STRENGTH IN FUNDAMENTALS

GAS MALAYSIA

ANNUAL REPORT 2013

2,000km
Pipelines across Peninsular Malaysia

740
Industrial Customers

1,834
Commercial Customers

34,935
Residential Customers

23rd Annual General Meeting of Gas Malaysia Berhad

Glenmarie Ballroom,
Holiday Inn Kuala Lumpur Glenmarie,
No. 1, Jalan Usahawan U1/8, Seksyen U1,
40250 Shah Alam, Selangor Darul Ehsan
on Thursday, 15 May 2014 at 3.00 p.m.

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052
GAS MALAYSIA BERHAD

2,000 km Pipelines across Peninsular Malaysia

Gas Malaysia operates and maintains approximately 2,000 kilometres of pipelines across Peninsular Malaysia, supplying natural gas to 740 industrial customers, 630 commercial customers and 12,455 residential customers; and Liquified Petroleum Gas ("LPG") to 1,204 commercial customers and 22,480 residential customers.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Third Annual General Meeting of Gas Malaysia Berhad ("Gas Malaysia" or "the Company") will be held at the Glenmarie Ballroom, Holiday Inn Kuala Lumpur Glenmarie, No. 1, Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan on Thursday, 15 May 2014 at 3.00 p.m. or any adjournment thereof, for the following purposes:

AGENDA
ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2013 together with the Reports of the Directors and Auditors thereon.
   Please refer to Note A

2. To declare a single-tier final dividend of 4.36 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 December 2013.
   (Ordinary Resolution 1)

3. To approve the payment of Directors' Fees not exceeding RM1,500,000 for each financial year commencing from the financial year ending 31 December 2014.
   (Ordinary Resolution 2)

4. To re-elect the following Directors who are retiring pursuant to Article 95(4) of the Company's Articles of Association:
   (i) Datuk Haji Hasni bin Harun
   (Ordinary Resolution 3)
   (ii) Shazali bin Dato' Haji Shahrani
   (Ordinary Resolution 4)
   (iii) Datuk Puteh Rukiah binti Abd. Majid
   (Ordinary Resolution 5)
   (iv) Datuk Syed Abu Bakar bin S Mohsin Almohdzar
   (Ordinary Resolution 6)
   (v) Tan Lye Chong
   (Ordinary Resolution 7)

5. To re-elect the following Directors who are retiring pursuant to Article 95(1) of the Company's Articles of Association:
   (i) Ooi Teik Huat
   (Ordinary Resolution 8)
   (ii) Dato' Sri Che Khalib bin Mohamad Noh
   (Ordinary Resolution 9)
   (iii) Yusa' bin Hassan
   (Ordinary Resolution 10)
   (iv) Shigeru Muraki
   (Ordinary Resolution 11)

6. To re-appoint Messrs PricewaterhouseCoopers ("PwC") as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.
   (Ordinary Resolution 12)

SPECIAL BUSINESS

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

7. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")
   (The detailed text and rationale on Item 7 are contained in the Circular to Shareholders dated 21 April 2014 which is enclosed together with the Annual Report)
   (Ordinary Resolution 13)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN that a single-tier final dividend of 4.36 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 December 2013, if approved by the shareholders at the Annual General Meeting, will be paid on 20 June 2014 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 2 June 2014.

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

(a) Shares transferred into the Depositor's securities account before 4.00 p.m. on 2 June 2014 in respect of ordinary transfers; and

(b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD
ZAINUL ABIDIN BIN HAJI AHMAD (LS 0008854)
YANTI IRWANI BINTI ABU HASSAN (MACS 01349)
Company Secretaries

Shah Alam, Selangor Darul Ehsan
21 April 2014

NOTES:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.

2. A member shall not be entitled to appoint more than two (2) proxies. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

3. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. Where there are two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.

5. The instrument appointing a proxy or corporate representative or the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited with the Share Registrar of the Company at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.

6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 7 May 2014 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

Explanatory notes:

A. Agenda item no. 1 is meant for discussion only as the provisions of Section 169(1) of the Companies Act, 1965 does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

B. The Ordinary Resolution 2, if passed, will empower the Board to pay Director's Fees of not exceeding RM1,500,000 for each financial year commencing from the year ending 31 December 2014 pursuant to Article 98 of the Articles of Association of the Company.

C. The Ordinary Resolution 13, 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 21 April 2014 in the ordinary course of the Group's business on commercial terms, in a timely manner and will enable the Group to continue to carry out recurrent related party transactions necessary for the Group's day-to-day operations.

OUR VISION

To be an innovative value-added energy solutions provider

OUR MISSION

To provide the cleanest, safest, cost effective and reliable energy solutions to the nation

CORPORATE PROFILE

Gas Malaysia continues to explore other solutions to improve energy efficiency for its customers and ultimately, for the nation.

Gas Malaysia was established on 16 May 1992 to sell, market and distribute natural gas as well as to construct, operate and maintain the Natural Gas Distribution System ("NGDS") within Peninsular Malaysia. Gas Malaysia is the only company licensed under the Gas Supply Act, 1993 ("GSA") by the Suruhanjaya Tenaga ("ST"), with the approval of the Minister, to supply and sell reticulated natural gas in Peninsular Malaysia. The licence to supply and sell reticulated natural gas was granted on 1 September 1998 and expires on 1 September 2028.

Subsequently, on 15 December 2000, Gas Malaysia was granted the licence to supply and sell reticulated LPG. With this licence, we expanded the business to include the supply of reticulated LPG to the commercial and residential sectors within Peninsular Malaysia. The licence to supply and sell LPG expires on 15 December 2020.

As at 31 December 2013, Gas Malaysia operated and maintained approximately 2,000 kilometres of pipeline across Peninsular Malaysia, supplying natural gas to 740 industrial customers, 630 commercial customers and 12,455 residential customers; supplying LPG to 1,204 commercial and 22,480 residential customers. In total, Gas Malaysia's customer base stood at 37, 509 in the same period.

Our industrial customers represent a diverse range of industries that includes food, beverage & tobacco, rubber, non-metallic minerals, glass, fabricated & basic metals, chemicals, electric & electronics, paper, printing & publishing and textiles.

Headquartered in Shah Alam, Gas Malaysia has three regional offices in Prai, Gebeng and Pasir Gudang, and seven branch offices in Kuala Lumpur, Shah Alam, Bangi, Putrajaya, Senawang, Kluang and Sri Manjung. The Company strives to provide efficient operations as well as effective customer service, driven by the mission to provide the cleanest, safest, cost effective and reliable energy solutions to the nation.

In line with the vision to be an innovative value-added energy solutions provider, Gas Malaysia continues to explore other solutions to improve energy efficiency for its customers and ultimately, for the nation. We have taken the initiative to introduce and promote the Combined Heat and Power ("CHP") system. Due to its high efficiency, the system enables customers to utilise more energy from the same volume of gas consumed, thus significantly reducing their total energy cost.

Gas Malaysia also explores other avenue to create new demand for gas by introducing "virtual-pipeline" to the customers; that is to supply compressed natural gas via land transportation to areas beyond the reach of our gas pipelines. This introduction stands to benefit industries that would otherwise have no access to natural gas supply.

CORPORATE MILESTONES

'92

30 March

Signed the Joint Venture Agreement between MMC-Shapadu, Tokyo Gas-Mitsui and Petroliam Nasional Berhad ("PETRONAS") ("JVA")

16 May

Incorporated as a private company

'97

18 August

Signed the Gas Supply Agreement between PETRONAS as the seller and the Company as the buyer for the supply of gas

'98

1 September

Obtained a Gas Utility Licence

'00

1 February

Awarded with the certificate for implementing a Quality Management System which complies with MS ISO 9002 : 1994 (upgraded to ISO 9001 : 2008)

15 December

Obtained the Gas Utility Licence for LPG

'03

1 February

Awarded with the certificate for implementing an Environmental Management System which complies with MS ISO 14001 : 1997 (upgraded to ISO 14001 : 2004)

1 June

Achieved two million man hours without lost time injury

CORPORATE MILESTONES

'07

28 February

Signed the Supplemental Agreement to the JVA entered into following the transfer of PETRONAS' legal and beneficial ownership of all of its 8,559 ordinary shares of RM1,000.00 each in the Company to its subsidiary, PETRONAS Gas Berhad ("PGB"), save for the Special Share retained by PETRONAS

24 October

Awarded with the certificate for implementing an Occupational Health and Safety Management System which complies with OHSAS 18001 : 1999 (upgraded to OHSAS 18001 : 2007)

'09

1 November

Signed the first Supplemental Agreement to the existing Gas Supply Agreement between PETRONAS as the seller and the Company as the buyer for the increase of gas supply from 150 MMscfd to 300 MMscfd

'10

12 July

Signed the second Supplemental Agreement to the existing Gas Supply Agreement between PETRONAS as the seller and the Company as the buyer for the increase of gas supply from 300 MMscfd to 382 MMscfd

'11

19 August

Converted to a public company

'12

23 February

Signed the new Gas Supply Agreement between PETRONAS and the Company

11 June

Listed on the Main Board of Bursa Malaysia

SUPPLY AREA

NORTHERN REGION

Perak

Bercham
Ipoh
Kampar
Kemunting
Lumut
Parit Buntar
Seri Iskandar
Seri Manjung
Sitiawan
Taiping
Tambun
Teluk Intan
Tronoh

Penang

Bayan Lepas
Bukit Mertajam
Georgetown
Jelutung
Mak Mandin
Nibong Tebal
Prai
Sungai Dua
Tanjung Pinang

Kedah

Kulim
Mergong
Sungai Petani
Padang Terap

Perlis

Arau
Kangar
Chuping

CENTRAL REGION

Selangor

Ampang
Balakong
Bandar Sultan Sulaiman
Bangi
Banting
Beranang
Bestari Jaya
Cyberjaya
Damansara
Dengkil
Ijok
Jeram
Kajang
Kelana Jaya
Klang
Kuala Lumpur International Airport
Kundang
North Port
Pandamaran
Petaling Jaya
Puchong
Pulau Indah
Rawang
Salak Tinggi
Selayang
Semenyih
Sepang
Serdang
Seri Kembangan
Shah Alam
Sungai Buloh
Teluk Panglima Garang

Federal Territory of Putrajaya

Putrajaya

Federal Territory of Kuala Lumpur

Batu Caves
Hulu Klang
Kuala Lumpur
Pudu

SUPPLY **AREA**

HEADQUARTERS

REGIONAL OFFICE

BRANCH OFFICE

EASTERN REGION

Pahang	Terengganu
Gambang	Kemaman
Gebeng	Kerteh
Kuantan	
Kuantan Port	

SOUTHERN REGION

Johor	Melaka	Negeri Sembilan
Air Hitam	Alor Gajah	Nilai
Gelang Patah	Ayer Keroh	Senawang
Johor Bahru	Bandar Melaka	Sendayan
Kluang	Batu Berendam	Seremban
Kulai	Bukit Rambai	Seremban 2
Larkin	Cheng	
Nusajaya	Tangga Batu	
Pasir Gudang		
Plentong		
Senai		
Tampoi		
Tanjung Langsat		
Tebrau		

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

DATO' SRI CHE KHALIB BIN MOHAMAD NOH
Non-Independent Non-Executive Director

SHIGERU MURAKI
Non-Independent Non-Executive Director

YUSA' BIN HASSAN
Non-Independent Non-Executive Director

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

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

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

TAN LYE CHONG
Independent Non-Executive Director

OOI TEIK HUAT
Independent Non-Executive Director

YASUSHI SAKAKIBARA
Alternate Director to Shigeru Muraki
Non-Independent Non-Executive Alternate Director

HISASHI NAKAMURA
Alternate Director to Shigeru Muraki
Non-Independent Non-Executive Alternate Director

AIDA AZIZA BINTI MOHD JAMALUDIN
Alternate Director to Yusa' bin Hassan
Non-Independent Non-Executive Alternate Director

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

CHIEF EXECUTIVE OFFICER

DATO' SYED FAISAL ALBAR BIN SYED A.R ALBAR

COMPANY SECRETARIES

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

REGISTERED 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 address:
www.gasmalaysia.com
Email address:
enquiries@gasmalaysia.com

HEAD OFFICE

No. 5, Jalan Serendah 26/17
Seksyen 26, Peti Surat 7901
40732 Shah Alam
Selangor Darul Ehsan
Malaysia
Tel : (603) 5192 3000
Fax : (603) 5192 6766 / 6749
Website address:
www.gasmalaysia.com
Email address:
enquiries@gasmalaysia.com

INVESTOR RELATIONS

ZULKIFLI BIN MAWARDI
Email address :
investor@gasmalaysia.com

AUDITORS AND REPORTING ACCOUNTANTS

Messrs PricewaterhouseCoopers
(Chartered Accountants)
Level 10, 1 Sentral
Jalan Travers
Kuala Lumpur Sentral
50706 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Tel : (603) 2173 1188
Fax : (603) 2173 1288

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor
Malaysia
Tel : (603) 7841 8000
Fax : (603) 7841 8151/52

DIVIDEND SERVICE PROVIDER

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor
Malaysia
Tel : (603) 7841 8000
Fax : (603) 7841 8151/52

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

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(Main Market)
Listed since 11 June 2012
Stock Name : GASMSIA
Stock Code : 5209

FINANCIAL CALENDAR

ANNUAL GENERAL MEETING

15 May 2014

ENTITLEMENT TO 2013 FINAL DIVIDEND

2 June 2014*

PAYMENT OF 2013 FINAL DIVIDEND

20 June 2014*

ANNOUNCEMENT OF RESULTS FOR FINANCIAL YEAR ENDED 31 DECEMBER 2013:

1st Quarter	15 May **2013**
2nd Quarter	1 August **2013**
3rd Quarter	28 November **2013**
4th Quarter	13 February **2014**

