business ventures aim to create new demand for natural gas and fulfil customers' energy requirements, simultaneously expanding its customer base.

(a) In relation to these business venture, what are the developments, achievements and revenue generated to-date?

(b) Going forward, what is the outlook for the non-regulated sphere of the gas distribution business and its contribution to the Group's revenue vis a vis the regulated sphere?

- 5) We note on Page 177 (Note 19) that the Group has investment funds with a licensed financial institution (unquoted) which increased from RM170.5 million in 2017 to RM171.2 million in 2018.

What is the nature of the investment funds, the reason for investing in such funds and the returns in 2018 and 2017?

**Corporate Governance Matters**

1) Based on the Corporate Governance ("CG") report of the Company on the application of the Practices under the Malaysian Code on Corporate Governance ("MCCG") 2017, please provide clarification on the following:

- (a) Practice 5.1 - The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

GMB's response: Applied

MSWG's comment:

The board has yet to engage independent experts to facilitate objective and candid board evaluations. Are there any plans to engage Independent experts in the future, and if so, by when?

We would appreciate if the Board could present the points raised here, and their related answers, for the shareholders present at the forthcoming AGM. At the same time, we await a written reply as soon as possible for our records.

Thank you.

Yours sincerely



**Devanesan Evanson**  
Chief Executive Officer  
DE/CCF/nkk/GAS/AGM 2019



A Member of  MMC Group

14 May 2019

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

**By Hand**

Dear Sir,

**Re: 28<sup>th</sup> Annual General Meeting ("AGM") of Gas Malaysia Berhad ("Gas Malaysia" or "the Company") to be held on 16 May 2019**

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Thank you for your official letter dated 7 May 2019. 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. In the Chairman's Statement (Page 23), it is reported that the higher revenue recorded was mainly due to two key factors. The first being an increase in the volume of gas sold to customers. The second factor that attributed to the higher revenue was the two gas tariff revisions that transpired in 2018.
  - (a) What was the increase in the numbers of customers in each segment in 2018 compared to 2017?

**Answer:**

	2017	2018	Net Addition
Industrial	853	888	35
Commercial	2,331	2,331	21
Residential	35,720	34,703	-1,017



**GAS**  
MALAYSIA

Re: 28<sup>th</sup> Annual General Meeting ("AGM") of Gas Malaysia Berhad ("Gas Malaysia" or "the Company") to be held on 16 May 2019

The reduction in the number of residential customers was due to the unwillingness of the Joint Management Board/Management Corporation of the buildings to repair and maintain the internal piping system which is part of the requirement to apply for Retail Licence as required by the Gas Supply (Amendment) Act 2016. However, during the year, Gas Malaysia managed to secure 1,126 new residential customers.

**Note:** Residential sector accounted for only 0.04% of the total gas volume sold last year. Therefore, the impact to the Group's revenue would be negligible at approximately RM2.485 million.

- (b) Please provide the comparison in tariffs before and after the revisions.

**Answer:**

(RM/MMBtu)	Jan – Jun 2017	Jan - Jun 2018	Jul - Dec 2018
Average Effective Tariff	26.46	32.52	32.69

- (c) What is the expected rate of increase in gas demand in 2019?

**Answer:**

We are expecting the rate of increase in gas demand for 2019 to be in the region of 4% to 6% from 2018.

2. We note that the Group has been continuing to expand the NGDS network to more areas within Peninsular Malaysia to meet potential gas demand.

- (a) What is the additional kilometers of NGDS pipelines that will be completed in 2019 and the total kilometers by end of 2019?

**Answer:**

We are targeting to expand the NGDS network from 2,334 kilometres in 2018 to 2,530 kilometres by the end of 2019, effectively expanding the pipelines by 196 kilometers.





**GAS**  
MALAYSIA

Re: 28<sup>th</sup> Annual General Meeting ("AGM") of Gas Malaysia Berhad ("Gas Malaysia" or "the Company") to be held on 16 May 2019

- (b) What is the expected growth in number of customers in 2019?

**Answer:**

No. of Customers	2018 Actual	2019 Forecast	Variance
Industrial	884	944	60
Commercial	13,711	503	-13,208
Residential	34,703	813	-33,890

We are targeting between 50 – 60 new industrial customers this year. With the implementation of Third Party Access ("TPA") by end September 2019, Gas Malaysia would only be able to sell gas to retail licensees (owner of internal gas piping system within the premises) in the strata residential sector and commercial sector instead of directly to the end consumers. As a result, the number of residential and commercial customers are expected to reduce significantly as tabulated in the table above. However, there will be no significant impact to the total volume of gas consumption.

3. The Chairman's Statement, states that in order to comply with the TPA framework which is expected to commence in the 4th quarter of this year, the Group has incorporated two wholly-owned subsidiaries to functionally and legally separate its gas distribution and shipping activities as required by the TPA framework. In addition, other measures are concurrently being taken to ensure its transition and readiness in embracing the TPA framework and chart the transformation of the Group in a TPA-compliant environment.

How and to what extent would the TPA framework impact the Group particularly on its revenue growth?