* These dates are subject to shareholders' approval on 15 May 2014

FIVE YEAR FINANCIAL SUMMARY

For The Financial Year Ended 31 December

	2009	2010	2011	2012	2013
MMBTU MILLION					
Sales Volume	107.5	117.8	124.9	127.6	138.5
RM MILLION					
Revenue	1,753.1	1,807.5	2,000.2	2,125.3	2,317.2
Profit Before Zakat and Tax	325.9	388.4	294.7	214.1	220.9
Profit After Zakat and Tax	243.1	298.3	229.2	162.8	171.4
Total Assets	1,432.7	1,616.0	1,474.4	1,513.5	1,507.2
Shareholders' Funds	1,042.5	1,167.6	1,009.5	1,008.4	1,004.1
Total Liabilities	390.2	448.5	465.0	505.1	503.2
Paid-up Capital	642.0	642.0	642.0	642.0	642.0

For The Financial Year Ended 31 December

	2009	2010	2011	2012	2013
PROFIT AS % REVENUE					
Profit Before Zakat and Tax	19%	21%	15%	10%	10%
Profit After Zakat and Tax	14%	17%	11%	8%	7%
Earnings Per Share (RM)	378.7*	464.6*	356.9*	0.13#	0.13#
Net Tangible Assets Per Share (RM)	1,623.9*	1,818.6*	1,572.4*	0.79#	0.78#
HUMAN RESOURCES					
Employees (Number)	357	359	358	364	385
RM MILLION					
Revenue Per Employee	4.911	5.035	5.587	5.839	6.019
Profit Before Zakat and Tax Per Employee	0.913	1.082	0.823	0.588	0.574
Profit After Zakat and Tax Per Employee	0.681	0.831	0.640	0.447	0.445

Note:
** Based on paid-up capital of 642,000 shares at RM1,000 per share*
 # Based on paid-up capital of 1,284,000,000 shares at RM0.50 per share

Revenue
RM2,317.2
Million

Profit Before Zakat and Tax
RM220.9
Million

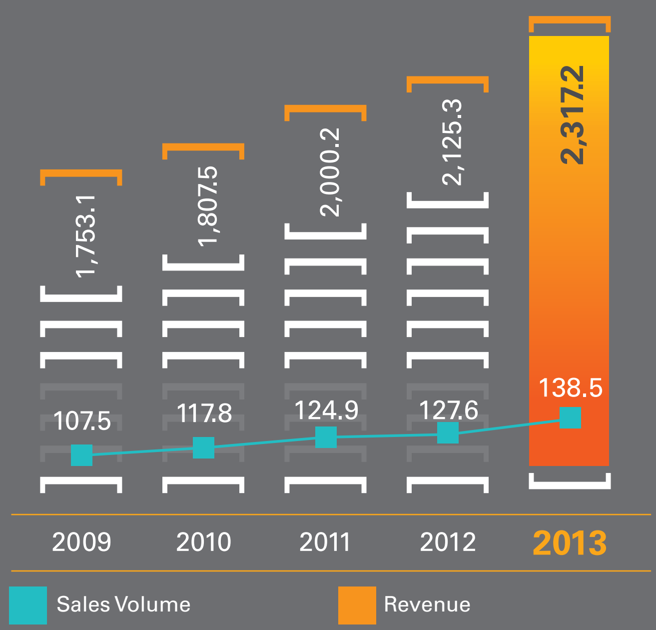
Total Assets
RM1,507.2
Million

Shareholders' Funds
RM1,004.1
Million

FIVE YEAR FINANCIAL SUMMARY

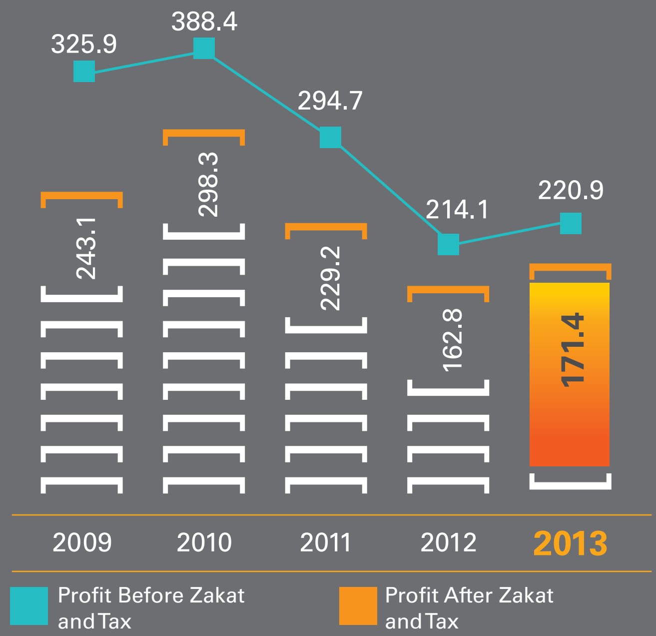
SALES VOLUME & REVENUE

(MMBtu Million) (RM Million)



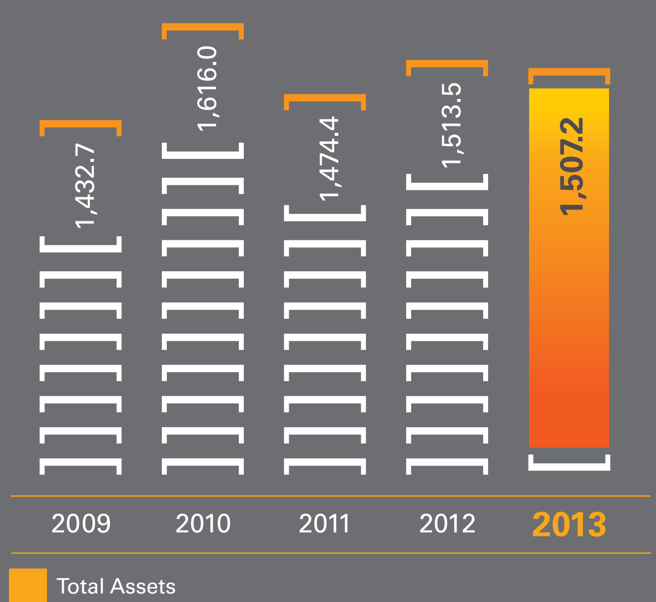
PROFIT

(RM Million)



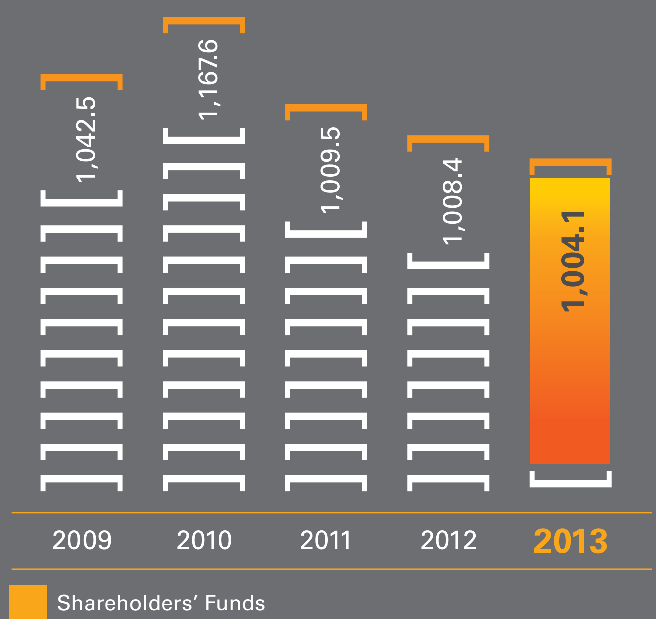
TOTAL ASSETS

(RM Million)



SHAREHOLDERS' FUNDS

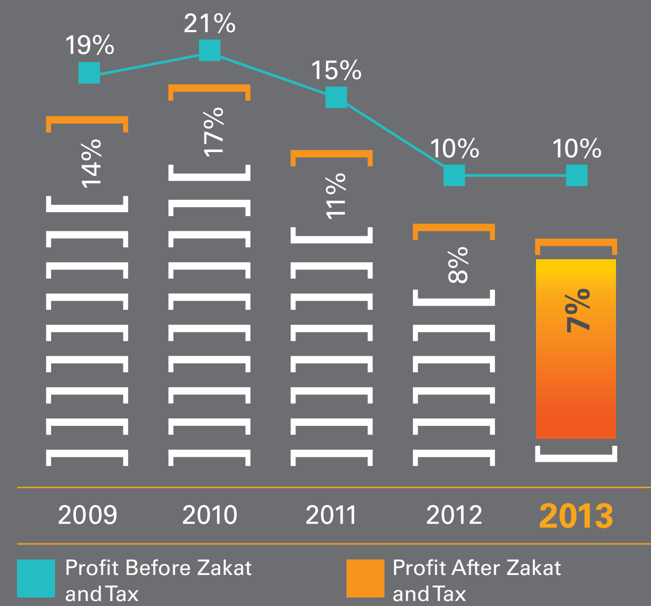
(RM Million)



FIVE YEAR **FINANCIAL SUMMARY**

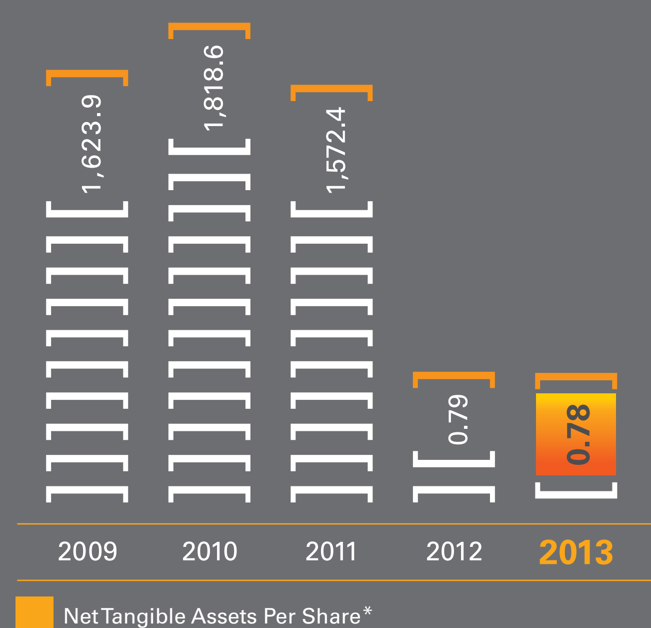
LONG TERM LIABILITIES
(RM Million)

PROFIT AS % REVENUE
(Percentage %)



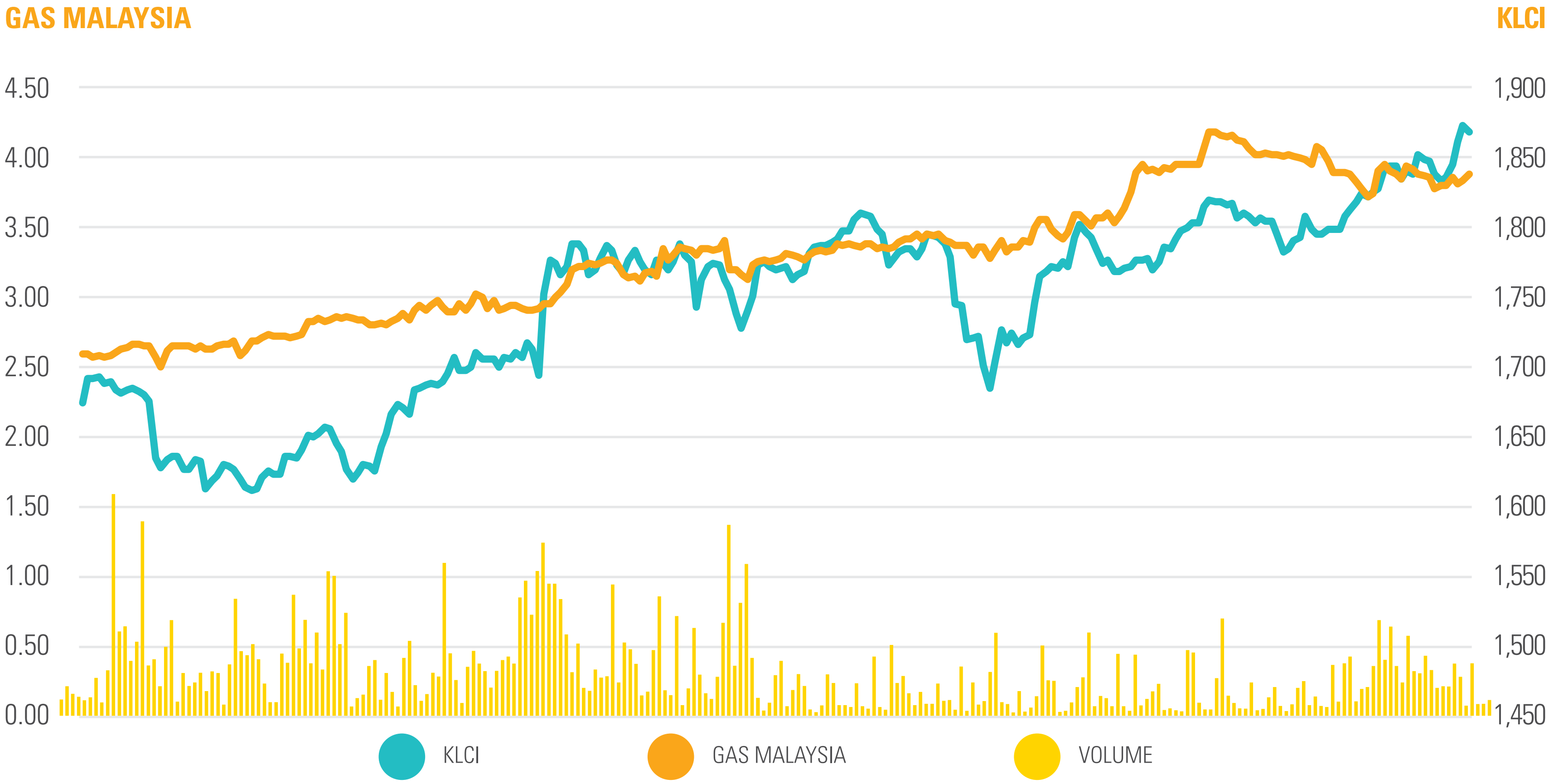
EARNINGS PER SHARE*
(RM)

NET TANGIBLE ASSETS PER SHARE*
(RM)



* *FY2009 - FY2011 is based on paid-up capital of 642,000 shares at RM1,000 per share*
FY2012 - FY2013 is based on paid-up capital of 1,284,000,000 shares at RM0.50 per share

SHARE PRICE PERFORMANCE



SHARE PRICE ANALYSIS

Counter	1-year Return
Gas Malaysia	**51%**
KLCI	**11%**

Price	When
52Hi - RM4.17	**25 OCT 2013**
52Lo - RM2.59	**18 FEB 2013**

HISTORICAL PRICES

Gas Malaysia	Market Capitalisation	KLCI	When
RM2.57	**RM3.30 billion**	1,688.95	**31 DEC 2012**
RM3.87	**RM4.97 billion**	1,866.96	**31 DEC 2013**

Source: Bloomberg

MEDIA

Gas Malaysia's dividends pledge

Gas Malaysia Bhd maintains that it will pay at least 75% of its profits as dividends and has allocated RM130mil as capital expenditure for the current financial year. >4

Gas M'sia upbeat on dividend

It will pay at least 75% of profit as dividend, set aside RM130m as capex

By LEONG HUNG YEE

Lipat Kajang jana ekonomi baharu Melaka

MELAKA 23 Jan. - Kawasan Perindustrian Lipat Kajang (Elkay) di Jasin seluas 200 hektar berpotensi menjana sumber ekonomi baharu bagi kerajaan negeri yang menuju Negeri Melaka Maju Fasa II.

Ketua Menteri, Datuk Seri Idris Haron berkata, Elkay dilihat mampu menjadi kawasan perindustrian terbesar di negeri itu berdasarkan minat pelabur tempatan dan luar negara menjalankan operasi di situ.

Menurutnya, Elkay telah siap sepenuhnya dari segi infrastruktur, jalan raya, kemudahan air dan elektrik serta terbaharu ialah pembinaan infrastruktur bekalan gas.

Beliau berkata, setakat ini, sebuah syarikat pelabur dari Amerika Syarikat (AS) melabur dalam industri pembuatan produk kaca dengan jumlah pelaburan sebanyak RM1.2 bilion.

"Ada tiga lagi syarikat dari luar negara turut menyatakan minat untuk membuat pelaburan di Elkay dan perkara ini masih di peringkat rundingan.

"Saya lihat Elkay bakal menjanjikan kawasan perindustrian berdaya maju di negeri ini setanding dengan beberapa kawasan perindustrian di Londang, Masjid Tanah, Rembia, Tangga Batu dan beberapa lagi," katanya.

Joint venture to power industries

KUALA LUMPUR: Gas Malaysia Bhd and Tokyo Gas' Energy Advance Co Ltd have teamed up to provide electricity and steam through combined heat and power (CHP) system to industries in Malaysia.

Gas Malaysia said the joint venture (JV) was in line with its plan to maintain its key position as an innovative value-added energy solutions provider.

"The JV company will diversify Gas Malaysia's business from gas distribution to energy business," Gas Malaysia said in a statement yesterday.

Tokyo Gas is a related party in the JV as its subsidiary Tokyo Gas-Mitsui & Co Holdings Sdn Bhd owns 18.50 per cent of Gas Malaysia.

In a separate statement, Gas Malaysia said it has sealed a JV agreement with IEV Energy Sdn Bhd to undertake the compressed natural gas distribution system for areas not accessible by gas pipeline.

IEV Energy is a member of IEV Holdings Ltd, which is listed on the Singapore Exchange.

The JV will be involved in the sale, supply and transportation of compressed natural gas.

Gas Malaysia on track to higher profit

Muhamad Noor expects higher demand for gas with economic growth.

Intends to disburse payout of not less than 75% net profit in FY13

Gas Malaysia dapat bekalan tambahan

MUHAMAD NOOR

Gas M'sia to provide 300,000 mmbtu yearly to its customer

SHAH ALAM: Gas Malaysia Bhd, in a new 75:25 partnership with IEV Energy Sdn Bhd, expects to provide 300,000 million metric British thermal unit (mmbtu) of compressed natural gas (CNG) per annum to its customers.

It would supply CNG by transporting virtual pipelines to its end users from a mother station at Cebong, Pahang.

Chief executive officer Datuk Syed Faisal Albar said the initial cost to build the mother station was RM15mil, which would enable it to supply CNG to industrial users within 150km to 200km, including those from Temerloh and Mentakab.

"The main reason to venture into the CNG distribution system is to serve areas that are not currently accessible by gas pipeline," he told a press conference yesterday.

Last year, it supplied a total volume of 130 million mmbtu.

He also said the CNG business would create a new source of income in a year although the initial quantum might not be significant.

Meanwhile, the natural gas supplier has formed a 66:34 joint venture with Tokyo Gas Co Ltd's unit, Energy Advance Co Ltd, to design, build, install, operate and/or maintain combined heat and power (CHP) systems for its clients.

Its chairman Datuk Hasni Harun said it would be able to leverage on its long-term partnership with Tokyo Gas for the latter's experience, expertise and network to grow the CHP business.

Tokyo Gas is a related party as its subsidiary, Tokyo Gas-Mitsui & Co Holdings Sdn Bhd, holds a 18.5% stake in Gas Malaysia.

It would take two years to build a site for CHP, Syed Faisal said, adding that it was still identifying industrial customers in the northern and central regions.

According to him, the technology would enable cost savings of about 20% for end users.

CHP is an energy-efficient system that generates electricity and thermal energy with a single fuel source.

The company did not need to raise fund for the two joint ventures, Syed Faisal said, adding that the company had zero borrowings and RM300mil cash.

The counter closed five sen higher at RM3.55 yesterday.

Syed Faisal (left) exchanges documents with IEV president Christopher Oo, while Hasni (second from left) and IEV vice president Justin Yong look on.

Hamzah (tengah), Muhamad Noor (kiri) dan Ketua Pegawai Kewangan Gas Malaysia Berhad, Mohamed Sophie Mohamed Rashidi (kanan) selepas sidang media Gas Malaysia di Shah Alam. (FOTO ASYRAF HAMZAH / BH)

GAS Malaysia unjur laba meningkat

GAS Malaysia Bhd, iaitu pengedar dan peruncit gas asli terbesar di Malaysia, mengunjurkan pendapatannya pada tahun ini akan lebih tinggi daripada RM2.125 bilion yang diraihnya tahun lalu bersandarkan kepada pengukuhan permintaan bagi gas asli oleh sektor industri tempatan.

Pengarah Urusannya, Datuk Muhamad Noor Hamid, berkata arah aliran semasa menunjukkan bahawa kilang yang menggunakan bahanapi alternatif lebih bersedia untuk beralih kepada gas asli berikutan tahap keberkesanannya yang tinggi.

Kaedah CHP berkesan

Beliau berkata, antara faktor peralihan itu ialah penggunaan kaedah Combined Heat and Power (CHP) yang diperkenalkan sejak tahun lalu yang membolehkan pelanggan mencapai sehingga 90 peratus keberkesanan secara keseluruhan.

"Menerusi kaedah CHP ini, lebih banyak tenaga terkandung dalam gas asli dapat dimanfaatkan, sekali gus meningkatkan keberkesanan tenaga dan mengurangkan kos dengan ketara. Selain itu, perjanjian pembekalan gas yang baru antara Gas Malaysia dengan PETRONAS memberikan jaminan kepada kecukupan bekalan," katanya kepada pemberita selepas mesyuarat agung tahunan (AGM) Gas Malaysia di Shah Alam, semalam. Turut hadir Pengerusinya, Datuk Hamzah Bakar.

Jaminan cukup bekalan

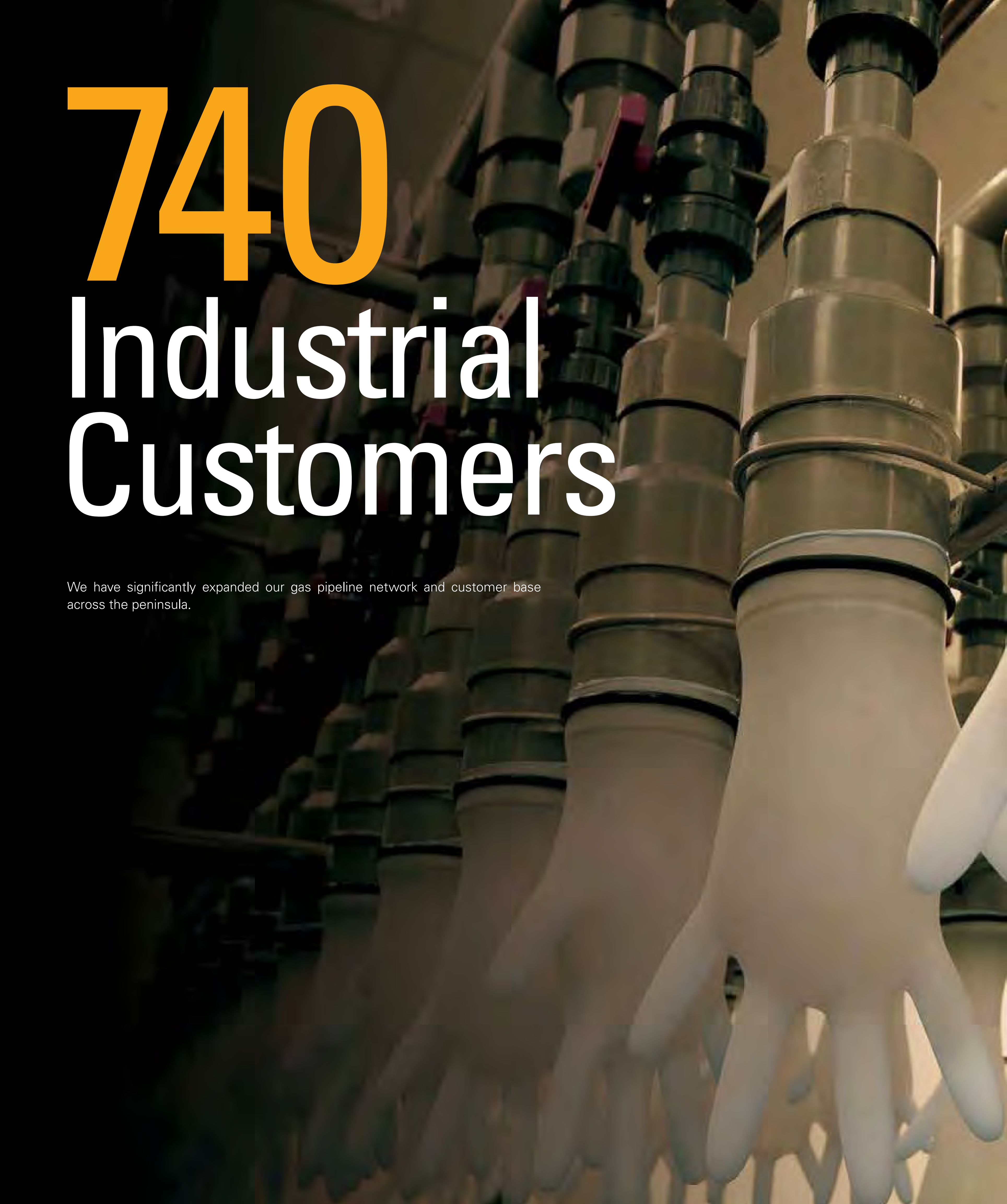
Menerusi perjanjian pembekalan gas baru itu, PETRONAS memberi jaminan untuk menambah bekalan gas kepada Gas Malaysia sebanyak 40 juta standard kaki padu gas sehari (mmscfd), 30 mmscfd dan 40 mmscfd masing-masing pada 2013, 2014 dan 2015. Ia ketika ini membekal 382 juta metrik unit thermal British (mmBtU).

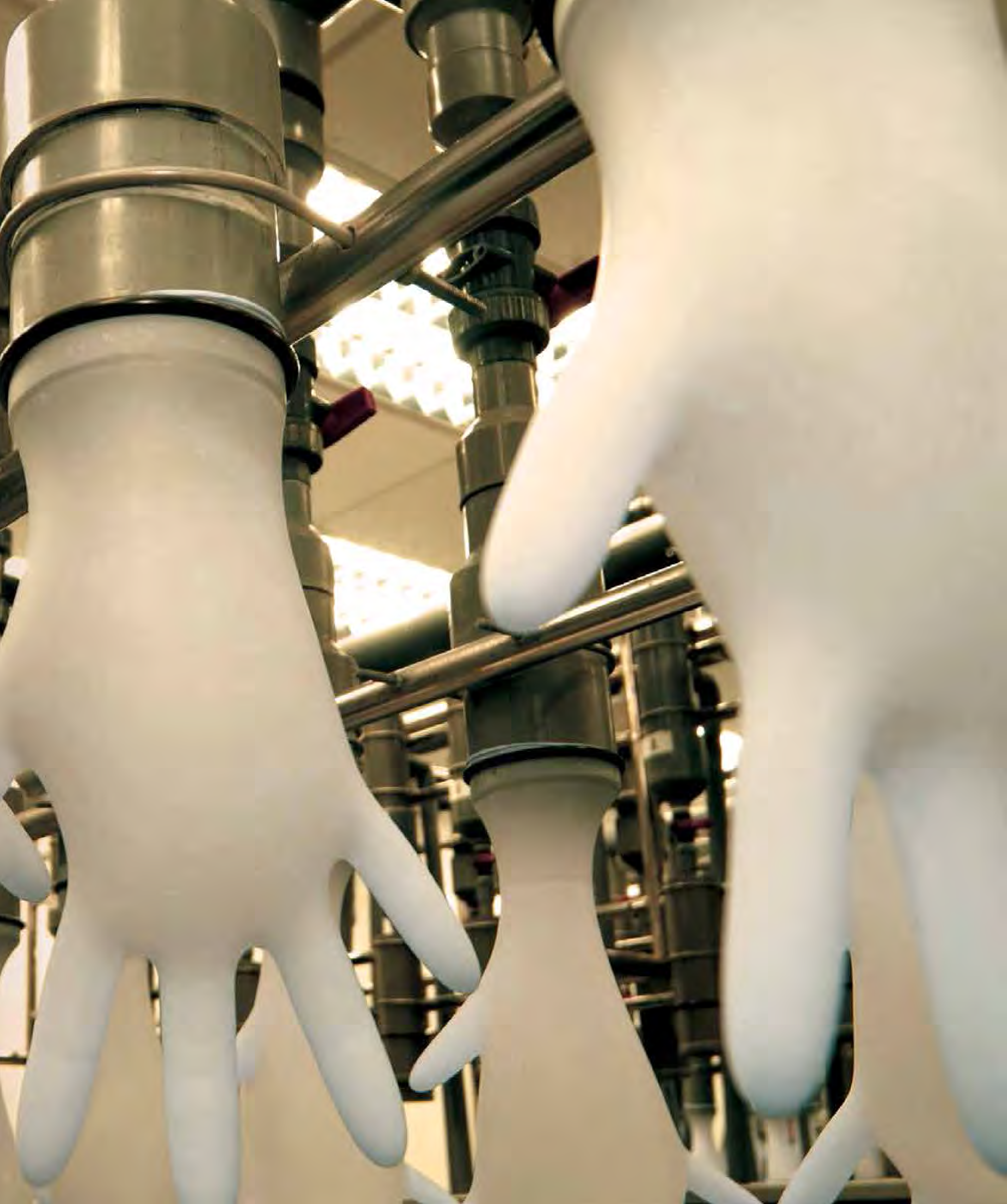
Gas Malaysia meraih pendapatan berjumlah RM2.125 bilion dalam tahun kewangan berakhir 31 Disember 2012, peningkatan berbanding RM2 bilion yang dicapainya dalam tahun sebelumnya.