**Answer**

With the implementation of TPA by end September 2019, we are expecting positive impact to the Group's revenue growth moving forward, mainly from the sale of natural gas by Gas Malaysia Energy Services Sdn Bhd and tolling fees from Gas Malaysia Distribution Sdn Bhd.



4. On Page 28 (MD&A), it is reported that in an effort to solidify its position in the industry, the Group has further broadened its business portfolio by diversifying into the non-regulated sphere of the gas distribution business. The Group via its subsidiary and joint-venture entities, has channeled its business focus to non-core activities such as the Combined Heat and Power ("CHP") system, Virtual Pipeline and Bio-Compressed Natural Gas ("BioCNG"). These business ventures aim to create new demand for natural gas and fulfill customers' energy requirements, simultaneously expanding its customer base.

- (a) In relation to these business venture, what are the developments, achievements and revenue generated to-date?

**Answer**

Developments have been very encouraging with all these business ventures achieving satisfactory results. As these business ventures are at the early stages of their incorporation, the revenue generated are small compared to the Group as a whole.

For FY2018, these business ventures generated RM156 million in revenue.

- (b) Going forward, what is the outlook for the non-regulated sphere of the gas distribution business and its contribution to the Group's revenue vis-a-vis the regulated sphere?

**Answer**

Outlook continue to be positive for the non-regulated business. We continue to expect higher contribution towards the Group's bottom-line in the foreseeable future. However, due to the sheer size of the earnings from the regulated business, the earnings contribution from the non-regulated sphere of the gas distribution business vis-à-vis the regulated sphere will continue to remain relatively small. For next year, we expect the non-regulated business contribution to be in the region of 2.5% to 3.5% of the Group's revenue.



5. We note on Page 177 (Note 19) that the Group has investment funds with a licensed financial institution (unquoted) which increased from nil in 2017 to RM171.2 million in 2018.

What is the nature of the investment funds, the reason for investing in such funds and the returns in 2018 and 2017?

**Answer**

The nature of this investment is in money market fund managed by a licensed local financial institution. The reason for investing in the above fund is to generate better return as it is tax-exempted. For the record, the above investment generated an average rate of return of 3.4% for 2018 which is higher than the average fixed deposit rate of 2.7% (net of tax).

**Corporate Governance Matters**

1. Based on the Corporate Governance ("CG") report of the Company on the application of the Practices under the Malaysian Code on Corporate Governance ("MCCG") 2017, please provide clarification on the following:

Practice 5.1 – The Board should undertake a formal and objective annual evaluation to determine the effectiveness of the Board, its committees and each individual director. The Board should disclose how the assessment was carried out and its outcome.

For large Companies, the Board engages independent experts periodically to facilitate objective and candid board evaluations.

GMB's Response: Applied

**MSWG's Comment:**

The Board has yet to engage independent experts to facilitate objective and candid board evaluations. Are there any plans to engage independent experts in the future, and if so, by when?

**Answer:**

The Board plans to engage independent experts to facilitate board evaluation by 2020. This exercise will be conducted once in every three years.



**GAS**  
**MALAYSIA**

Re: 28<sup>th</sup> Annual General Meeting ("AGM") of Gas Malaysia Berhad ("Gas Malaysia" or "the Company") to be held on 16 May 2019

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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

**GAS MALAYSIA BERHAD**  
**28th Annual General Meeting**  
**Date/Time: 16/05/2019 3:00:00 PM**  
**Mahkota II, Hotel Istana, 73, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia**

	FOR		AGAINST		TOTAL	
	NO. OF		NO. OF		NO. OF	
Ordinary Resolution	SHARES	%	SHARES	%	SHARES	%
Resolution 1 : Declaration of Dividend	949,937,120	99.999995	50	0.000005	949,937,170	100
Resolution 2 : Re-election of Director – Cik Sharifah Sofia binti Syed Mokhtar Shah	947,996,645	99.966844	314,425	0.033156	948,311,070	100
Resolution 3 : Re-election of Director – Encik Nobuhisa Kobayashi	948,280,545	99.997108	27,424	0.002892	948,307,969	100
Resolution 4 : Re-election of Director – Encik Tan Lye Chong	948,307,919	99.999668	3,151	0.000332	948,311,070	100
Resolution 5 : Re-election of Director – Datuk Syed Abu Bakar bin S Mohsin Almohdzar	948,307,919	99.999668	3,151	0.000332	948,311,070	100
Resolution 6 : Re-election of Director – Datuk Ooi Teik Huat	947,996,545	99.966833	314,525	0.033167	948,311,070	100
Resolution 7 : Payment of Directors' fees and any benefits payable to the Directors from 17 May 2019 to the next AGM	936,287,019	98.563047	13,650,151	1.436953	949,937,170	100
Resolution 8 : Re-appointment of Auditors	949,933,219	99.999584	3,951	0.000416	949,937,170	100
Resolution 9 : Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Related Parties	362,744,779	99.999076	3,351	0.000924	362,748,130	100
Special Resolution : Proposed Adoption of a New Constitution of the Company	949,933,919	99.999658	3,251	0.000342	949,937,170	100