Bagaimanapun, keuntungan bersihnya susut kepada RM162.8 juta daripada RM229.2 juta pada

740 Industrial Customers

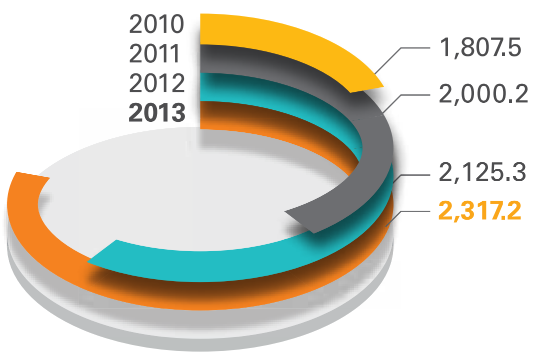
We have significantly expanded our gas pipeline network and customer base across the peninsula.



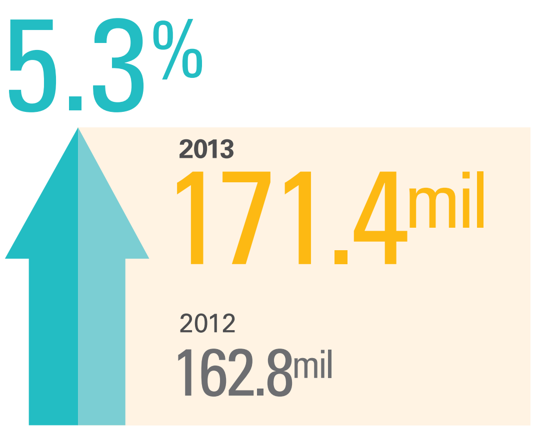


MESSAGE FROM THE CHAIRMAN

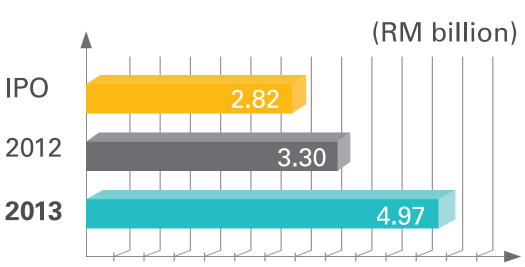
SALES REVENUE
(RM Million)



PROFIT AFTER ZAKAT AND TAX



MARKET CAPITALISATION



Market capitalisation increased by a remarkable 51% in 2013.

Dear Shareholders,

The year 2013 was marked by some positive developments in the gas industry in Malaysia, most notably in supply reliability and demand. The commissioning of the regasification terminal in Melaka in May 2013 has provided clearer visibility of supply, and the uptick in the Malaysian economy has spurred growth in the manufacturing sector, and in turn, has bolstered demand for natural gas. These developments, coupled with continuous efforts to drive efficiencies and supported by strong fundamentals have benefited Gas Malaysia. On this note, Gas Malaysia grew in key parameters both operationally as well as financially.

I am very pleased to report on the Company's performance for the financial year ("FY") ended 31 December 2013, the first full year as a public listed entity. During the year, with an additional 2,615 customers, customer base registered a 7.5% growth, summing the total number of customers to 37,509. To serve them, we have expanded the pipeline network by approximately 100 kilometers making the total country wide coverage to approximately 2,000 kilometers. Sales volume grew by 8.5% and revenue by 9.0%. On the back of positive Company's performance, market capitalisation increased by a remarkable 51% to RM4.97 billion and the Board of Directors ("the Board") has proposed a 100% dividend payout.

On behalf of the Board, it gives me great pleasure to present the Annual Report and Financial Statements of Gas Malaysia for the financial year ended 31 December 2013.

STRONG FINANCIAL RESULTS

As the global economy embarked on its path of recovery, the export market began to pick up, resulting in increased manufacturing activity which was reflected in escalating demand for gas. More than 99% of our sales volume was derived from industrial customers, whose numbers and gas consumption grew during the year. Accordingly, our sales volume reached 138.5 million MMBtu, compared to 127.6 million MMBtu in the previous financial year.

Resulting from the sales volume, revenue increased to RM2.3 billion from RM2.1 billion previously. In line with higher revenue, profit before zakat and tax grew 3.2% higher to RM220.9 million from RM214.1 million recorded in 2012. Despite the rise in operating expenses which was mainly due to increase in repair and maintenance costs and depreciation charges from the capitalisation of the NGDS completed in 2013, profit after zakat and tax ("PAZT") grew by 5.3% to RM171.4 million, compared to RM162.8 million in the previous year.

DIVIDEND

In view of the Company's performance and to allow shareholders to participate in Gas Malaysia's profit, the Board has proposed a final cash dividend of 4.36 sen per ordinary share. Together with the first and second interim dividend of 6.00 sen and 3.00 sen respectively, it brings the total dividend per ordinary share to 13.36 sen for the financial year ended 31 December 2013. This amounts to a total payment of approximately RM171.5 million, which is equivalent to a dividend payout ratio of 100%. This is over and above the dividend policy of no less than 75% payout as disclosed in the Company's prospectus for its listing exercise in 2012.

MESSAGE FROM THE CHAIRMAN

CORPORATE RESPONSIBILITY

Gas Malaysia is cognisant of its responsibility to ensure the sustainability of its business as well as of the communities it operates in. Towards this end, we have guidelines to balance our financial profitability against good social and environmental responsibility. Being aware of the needs of underprivileged Malaysians, the Company had made social contributions to Sekolah Kebangsaan Sungai Isap in Kuantan and Pertubuhan Membela Miskin Tegar ("BELAMISKIN"). Sekolah Kebangsaan Sungai Isap is located near Gas Malaysia's office in Gebeng and was badly damaged by flood which temporarily incapacitated Kuantan last December. BELAMISKIN is a non-governmental organisation that provides support to the homeless and underprivileged.

The Company recognises that its involvement in the utility sector places additional responsibility on ensuring efficient operations, so as to minimise the environmental pollution. While the use of natural gas itself is more environment-friendly than other alternative fuels, Gas Malaysia goes the extra mile by adopting green initiatives in the workplace, such as recycling and reducing waste. Leading by example, Gas Malaysia was one of the pioneering users of Gas Heat Pump air conditioning system in the country; which is environmentally friendly and energy efficient.

OUTLOOK

Oil and gas sector is one of the 12 National Key Economic Areas outlined in the Economic Transformation Programme initiatives by the Government and is expected to contribute 20% to the country's Gross Domestic Product by 2020.

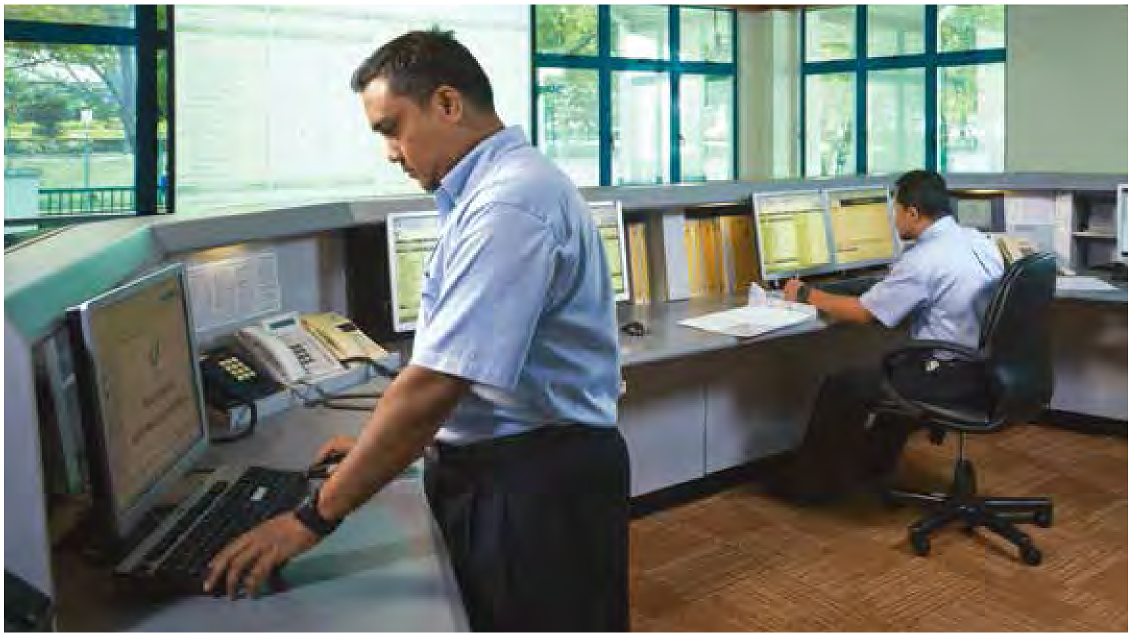
The natural gas industry is fast approaching an inflection point in the country. Benefiting from the additional gas supply from the regasification terminal in Melaka which was commissioned in May 2013, Gas Malaysia is poised to enjoy certainty of supply. Future demand for gas, which is expected to increase in line with the overall economic growth in the country, will be catered for by this new source of gas supply.

Given the future availability of gas supply and in addition to organic demand, we seek to create new demand by offering innovative energy solutions to potential and existing customers. Two joint venture agreements that Gas Malaysia signed with Energy Advance Co. Ltd and IEV Energy Sdn Bhd, subsequent to the financial year end, were examples of just that.

The joint venture with Energy Advance Co. Ltd, a subsidiary of Tokyo Gas Co., Ltd. ("Tokyo Gas"), is to undertake the business of providing electricity and steam through CHP system to industries in Malaysia. The joint venture company will pursue and engage in the development and operation of natural gas-based energy efficient projects, which will provide electricity and heat requirement to industrial users.

To further create demand for natural gas, Gas Malaysia is partnering with IEV Energy Sdn Bhd to introduce the "virtual-pipeline"; that is to supply compressed natural gas via land transportation to areas beyond the reach of our gas pipelines. This "virtual-pipeline" stands to benefit industries in the country that would otherwise have no access to natural gas supply.

MESSAGE FROM THE CHAIRMAN



To prepare for the expected growth of gas consumption, Gas Malaysia has made sufficient gas supply available to its customers and able to supply up to 452 MMscfd of natural gas in 2014 and 492 MMscfd in 2015.

Notwithstanding the above, the evolution that is taking place in the natural gas industry is acknowledged. The industry is now geared towards creating a more competitive energy market. As natural gas industry in Malaysia is going through structural changes, it is plausible that subsidy rationalisation for natural gas is on the cards. However, the fundamental strengths and positive progress thus far have placed Gas Malaysia in a good position to weather the changing landscape of the natural gas industry and to explore new areas of growth. We are as much excited about where we are today as what we could potentially achieve in the future.

As a proxy to the industrial sector in Malaysia, the expectation of better economic growth in 2014 bodes well for Gas Malaysia's prospects. Demand for natural gas is expected to increase on the back of stronger manufacturing activities and export. To prepare for the expected growth of gas consumption, Gas Malaysia has made sufficient gas supply available to its customers and is able to supply up to 452 MMscfd of natural gas in 2014 and 492 MMscfd in 2015. Supply for 2014 has been fully contracted out, while that for 2015 is 92% committed. Gas Malaysia is already in consultation with Petronas to secure further gas supply beyond 2015.

APPRECIATION AND RECOGNITION

Along with the exciting 2013, there have been some changes at the top level of both the Board and Management at Gas Malaysia. Both the immediate past Chairman, Dato' Hamzah bin Bakar and the former Managing Director, Datuk Muhamad Noor bin Hamid, have decided to retire, while Tadaaki Maeda and Samsudin bin Miskon have resigned as Board Members. I wish to take this opportunity to express the Board's heartfelt appreciation for their immense contribution in growing the Company from strength to strength over the years.

I seek to assure the Shareholders of Gas Malaysia that the Company's excellent track record will be preserved under my Chairmanship and would like to welcome Ooi Teik Huat, Dato' Sri Che Khalib bin Mohamad Noh, Yusa' bin Hassan and Shigeru Muraki on their recent appointments as Board Members. At the same time, I welcome the new Chief Executive Officer ("CEO"), Dato' Syed Faisal Albar, who brings with him a wide ambit of corporate experience which will contribute towards Gas Malaysia's new growth.

On behalf of Gas Malaysia, I would like to thank all our shareholders, customers, business partners, authorities and regulatory bodies, for their support to the Company. Most of all, I must congratulate and thank all our employees for their commitment and dedication to Gas Malaysia which have made us what we are today – a strong company built on strong fundamentals. Let us continue working together to take this Company further into an exciting future.

Datuk Haji Hasni bin Harun
Chairman

MANAGEMENT
DISCUSSION & ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS

The year 2013 was exciting for Gas Malaysia. The Company benefited from the improving macro-economic scenario in the country and further secured demand for natural gas while simultaneously growing its business – that of selling, marketing and distributing natural gas.

The global economy improved as 2013 drew to a close, with favourable progress in the world economy starting from the second half. The improvement in the global economic numbers was a result of gradual recovery in the US, receding recession in the Eurozone and stabilising economy in Asia particularly in China and Japan. Demand emanating from the major economies spurred exports from ASEAN countries, with trades amongst ASEAN countries, China, the Eurozone and Japan also increasing.

Domestically, Malaysia saw higher activities in the manufacturing sector. During the same period, domestic demand continued to build up, and together with the ongoing Economic Transformation Programme initiatives, it led to a 4.7% growth in Gross Domestic Product ("GDP"). Having high correlation with the country's economic growth, demand for gas grew accordingly, contributing to Gas Malaysia's commendable performance in 2013.

FINANCIAL ANALYSIS

For the year ended 31 December 2013, Gas Malaysia once again managed to achieve good financial performance and bolster its bottom line.

Gas volume registered an 8.5% growth to 138.5 million MMBtu in 2013 from 127.6 million MMBtu in 2012, mainly from the expansion of natural gas consumption from industrial customers. Compared to RM2.125 billion revenue recorded in 2012, the Company registered a 9.0% growth in 2013, raising the revenue to RM2.317 billion. Contributing to the strong revenue stream was the tolling fees of RM16.6 million from the transportation of natural gas to PETRONAS' Natural Gas Vehicle ("NGV") stations and Gas District Cooling ("GDC") plants. With an increased number of commercial fleets using NGV and higher consumption by the GDC plants in Putrajaya, our tolling fees revenue increased. Currently, there are 145 NGV stations and eight GDC plants in Peninsular Malaysia that are connected to the NGDS.

The Company incurred gas cost of RM1.984 billion followed by overhead cost of RM81.7 million; mainly made up of staff-related expenses, repair and maintenance costs and depreciation charges for capitalised NGDS. Revenue growth outpaced the increase in the overhead costs, resulting in higher gross profit. At RM251.1 million, it was 5.3% more than that gross profit registered in 2012, largely due to the increase in revenue as explained above. Consequently, PAZT rose by 5.3% to close the year with RM171.4 million.

OPERATIONAL ANALYSIS

Gas Malaysia services most of its customers via the NGDS which it constructs, operates and maintains. Therefore, it is of paramount importance that high maintenance standard is ensured so as to protect the integrity of the system and avert unnecessary interruption. Preventive initiatives taken to limit system and facilities breakdown include adopting stringent standard for pipeline design, material selection, construction procedures, daily pipeline patrolling to detect unauthorised third party works near gas facilities and deploying preventive maintenance programme to upkeep the facilities.

The Company's future plan is to reach economically viable underserved areas potentially in the Northern and Southern regions that hold much promise for future growth.

Gas volume
138.5 million
MMBtu in 2013

8.5%
growth

Revenue
RM2.317 billion
in 2013

9.0%
growth

MANAGEMENT DISCUSSION & ANALYSIS

The System Average Interruption Duration Index ("SAIDI"), commonly used by utility companies around the world to measure service reliability, has shown impressive scorecard for Gas Malaysia's service. In 2013, we managed to reduce the duration of interruption per customer by five times; the SAIDI index improved stupendously from 0.7430 minutes of interruption per customer to 0.1459, which was one of the highest achievements in the industry. Furthermore, in the event of such disruption, the average response time was within 29 minutes, far surpassing our standard response time of 90 minutes.

Stemming from the high level of service reliability, Gas Malaysia has been able to deliver more natural gas and simultaneously grow its customer base. During the year, supply was extended to 43 new industrial customers, making the total number of industrial customers served 740. The number of commercial customers who consumed either natural gas or LPG also increased, from 1,737 at the beginning of the year to 1,834 at the end. Our residential customer base experienced similar growth, albeit at a faster rate of 7.7%, increasing the total number of residential customers by 2,485 to 34,935. In total, our customer base grew by 7.5% to 37,509 in 2013.

In our effort to increase the coverage in order to serve more customers, Gas Malaysia continued to enhance the infrastructure and expand its pipeline network. The Company extended its pipeline network by approximately 100 kilometers in 2013, bringing the total length of pipeline in operation to approximately 2,000 kilometers. With this expansion, Gas Malaysia extended its infrastructure further to reach Mak Mandin near Butterworth, Padang Terap in Kedah and Chuping in Perlis in the north; Sendayan Tech Valley near Seremban in the south.

Industrial customers contributed about 99% of total sales volume in 2013; mainly from the food, beverage, tobacco and rubber industries which collectively contributed 54.9% to sales volume; basic and fabricated metal, non-metallic mineral and oleo-chemical industries at 28.2%; and glass, paper, textile, electronics and plastic products-related industries made up the remaining 16.9%.

Most of the customers are concentrated in the Central region, followed by the Southern and Northern regions of the peninsula. These regions account for 42.6%, 30.6% and 21.7% of our sales volume, respectively. The Eastern region showed encouraging improvement in terms of gas consumption, contributing 5.1% to sales volume this year compared to 4.7% last year. Marketing efforts have been expanded to explore further penetration in areas not currently served. This is in line with our marketing strategy that focuses on five key segments: (i) existing industrial areas which have not been supplied with natural gas, (ii) new customers within supply areas who do not currently use natural gas, (iii) existing customers undergoing operational expansion, (iv) new industrial areas and (v) new areas of growth for natural gas consumption.

In finding new areas of growth, Gas Malaysia entered into a joint venture agreement with Energy Advance Co. Ltd, a subsidiary of Tokyo Gas to undertake the business of providing electricity and steam through the CHP system to industries in Malaysia. The joint venture company will pursue and engage in the development and operation of natural gas-based energy efficient projects, which will provide electricity and heat requirement to industrial users. It shall design, engineer, install, own, operate and maintain the CHP system. Energy Advance Co. Ltd has proven expertise in the business of providing efficient energy solutions to industrial and commercial users in Japan.

To create demand for natural gas further, the Company entered into a joint venture with IEV Energy Sdn Bhd to introduce the "virtual-pipeline"; that is to supply compressed natural gas via land transportation to areas beyond the reach of our gas pipelines. This "virtual-pipeline" stands to benefit industries that would otherwise have to pay higher alternative fuel cost. The success of the joint collaboration between Gas Malaysia and IEV Energy Sdn Bhd will translate into additional gas consumption from industrial areas that are not currently served by the NGDS. IEV Energy Sdn Bhd, a subsidiary of IEV Holdings Limited, is one of the leading providers of mobile compressed natural gas to the industrial sectors in Indonesia and Vietnam.

MANAGEMENT DISCUSSION & ANALYSIS

BUILDING OUR PIPELINE OF TALENT

Our people are the most valuable asset and we are committed to nurturing them via continuous and targeted training and development programmes. Technical employees, such as engineers, supervisors and technicians– representing almost half of our total workforce – are required to undergo competency-based training including Authorised Entrant/Standby Person, Authorised Gas Tester for Confined Space, Gas Distribution for Gas Engineering Supervisors and Gas Distribution for Gas Fitters. All employees, technical and non-technical, also take part in development training programmes as they progress in their careers to prepare them for positions of greater responsibility.

At the same time, the Company recognises the importance of retaining high-performing talents. In this respect, Gas Malaysia has established a policy to adjust and balance the compensation and benefit packages against the relevant market on a periodic basis. Due to our efforts to strike the right balance between demanding high performance from the employees and providing a conducive work environment ensuring a healthy and harmonious workplace, our employee turnover rate over the last three years averaged at 3.7%, which is well below the average for the oil and gas industry.

OUTLOOK

Global demand for natural gas is forecast to remain robust, growing faster than that of other energy source such as coal, biomass, nuclear and hydro. Consumption is expected to increase from the major economies, the Middle East and Asian countries, with the biggest appetite to come from China. The China market alone is expected to make up more than a fourth of global gas consumption. Similarly, supported by demand and improved infrastructure at main oil and gas hubs, LNG trades in Asia are expected to burgeon; supporting the growing economic activities. Overall, LNG trades are poised to develop rapidly in the near future, on the back of a strong global energy outlook.

According to data from Bloomberg, the global economy is set to pace at a faster rate of 2.8% in 2014 with the expected GDP of the G10 countries, the Middle East, Asia and China to grow by 2.1%, 4.0%, 6.3% and 7.5%, respectively. Narrowing down to Malaysia, the country's GDP is expected to grow by 5.0% in 2014. Therefore, it is reasonable to expect the demand for natural gas in Malaysia to move in tandem with the economic forecast. This should augur well for Gas Malaysia as it will benefit from the expanding export market and increased investments in the domestic manufacturing landscape.

For a longer term outlook, the Company's future plan is to expand the infrastructure to reach economically viable areas in the Northern and Eastern regions. These regions hold much promise for future growth, underpinned by initiatives of the East Coast Economic Region Development Corporation and Northern Corridor Economic Region Development Programme.

It is liberating to note that since its incorporation in 1992, Gas Malaysia has grown steadily by nurturing its employees and developing the infrastructure. Today, as we seek to expand the business, we are committed to strengthen the fundamentals for the benefit of not only the Company but also our shareholders and customers at large. The strengths and positive progress thus far have prepared us to be proactive in overcoming and conquering the challenges within the natural gas industry.

Gas Malaysia is optimistic about its prospects in 2014 and is committed to energising the nation with clean energy; thereby creating cleaner environment for all Malaysians.

Dato' Syed Faisal Albar bin Syed A.R Albar
CEO

1,834 Commercial Customers

Gas Malaysia supplies gas to businesses throughout Peninsular Malaysia via pipelines, ensuring a continuous and stable supply.

BOARD OF DIRECTORS' PROFILES

Datuk Haji Hasni bin Harun

Aged 56, Malaysian
Chairman
Non-Independent Non-Executive Director
Chairman of Nomination & Remuneration Committee
Date of Appointment : Director - 11 April 2008
Chairman - 15 May 2013

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

Datuk Haji Hasni held several senior positions in the Accountant General's Office from 1980 to 1994. He was the Senior General Manager of the Investment Department at the Employees Provident Fund from 1994 to 2001, and the Managing Director of RHB Asset Management Sdn Bhd from 2001 until 2006. He then joined DRB-HICOM Berhad as Group Chief Financial Officer until December 2006. In January 2007, he joined MMC Corporation Berhad ("MMC") as the Group Chief Operating Officer. In March 2008, he was appointed as the CEO Malaysia, prior to his appointment as the Group Managing Director of MMC in May 2010 until May 2013.

Datuk Haji Hasni attended all six Board meetings held for the financial year ended 31 December 2013.

Datuk Haji Hasni has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has not been convicted for any offences within the past 10 years.

BOARD OF DIRECTORS' PROFILES

Dato' Sri Che Khalib bin Mohamad Noh

Aged 49, Malaysian
Non-Independent Non-Executive Director
Date of Appointment : Director - 1 July 2013

Dato' Sri Che Khalib is a member of the Malaysian Institute of Accountants (CA, M) and also a Fellow of the Association of Chartered Certified Accountants, United Kingdom (FCCA, UK).

Dato' Sri Che Khalib 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. This includes involvement in Projek Lebuhraya Utara Selatan, HBN Management Services Sdn Bhd, Renong Overseas Corporation Sdn Bhd and Merak Unggul Sdn Bhd, which is the consortium responsible for the Management of Keretapi Tanah Melayu Berhad ("KTMB").

In June 1999, Dato' Sri Che Khalib joined Ranhill Utilities Berhad as CEO. He then assumed the position of Managing Director and CEO of KUB Malaysia Berhad. Dato' Sri Che Khalib was then appointed as the President/CEO of Tenaga Nasional Berhad ("TNB") on 1 July 2004 where he served TNB for eight years until the completion of his contract on 30 June 2012. During his tenure at TNB, Dato' Sri Che Khalib drove many improvement initiatives that resulted in TNB becoming one of the success stories in the GLC Transformation Programme. He shaped and set the corporate strategies for TNB when he came up with its 20 year strategic plan in September 2005.

At present, Dato' Sri Che Khalib is a Group Managing Director of MMC. Prior to his current role, Dato' Sri Che Khalib served as Chief Operating Officer of Finance, Strategy and Planning at DRB HICOM Berhad.

Dato' 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. He currently sits on the Board of MMC, Zelan Berhad, Malakoff Corporation Berhad, Johor Port Berhad, MMC Engineering Group Berhad, Aliran Ihsan Resources Berhad, Pos Malaysia Berhad, Bank Muamalat Malaysia Berhad and several private limited companies.

Dato' Sri Che Khalib has received many accolades in recognition of his strong leadership including being named Malaysia's CEO of the year in 2008, the highest level of recognition given to corporate leaders in Malaysia, organised by the New Straits Times and American Express. He was also named the CEO of the Year at the inaugural Asia Power and Electricity Awards 2010 and was the recipient of the Lifetime Achievement Award at the Asian Utility Industry Awards 2012.

Dato' Sri Che Khalib attended two out of *two Board meetings for the financial year ended 31 December 2013 (*from his date of appointment).

Dato' Sri Che Khalib has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has not been convicted for any offences within the past 10 years.

BOARD OF DIRECTORS' PROFILES

Shigeru Muraki

Aged 64, Japanese
Non-Independent Non-Executive Director
Date of Appointment : Director - 1 April 2014

Shigeru Muraki is currently the Vice Chairman of Tokyo Gas and President of Tokyo Gas-Mitsui & Co Holdings Sdn. Bhd. After graduating from Graduate School of Engineering in Applied Chemistry, the University of Tokyo, he joined Tokyo Gas in 1972. He was appointed as the Chief Representative of New York Office from 1991 until 1994; and in 2000 was appointed as General Manager of Gas Resources Department and subsequently, in 2002 as Executive Officer of Tokyo Gas. In 2004, he assumed the role of Senior Executive Officer and Chief Executive of Technology Development Division of Tokyo Gas, and in 2007 as Senior Executive Officer and Chief Executive of Energy Solutions Division. Then in 2010, he was appointed as the Representative Director, Executive Vice President, whilst at the same time, assumed the position of Chief Executive of Energy Solutions Division of Tokyo Gas. In 2014, he was appointed to his current position in Tokyo Gas.

Shigeru Muraki's experience and activities are not limited to the gas industry. Since 2007, he has been Vice Chairman of Japan District Heating & Cooling Association, and from 2011 to 2013, he served as Chairman of Japan Institute of Energy. In 2013, he was appointed as a Policy Advisor to Japanese Government assuming the role as Project Director of Energy Carrier Project of Strategic Innovation Promotion Programme of Japan. He delivered keynote speeches and participated in strategic panel discussions of several major gas and energy related conferences such as World Gas Conference, World Energy Congress, LNG Conference and Gastech.

Shigeru Muraki did not attend any Board meeting of the Company that were held during the financial year ended 31 December 2013, as he was only appointed to the Board on 1 April 2014.

He has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has not been convicted for any offences within the past 10 years.

BOARD OF DIRECTORS' PROFILES

Yusa' bin Hassan

Aged 51, Malaysian
Non-Independent Non-Executive Director
Member of Risk & Compliance Committee
Date of Appointment : Director - 2 August 2013

Yusa' bin Hassan has a career which spans over 28 years in PETRONAS Refining and Petrochemical businesses, covering plant, technical and operational areas. He started his career in 1985 as an Engineer in the Technical Department as part of the pioneer team of PETRONAS Chemicals Group's maiden plant, ASEAN Bintulu Fertiliser Sdn Bhd. From 1998 to 2011, he held various plant senior and top management positions in PETRONAS Ammonia Sdn Bhd (now known as PETRONAS Chemicals Ammonia), PETRONAS Penapisan (Terengganu) Sdn Bhd and MTBE Malaysia Sdn Bhd (now known as PETRONAS Chemicals MTBE) and Polypropylene Malaysia Sdn Bhd.

He joined PETRONAS Chemicals Group Berhad in July 2010 as the Head of Fertiliser and Methanol Business Division. In June 2011, Yusa' assumed the position of Head of Olefins and Derivatives Business Division for PETRONAS Chemicals Group Berhad. During the same period, he also assumed the position of Managing Director/CEO of PETRONAS Chemicals Aromatics.

On 1 July 2013, he was appointed as the Managing Director/CEO of PGB.

He has attended one out of *one Board meetings for the financial year ended 31 December 2013 (*from his date of appointment).

He has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has not been convicted for any offences within the past 10 years.

BOARD OF **DIRECTORS' PROFILES**

Shazali bin Dato' Haji Shahrani

Aged 39, Malaysian
Non-Independent Non-Executive Director
Member of Risk & Compliance Committee
Date of Appointment : Director - 13 August 2009

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

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

He was nominated to attend the Asean Senior Management Development Programme organised by Harvard Business School Alumni Club of Malaysia in 2007 and subsequently was designated as the CEO of Shapadu Energy and Engineering Sdn Bhd where he assumed greater responsibilities, primarily in strategic planning, business expansion and development, both locally and internationally.

He attended all six Board meetings for the financial year ended 31 December 2013.

He has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has not been convicted for any offences within the past 10 years.

BOARD OF DIRECTORS' PROFILES

Datuk Puteh Rukiah binti Abd. Majid

Aged 61, Malaysian
Independent Non-Executive Director
Member of Audit Committee
Member of Nomination & Remuneration Committee
Date of Appointment : Director - 16 August 2011

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

Datuk Puteh Rukiah held various posts in the Government since 1976. Her various appointments included being the Principal Assistant Director in the Economic Planning Unit, Prime Minister's Department until 1992 and subsequently, until 2006, served as Undersecretary, Investment and Privatisation and Minister of Finance Incorporated Division of the Ministry of Finance. From 2006 until March 2011, she was the Deputy Secretary General (Systems and Controls), at the Ministry of Finance.

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

Datuk Puteh Rukiah attended all six Board meetings for the financial year ended 31 December 2013.

Datuk Puteh Rukiah has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has not been convicted for any offences within the past 10 years.

BOARD OF DIRECTORS' PROFILES

Datuk Syed Abu Bakar bin S Mohsin Almohdzar

Aged 63, Malaysian
Independent Non-Executive Director
Member of Nomination & Remuneration Committee
Date of Appointment : Director - 16 August 2011

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

Datuk Syed Abu Bakar 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. At present, he is an independent Non-Executive Director of Padiberas Nasional Berhad and the Chairman of its Audit Committee. He is also the Independent and Non-Executive Director of Allied Hotels Properties Inc and King George Financial Corp which are listed on TSX Venture Exchange in Canada.

Datuk Syed Abu Bakar attended all six Board meetings for the financial year ended 31 December 2013.

Datuk Syed Abu Bakar has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has not been convicted for any offences within the past 10 years.

BOARD OF DIRECTORS' PROFILES

Tan Lye Chong

Aged 58, Malaysian
Independent Non-Executive Director
Chairman of Audit Committee
Date of Appointment : Director - 16 August 2011

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

He is a Fellow Member of the Association of Charted Certified Accountants, United Kingdom (FCCA, UK) and a member of MIA. He is formerly a member of the Public Practice Committee of Malaysian Institute of Accountants from 2001 to 2008 and a former member of the Audit/Liquidator Licensing Interview Panel from 2006 to 2008.

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

He attended all six Board meetings for the financial year ended 31 December 2013.

He has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has not been convicted for any offences within the past 10 years.

BOARD OF DIRECTORS' PROFILES

Ooi Teik Huat

Aged 54, Malaysian
Independent Non-Executive Director
Member of Audit Committee
Date of Appointment : Director - 16 May 2013

Ooi Teik Huat is a member of Malaysian Institute of Accountants and CPA Australia, and holds a Bachelor Degree in Economics from Monash University, Australia.

He began his career with Messrs Hew & Co. (now known as Messrs Mazars), Chartered Accountants, before joining Malaysian International Merchant Bankers Berhad (now known as Hong Leong Investment Bank Berhad). He subsequently joined Pengkalen Securities Sdn. Bhd. (now known as PM Securities Sdn. Bhd.) as Head of Corporate Finance, before leaving to set up Meridian Solutions Sdn. Bhd. where he is presently a director.

He sits on the Boards of Tradewinds (M) Berhad, Tradewinds Plantation Berhad, MMC, DRB-Hicom Berhad, Zelan Berhad, Johor Port Berhad and Malakoff Corporation Berhad.

He attended two out of *two Board meetings of the Company held in the financial year ended 31 December 2013 (*from the date of his appointment).

He has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has not been convicted for any offence within the past 10 years.

BOARD OF DIRECTORS' PROFILES

Hisashi Nakamura

Aged 54, Japanese
Non-Independent Non-Executive Alternate Director
Date of Appointment : 1 April 2014
(Alternate Director to Shigeru Muraki)

After **Hisashi Nakamura** graduated from the Faculty of Agriculture, University of Tokyo, he joined Tokyo Gas in 1985. In 2002, he was appointed as General Manager of General Administration & Corporate Relations Section of Kanagawa Service Branch of Tokyo Gas. During 2004 to 2010, he was seconded to Tokyo Gas Energy Co., Ltd. ("Tokyo Gas Energy"). Then in 2009, he was appointed as Director of Tokyo Gas Energy. In 2010, he was appointed as Managing Director of Tokyo Gas Energy. In 2011, he was appointed as Deputy General Manager of Finance Department. In 2014, he was appointed to his current position, the General Manager of Business Development Department in Tokyo Gas. He is also a Director of Tokyo Gas-Mitsui & Co Holdings Sdn. Bhd. and a member of the board of Tokyo Gas International Holdings B.V., Tokyo Gas Australia Pty Ltd, MT Falcon Holdings Company, S.A.P.I. DE C.V., Tokyo Gas America Ltd. and TG Barnett Resources LP.

He is currently the alternate director to Shigeru Muraki.

He has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has not been convicted for any offences within the past 10 years.

Aida Aziza binti Mohd Jamaludin

Aged 41, Malaysian
Non-Independent Non-Executive Alternate Director
Date of Appointment : 2 August 2013
(Alternate Director to Yusa' bin Hassan)

Aida Aziza binti Mohd Jamaludin graduated with a Bachelor of Accounting and Finance from the University of Lancaster. She is also a Fellow of the Association of Chartered Certified Accountants of United Kingdom. She was appointed as an Alternate Director to Encik Yusa' bin Hassan on 2 August 2013.

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

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

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

She has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has not been convicted for any offences within the past 10 years.

Yasushi Sakakibara

Aged 42, Japanese
Non-Independent Non-Executive Alternate Director
Date of Appointment : 1 April 2014
(Alternate Director to Shigeru Muraki)

Yasushi Sakakibara has joined Tokyo Gas since 1996 and served at East District Business Division, Industrial Gas Sales Department. He has been appointed as the Chief Representative of Tokyo Gas, Asia Pacific Regional Office since April 2013. Prior to that, Yasushi Sakakibara served as an Assistant Manager of Energy Sales & Service Planning Department from 2005 - 2011. In 2011, he served as Manager of Strategy & Planning, Gas Resources Department of Tokyo Gas. He then served as Deputy General Manager, LNG Contracts, Gas Resources Department in 2012.

He holds a Master of Business Administration from University of Southern California, Master of Nuclear Engineering from University of Tokyo and Bachelor of Nuclear Engineering from University of Tokyo.

He is currently the alternate director to Shigeru Muraki.

He has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has not been convicted for any offences within the past 10 years.

Rosthman bin Ibrahim

Aged 41, Malaysian
Non-Independent Non-Executive Alternate Director
Date of Appointment : 16 June 2011
(Alternate Director to Shazali bin Dato' Haji Shahrani)

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

He started his career with Chung Khiaw Bank (M) Bhd in March 1996 as a Corporate Banking Officer. He then moved to Business Focus Sdn Bhd as a Corporate Finance Manager in August 1996. In 1999, he joined Pengurusan Danaharta Nasional Berhad as an Executive responsible for the acquisition and restructuring of non-performing loans of Bank Bumiputra Malaysia Berhad. He later joined Bostonweb Academy Sdn Bhd in 2004 as Chief Financial Officer. In September 2006, he was appointed as an Independent Non-Executive Director of ARK Resources Berhad where he is also now the Chairman of Audit Committee. In November 2008, he joined Crowe Horwath Advisory Sdn Bhd as a Director. In February 2010, he moved to Shapadu Corporation Sdn Bhd. In February 2013, he was appointed as a Non-Independent Non-Executive Director of Kumpulan Jetson Berhad.

He has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has not been convicted for any offences within the past 10 years.

MANAGEMENT PROFILES

DATO' SYED FAISAL ALBAR BIN SYED A.R ALBAR

Aged 48, Malaysian
CEO

Dato' Syed Faisal Albar bin Syed A.R Albar was appointed as CEO of Gas Malaysia on 2 January 2014. Prior to joining Gas Malaysia, Dato' Syed Faisal was the Executive Director of Konsortium Logistik Berhad ("KLB") since June 2013, a leading integrated logistics organisation in the country. Currently, he is still on the board of KLB as a Non-Executive Director.

From 2011 to 2013, Dato' Syed Faisal had served on various boards in a non-executive capacity. He was on the board of Malaysia Airports Holdings Berhad as a nominee director for Khazanah Nasional Berhad ("Khazanah") and was also a director of Hong Leong Bank Berhad. Within this period, he also sat on the board of Kwasa Land Sdn Bhd; a wholly-owned subsidiary of Employee Provident Fund tasked to develop a township in Sungai Buloh, Selangor over the parcel of land previously owned by Rubber Research Institute. From January until December of 2013, he was appointed by Khazanah as a project advisor on the creation of a food-cluster project in Iskandar, Johor. As part of his effort to contribute to society, Dato' Syed Faisal had also served on the board of Yayasan Kelana Ehsan, a public trust entity providing funds for charitable activities with the intention to improve the livelihood of residents in the State of Selangor.

Dato' Syed Faisal's career spans across various executive positions. From 2008 to 2011, he was the Group Managing Director of Pos Malaysia Berhad, which was a Government-Linked Company by virtue of the 32% shareholding held by Khazanah then. During his time at Pos Malaysia, he was also the Chairman of ASEAN Postal Business Union where postal organisations of each of the ASEAN countries are a member of. Prior to his stint at Pos Malaysia, Dato' Syed Faisal was appointed in 2003 as CEO of The New Straits Times Press (Malaysia) Berhad ("NSTP"), a position he held until 2008. Dato' Syed Faisal spent almost a decade since 1991 with PwC Kuala Lumpur, during which time he had also served Pricewaterhouse, San Francisco, California in 1995. He subsequently joined NSTP in May 2000 as Chief Financial Officer.

Dato' Syed Faisal is a member of the Malaysian Institute of Certified Public Accountants ("MICPA") and American Institute of Certified Public Accountants ("AICPA"). He holds a Bachelor of Arts (Accountancy) from Lake Forest, Illinois, USA and AIPCA Professional Certification from the University of Illinois, Urbana Champaign. He had also served as Council Member of MICPA for the 2010 to 2013 term.

Dato' Syed Faisal has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has not been convicted for any offence within the past 10 years.

MANAGEMENT **PROFILES**

SHAHRIR BIN SHARIFF

Chief Operating Officer, Commercial

Shahrir bin Shariff is the Chief Operating Officer, Commercial. He has 29 years of working experience, mainly in project development-related works.

Prior to joining Gas Malaysia, Shahrir was a Director in MMC Project Development and International Business units. His experience encompassed a wide range of project development functions; from the formulation of guidelines to conceptualisation of business executions. It also entailed marketing, feasibility studies, funding, business liaison, project monitoring and coordination.

During his tenure in MMC from 2006 to 2012, Shahrir was instrumental in the start-up and development of the Jazan Economic City Project, a new industrial city in the Kingdom of Saudi Arabia. Other works were the Development Project proposals to the Government including Build-Operate-Transfer ("BOT") on sewerage treatment complex, BOT on a few highway projects, Public-Private Partnership on KTMB and BOT on KL - Singapore high speed rail project.

Before his stint in MMC, Shahrir was attached to GIIG Holdings Sdn Bhd ("GIIG") from 2002 until 2006. As the Chief Operating Officer in one of GIIG's subsidiaries, he spearheaded the Hydroelectric Power and Aluminum Smelter projects. He was also one of the key executives involved in the proposed takeover of the Bakun hydroelectric project in Sarawak.

He started his career in 1985 as a Trainee Auditor in KPMG Peat Marwick, London, before progressing to the Audit Senior position with Arthur Andersen & Co in 1990. Subsequently, he joined PETRONAS in 1992 and over the next seven years was involved in the development of KLCC and later Putrajaya.

Shahrir graduated with a Bachelor of Science in Economics and Accountancy from the City University, London in 1985. He was subsequently admitted to the membership of the Institute of Chartered Accountants in England & Wales upon completing his articleship in London in 1990. Shahrir is also a member of MIA.

AHMAD HASHIMI BIN ABDUL MANAP

Chief Operating Officer, Technical

Ahmad Hashimi bin Abdul Manap was appointed as Chief Operating Officer, Technical since January 2014 and prior to that he was the Senior General Manager, Operations & Maintenance of Gas Malaysia since 2007.

He joined Gas Malaysia since its inception in 1992 and had held various positions of General Manager, Deputy General Manager, Regional Manager and Engineering Manager. He was also part of the team that undertook the feasibility study for the implementation of the NGDS in Peninsular Malaysia for the joint venture between MMC-Shapadu, PETRONAS and Tokyo Gas-Mitsui between periods of 1991 to 1992.

Prior to that in 1989, Ahmad Hashimi worked with MMC Engineering Sdn Bhd as a Pipeline Engineer to undertake the Engineering, Procurement, Construction and Commissioning of Stage II of PETRONAS Peninsular Gas Utilisation Project. The project consists of over 700 km of 36 inch and 30 inch diameter of gas transmission pipeline.

His career began in 1986 when he joined a local consulting firm as a Structural/Civil Engineer to perform structural design for building complexes which include residential, commercial and schools.

Ahmad Hashimi is currently the alternate Council Member of the Malaysian Gas Association, member of the Institution of Engineers Malaysia, and member of the International Gas Union Working Committee 4 on Distribution. In 2004, he attended the Advanced Management Programme at Wharton Business School, USA. He holds a Bachelor of Science in Civil Engineering from Oklahoma State University, USA.

MANAGEMENT **PROFILES**

MOHAMED SOPHIE BIN MOHAMED RASHIDI

Chief Financial Officer

Mohamed Sophie bin Mohamed Rashidi is the Chief Financial Officer since July 2012.

In this capacity, Mohamed Sophie manages and supervises a team of managers under the Accounting & Finance department which also includes Residential Billing and Management Information System. He implements various financial plans from the Management, prompts budgetary planning and maintains suitable relations with investors and stakeholders. His professional duties have also encompassed corporate financial operations.

Mohamed Sophie is relied upon to convey essential financial data to all levels of the Management and external stakeholders.

He joined Gas Malaysia as Finance Manager in 1999 and was later transferred to MMC in 2003. In the same year, he was promoted to General Manager of Finance. Subsequently in 2008, he was reassigned to Gas Malaysia in his current position. Prior to joining Gas Malaysia, Mohamed Sophie was attached with Dewina Food Services Sdn Bhd in 1998.

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

Mohamed Sophie holds an Advanced Diploma in Accounting from MARA Institute of Technology (now known as University Teknologi MARA). He later obtained a Master's degree in Business Administration from Universiti Kebangsaan Malaysia in 2000. He is also a member of MIA since 1993.

MOHD NISHARUDDIN BIN MOHD NOOR

General Manager, Technical Services

Mohd Nisharuddin bin Mohd Noor was appointed as General Manager of the Technical Services Department on 1 January 2011.

He is primarily responsible for executing management policies and guidelines; managing the overall planning, development and execution of the NGDS projects; and implementing the strategic efforts of strengthening the delivery system and improving the reliability of the NGDS. He joined Gas Malaysia on 6 January 1994 as an Engineer, Engineering and Design in the Technical & Operations Department. He rose through the ranks of Gas Malaysia and was appointed as the Manager, Engineering & Construction in Technical Services Department on 15 December 2000. On 1 January 2008, he was appointed as Senior Manager, Technical prior to his current position.

Prior to joining Gas Malaysia, Mohd Nisharuddin was the Operations Engineer of Esso Malaysia Berhad since 1988, a subsidiary of multinational oil and gas corporation in the country. He was primarily responsible for providing engineering and maintenance support to the fuel terminals and the implementation of projects. Earlier in 1988, he joined Perbadanan Kilang Felda as a Mill Engineer and later assumed the role of Assistant Mill Manager, where he primarily focused on the daily operations of palm oil mill processing fresh fruit bunches to produce crude palm oil.

Mohd Nisharuddin started his career when he joined Malaysia Shipyard and Engineering Sdn Bhd as a Graduate Trainee in 1987, where he was involved in the fabrication of process piping for the offshore oil production platform project.

Mohd Nisharuddin completed a Management Development Programme from Asian Institute of Management, Manila, Philippines in 2007. He graduated from Syracuse University, New York, USA in 1987 with a Bachelor of Science in Mechanical Engineering. He holds a Certificate of Competency as the Gas Engineering Supervisor issued by ST.

MANAGEMENT PROFILES

MOHAMAD FARID BIN GHAZALI

General Manager, Marketing

Mohamad Farid bin Ghazali is the General Manager for the Marketing Department since 2011.

In 1992, he joined Gas Malaysia as Technical Support Engineer in the Marketing Department. He was subsequently promoted to Assistant Manager of Technical Support in 1995. In 1997, he progressed to assume the Industrial Sales Manager to oversee planning and implementation of natural gas sales activities for the industrial market.

In 2011, Mohamad Farid was again promoted to his current position and is responsible for implementing the marketing objectives and plans of the Company.

He started his career as a Service Executive with Tractors Malaysia Sdn Bhd in 1988, where he was involved in the service operations and offshore maintenance contract.

Mohamad Farid graduated from Fairleigh Dickinson University, New Jersey, USA in 1988 with a Bachelor of Science in Mechanical Engineering. He completed the Management Development Programme from Asian Institute of Management, Manila, Philippines in 2009. He also holds a Certificate of Competency as the Gas Engineering Supervisor issued by the ST.

RAJA ISKANDAR BIN RAJA MUKHTARUDDIN

General Manager, Human Resource & Administration

Raja Iskandar bin Raja Mukhtaruddin is the General Manager, Human Resource & Administration since 2012.

Raja Iskandar joined Gas Malaysia in 1997 as Assistant Manager in our Residential & Commercial Sales section. He was subsequently promoted to Manager of Marketing Support & Communications in 2000. Later in 2001, he was assigned to a new responsibility as Industrial Sales Manager for the Northern Regional Office to manage the new natural gas industrial market in the northern states. Successively in 2005, he assumed the post of Industrial Sales Manager for the Southern Regional Office.

In 2007, he was made a Department Head of Human Resource Department where he was responsible for the overall function of human resource management ranging from manpower planning, compensation and benefits as well as training and development. Raja Iskandar was promoted to his current post in 2012 to lead the newly combined Human Resource & Administration Department.

He began his working life in 1988 when he joined Mobil Oil Corporation (M) Sdn Bhd as a Sales Representative under its Graduate Programme. He later joined Malaysia Tourism Promotion Board ("MPTB") in 1990 and was later made the Assistant Director for the MPTB Office in London, United Kingdom in 1992.

Raja Iskandar graduated in 1987 with a Bachelor of Science degree in Business Administration, majoring in Management from California State University, Sacramento, United States of America. In 2009, he completed the Management Development Programme from Asian Institute of Management in Philippines. He is a Fellow Member of the Malaysian Institute of Management and currently sits on the Panel of Industrial Court, Malaysia.

MANAGEMENT **PROFILES**

ZAINUL ABIDIN BIN HAJI AHMAD

Company Secretary

Zainul Abidin bin Haji Ahmad is the Company Secretary of Gas Malaysia. He oversees the Legal & Secretarial Department since 2011.

Prior to joining Gas Malaysia, he was the Company Secretary and Head of Legal Department of Amanah Raya Berhad for nine years. Before that, he was with a public listed company where he garnered valuable experience in corporate exercises, asset financing and joint venture projects.

He began his career as a Legal Assistant practising in litigation and corporate matters in 1990 before progressing to assume the Company Secretary position in Maju Holdings Sdn Bhd in 1993 for the next four years.

Zainul Abidin holds a Bachelor of Laws, LL.B (Hons) from International Islamic University, Malaysia. He graduated in 1990 and thereafter called to the Malaysian Bar as an Advocate & Solicitor.

JEKRIA BIN IBRAHIM

Senior Manager, Health, Safety, Environment & Quality

Jekria bin Ibrahim is the Senior Manager of the Health, Safety, Environment and Quality Department ("HSEQ"). In this capacity, he initiates, formulates and implements the HSEQ Management Systems. As the expert on matters concerning HSEQ, he is responsible to ensure that Gas Malaysia comply with all pertaining regulations and statutory requirements.

Jekria joined Gas Malaysia in April 1999 as Manager, Occupational Safety & Health Department ("OSH"). After heading the department for five years, the Management in 2004 decided to make OSH functions more holistic and infuse the quality and environmental functions and subsequently adopted the department's present name. In July 2012, he was promoted to the position of Senior Manager, HSEQ.

Prior to joining Gas Malaysia, Jekria was employed by Amoco Chemical (M) Sdn Bhd ("Amoco") in Kuantan as Safety Officer from February 1995 where he was responsible to set up and manage its OSH Management System. Preceding Amoco, he assumed the role of Safety Officer and later Technical/Safety Trainer position in Shapadu Energy & Engineering Sdn Bhd, which was involved in offshore platform maintenance services; both functions were for the period between October 1992 and January 1995.

Jekria started his career in 1981 when he joined Sabah Shipyard Sdn Bhd in Labuan as Safety Promoter. He later progressed to accept the position of Safety Foreman in ASEAN Bintulu Fertiliser Sdn Bhd, a subsidiary of PETRONAS, in November 1987.

Jekria holds an International Diploma in Occupational Safety & Hygiene from Edith Cowan University, Perth, Australia. He is also a registered Safety & Health Officer with the Department of Occupational Safety & Health, Malaysia.

MANAGEMENT **PROFILES**

MOHD DAHARIE BIN CHE DIN

Senior Manager, Procurement & Contract

Mohd Daharie bin Che Din is the Senior Manager for the Procurement & Contracts Department since 2012.

Mohd Daharie joined Gas Malaysia in 1997 as Contract Executive and was subsequently promoted to Senior Contract Executive in 2000, Assistant Manager in 2002 and Manager of Procurement & Contracts in 2011. As the Head of Department, he is responsible for the procurement, contracts and warehousing.

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

Mohd Daharie graduated from Glasgow Caledonian University, Glasgow, Scotland in 1995 with a Bachelor of Science in Quantity Surveying. He had earlier obtained his Diploma in Quantity Surveying in 1991 from University Teknologi MARA (formerly known as MARA Institute of Technology).

ZULKIFLI BIN MAWARDI

Senior Manager, Corporate Affairs

Zulkifli bin Mawardi is the Senior Manager, Corporate Affairs Department. In this capacity, he supervises and manages the Investor Relations and Corporate Communications functions.

Prior to joining Gas Malaysia, Zulkifli was an Investment Manager licensed by the Securities Commission, undertaking research and portfolio management functions in various investment management companies. His last tenure was with AmLife Insurance Berhad, where he was responsible for the formulation and execution of in-house investment strategies. With the target of delivering consistent portfolio returns within the constraints of regulatory framework, he managed equity portfolios for AmLife Insurance, AmG Insurance and AmFamily Takaful.

From 1995 to 2013, Zulkifli had held a few Investment Manager positions in various Fund Management companies and Investment Banks including KAF Fund Management, CIMB Private Banking, Citibank Berhad, Libra Invest Berhad (formerly known as Avenue Invest Berhad) and AmInvestment Management Sdn Bhd (formerly known as AMMB Asset Management Sdn Bhd). Zulkifli joined Motorola Semiconductor in Seremban as a Quality Control Engineer in 1994 before progressing his career into the local investment industry in 1995.

Through his 18 years of working experience in the investment industry, he has developed the expertise in engaging and fostering good rapport with major institutional investors and the general investment community. He brings with him the aptitude required to effectively communicate to investors and stakeholders the message and appeal of Gas Malaysia.

Zulkifli holds a Bachelor of Science in Statistics with High Distinction from the University of Illinois at Urbana-Champaign, USA.

CORPORATE SOCIAL RESPONSIBILITIES

Gas Malaysia is committed to uphold the highest level of integrity in its dealings with all stakeholders – from customers and business partners; to employees and the community at large. The Corporate Social Responsibility ("CSR") Policy and Guidelines, which guide our actions and decision-making, is aimed at ensuring our business ambitions are adequately balanced with responsible corporate practices.

CSR is an ongoing commitment with measurable and sustained impact in effecting change in the environment we operate in. In a more wholesome approach towards CSR, Gas Malaysia has selected four main pillars to focus on as follows:

1) Community
2) Environment
3) Sports, and
4) Education

The CSR Programme needs not necessarily be expended to cover all four pillars each year but Gas Malaysia strives to provide balance in all these segments. As a start and as a one-year old public listed company, Gas Malaysia has set the pace well by focusing key achievements around two out of the four pillars; namely Community and Environment pillars.

COMMUNITY

Gas Malaysia extends support to local communities particularly the underprivileged, victims of natural disasters and in the area of education.

In 2013, the Company contributed to the efforts of BELAMISKIN for 10 months beginning March 2013. This non-governmental organisation focuses on helping the needy and homeless by giving rationed dry food to selected families, providing assistance such as transport to hospitals, as well as other forms of assistance based on their needs.

Giving priority to areas where Gas Malaysia has significant presence, the Company contributed to a flood relief programme offering aid to those affected by the natural disaster. In the same spirit, Gas Malaysia provided aid to Sekolah Kebangsaan Sungai Isap in Kuantan which was adversely affected by the flood. The Company also assisted its employees in the Eastern region whose homes were badly damaged by this calamity.

CORPORATE SOCIAL **RESPONSIBLITIES**

In addition, Gas Malaysia also provided funds for the construction of a school in Labu, Negeri Sembilan, a new mosque in Seri Iskandar, Perak as well as donated books and literature to the school and mosque.

In the spirit of caring in the month of Ramadhan and Eid, Gas Malaysia identified 50 underprivileged children from Rumah Amal Kasih Bistari in Subang, provided them with new clothes and invited them to Majlis Berbuka Puasa at Gas Malaysia headquarters in Shah Alam.

It should be acknowledged that business entities should make an effort to improve the livelihood of communities. Considering the trying environment the communities is in, we found it was liberating to be able to make a difference in people's lives. We will continue to do so.

ENVIRONMENT

Gas Malaysia supports the Government's efforts to reduce the country's carbon footprint and enhance the consumption of green energy such as natural gas – which is also a cheaper and cleaner alternative to medium fuel oil and diesel. This commitment is reflected in both daily internal practices to reduce wastage and apply energy-efficient systems, and in the innovative energy solutions we develop and offer to industrial, commercial and residential gas users in Malaysia.

Our effort is evidenced by the development of co-generation applications such as the CHP system, where it simultaneously generates electricity and heat, achieving a thermal efficiency of up to 90% compared to only an average of 40% in conventional power plants. The CHP system that we operate and maintain boasts 37% reduction in CO_2 emission and 20% savings in energy costs.

It is heartening to note that the development of this natural-gas based energy-efficient solution has paved the way towards a new area of business growth for the Company.

CORPORATE EVENTS

22 February 2013

Information Meeting
& Long Service Award

18 May 2013

"Anugerah Pelajar Cemerlang"

15 May 2013

Annual General Meeting

27 May 2013

Former Chairman's Farewell Ceremony

CORPORATE
EVENTS

25 July 2013

"Majlis Berbuka Puasa"

16 August 2013

"Majlis Rumah Terbuka Aidil Fitri"

24 December 2013

Managing Director's Farewell Hi-Tea

24 February 2014

Signing Ceremony between Gas Malaysia & Energy Advance Co., Ltd. and Gas Malaysia & IEV Energy Sdn Bhd

SPORTS & RECREATIONAL ACTIVITIES

20 April 2013 & 18 May 2013

Bowling Competition

08 June 2013

Ping Pong Tournament

16 June 2013

Cycling For Charity

07 September 2013 - 08 September 2013

Treasure Hunt to Sibu Island

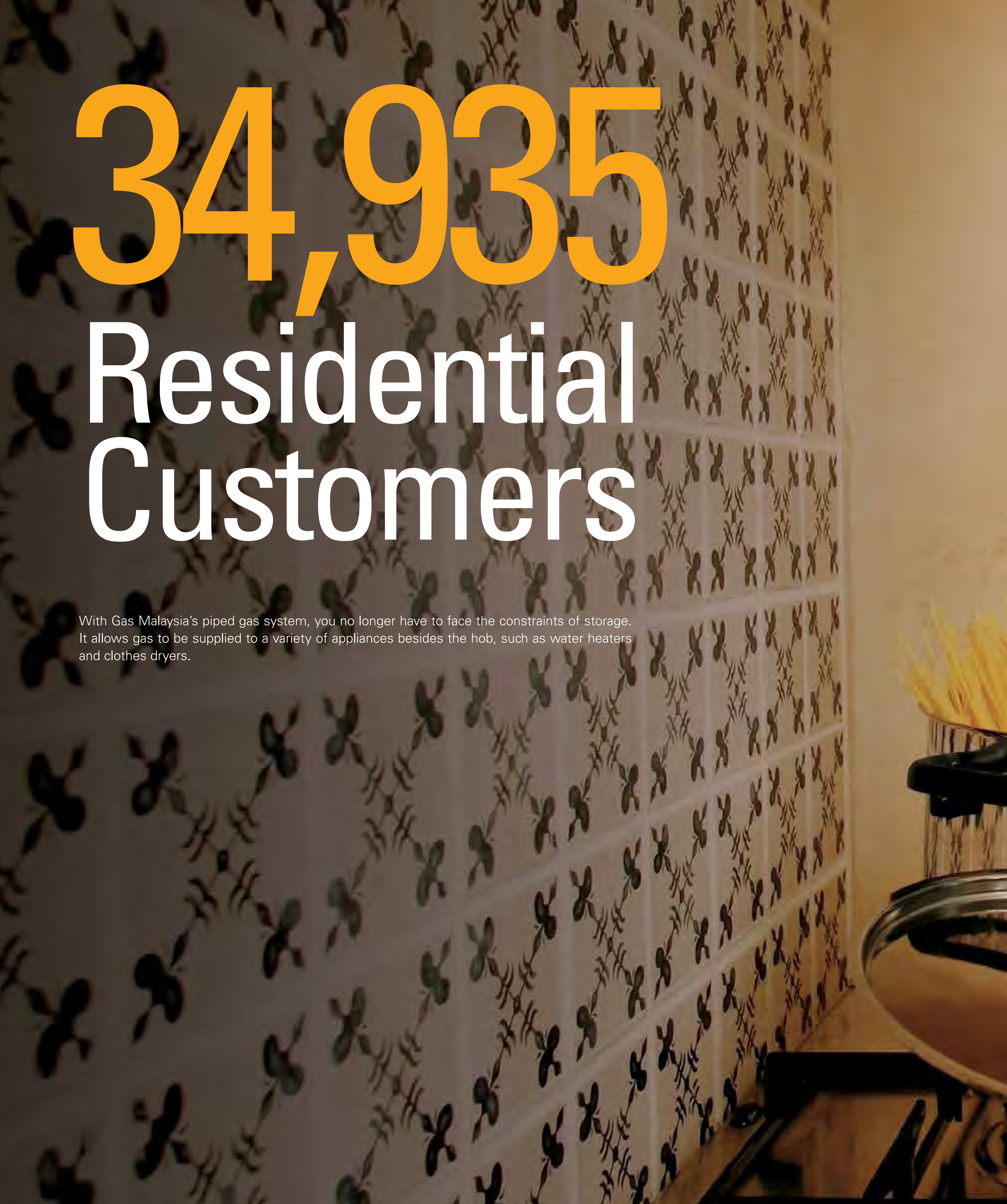
SPORTS & RECREATIONAL ACTIVITIES

21 October 2013
Badminton Tournament

16 November 2013
Volleyball Tournament

29 November 2013 - 01 December 2013
Taman Negara Expedition

14 December 2013
Futsal Tournament



34,935 Residential Customers

With Gas Malaysia's piped gas system, you no longer have to face the constraints of storage. It allows gas to be supplied to a variety of appliances besides the hob, such as water heaters and clothes dryers.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the "Board") of **GAS MALAYSIA** accredited the importance of corporate governance practice in enhancing shareholders' value. The Board has implemented and sought to maintain high standards of corporate governance at all levels within the Group and to ensure the sustainability of the Group's businesses and operations.

In line with the Malaysian Code on Corporate Governance 2012 ("the Code"), the Company continued with various initiatives and measures towards achieving the principles of good governance ("the Principles") and the recommendations to support the Principles as transmitted in the Code, to the extent that they were found to be suitable and appropriate to the Company's circumstances.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Board's Roles and Responsibilities

The Board is responsible for the effective control of the Group and has adopted the following responsibilities for effective discharge of its functions as set out in its Board Charter:

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

The Board has delegated specific responsibilities to various Board Committees namely Audit Committee ("AC"), Nomination & Remuneration Committee ("NRC") and Risk and Compliance Committee ("RCC"), which operate their functions within their respective approved terms of reference by the Board. The said terms and reference shall be periodically reviewed by the Board, as and when necessary and the Board appoints the Chairman and members of each committee.

These Committees assist the Board in making informed decisions through in-depth discussions on issues pertaining to the respective committees' terms of reference and responsibilities. Subsequently, the Committees report the deliberations to the Board and the ultimate responsibility for the final decision on all matters lies with the Board.

For a certain day-to-day operations, the Board has delegated authorities and powers to some levels of Management including the Managing Director/CEO within the prescribed limits of authority pursuant to the Company's Articles of Association.

In addition, the Management also circulates Monthly Progress Report to the Board Members every month. The Board assesses the performance of the Management through performance of the financial results, customers' feedback and sales revenue of the Group.

Ethical Standards through the Code of Conducts

The Company's Code of Ethics for Directors and Code of Conduct and Discipline for employees (hereinafter collectively referred to as "Code of Conducts") continue to govern the standards of ethics and good conduct expected from Directors and employees. The Code of Conducts is formulated to enhance the standards of corporate governance and corporate behavior with the intention of achieving the following aims:

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

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

Company's Strategies for Sustainability

The Company is committed to become significant as the sole distributor in the industry as well as being a good corporate citizen for the nation. It believes that for sustainability, it needs to be balance with the growth of corporate responsibility, conserving resources for future generations by minimising activities that may have a negative impact on the environment and driving efficiency and productivity in carrying its business.

The Company has internal guidelines and requirements to adhere to its environmental, social and governance responsibilities in line with its mission to provide the cleanest, safest, cost effective and reliable energy solutions to the nation. The Company has established a Corporate Social Responsibility Policy and Guidelines which focuses on contribution to nation building, at the same time making a difference to the community and having a positive impact on the lives of people.

The strategy is built on the four key areas i.e. Education, Community, Environment and Sports.

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

The Company's commitment to health, safety and environment is shared by all employees throughout Gas Malaysia and it has been incorporated into their work environment. This is clearly evidenced through the achievements of ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certifications for its quality, environment, health and safety management systems. The Company's HSEQ Policy is available on the Company's website (www.gasmalaysia.com). The Company also had achieved 1.5 million hours of Zero-Lost Working Days as of 31 December 2013.

Further details on the Company's Corporate Social Responsibilities activities for the year under review are disclosed in the Corporate Social Responsibilities Statement on page 50 of this Annual Report.

Board Members' Supply and Access to Information

The Board members are supplied with and granted to access to timely information which allows them to discharge their responsibilities effectively and efficiently, through the following means:

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

Company Secretaries

The key roles of the Company Secretaries are to provide unhindered advice and services for the Directors, as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance. They are suitably qualified, competent and capable of carrying out the duties required of the post. They also attended training and seminars conducted by Suruhanjaya Syarikat Malaysia and The Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") to keep abreast with the relevant updates on statutory and regulatory requirements such as updates on Main Market Listing Requirements ("MMLR") of Bursa Securities Malaysia Berhad ("Bursa Securities"), compliance with the Capital Markets and Services Act 2007 and Companies Act, 1965 and to ensure the Company's adherence to the best corporate governance practice pursuant to the Code.

Board Charter

The Board Charter sets out the roles and responsibilities of the Board and Committees, and the right process and procedures of the Board. The Board has formally adopted the Board Charter in 2012, which is subject to review periodically. The abridged version of the Board Charter is available on the Company's website (www.gasmalaysia.com).

2. STRENGTHEN COMPOSITION

Nomination & Remuneration Committee

In August 2013, the Nomination Committee ("NC") and Remuneration Committee ("RC") had been merged into a new Committee, known as NRC. The merger is mainly to increase the efficiency and effectiveness of the Board Committee in discharging their duties and responsibilities.

The new NRC comprises of three Members, all of whom are Non-Executive Directors, with a majority being Independent. The current NRC Chairman is non-independent and able to contribute effectively to the NRC in view of his wide and vast experience in the industry. The members of the NRC are as follows:

1. Datuk Haji Hasni bin Harun
   (Chairman, Non-Independent Non-Executive Director)
2. Datuk Syed Abu Bakar bin S Mohsin Almohdzar
   (Member, Independent Non-Executive Director)
3. Datuk Puteh Rukiah binti Abd. Majid
   (Member, Independent Non-Executive Director)

CORPORATE GOVERNANCE STATEMENT

During the financial year ended 31 December 2013, six NC meetings were held and the attendance is as follows:

No.	Name of Members	Number of NC meetings attended/held
1.	Datuk Syed Abu Bakar bin S Mohsin Almohdzar (Chairman, Independent Non-Executive Director)	6/6
2.	Datuk Haji Hasni bin Harun (Member, Non-Independent Non-Executive Director)	6/6
3.	Datuk Puteh Rukiah binti Abd. Majid (Member, Independent Non-Executive Director)	6/6
4.	*Ooi Teik Huat (Member, Independent Non-Executive Director; appointed on 16 May 2013 and resigned on 1 August 2013)	2/2**

* *Resigned due to merger exercise.*

** *Total number of meeting held subsequent to his appointment.*

During the financial year ended 31 December 2013, two RC meetings were held and the attendance is as follows:

No.	Name of Committee Members	Number of RC meetings attended/held
1.	Dato' Hamzah bin Bakar (Chairman, Non-Independent Non-Executive Director; retired as Chairman on 15 May 2013)	1/1**
2.	Datuk Haji Hasni bin Harun (Member, Non-Independent Non-Executive Director; appointed as Chairman on 15 May 2013)	2/2
3.	Datuk Puteh Rukiah binti Abd. Majid (Member, Independent Non-Executive Director; appointed on 16 May 2013)	1/1**
4.	Samsudin bin Miskon (Member, Non-Independent Non-Executive Director; resigned on 1 August 2013)	2/2**

** *Total number of meeting held subsequent to appointment or prior to retirement/resignation.*

During the financial year ended 31 December 2013, two NRC meetings were held and the attendance is as follows:

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

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

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

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

The NRC meets at least once a year, and is responsible for the following functions:

Nomination Function

(i) To consider candidates for directorships proposed by the Managing Director/CEO and within the bounds of practicality, by any other senior executive or any director or shareholder within the Group.

(ii) To consider and recommend to the Board suitable persons for appointment as Board Members and CEO/Executive Director and/or of Gas Malaysia, its Committees and its Subsidiaries. In making its recommendations, the Committee will consider the candidates':

a. Skills, knowledge, expertise and experience;
b. Professionalism;
c. Commitment (including time commitment), contribution and performance;
d. Integrity;
e. In the case of candidates for the position of independent non-executive directors, the nomination committee will evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors; and
f. Boardroom diversity including gender diversity.

(iii) To annually review the performance of the Board Members, its Committees and Boards of Subsidiaries as well as the required mix of skills and experience and other qualities of the Board Members, including core competencies which Non-Executive Directors should bring to the Board.
(iv) To annually assess the size and effectiveness of the Board as a whole, its Committees, the contribution of each individual Director, including Independent Non-Executive Directors, as well as the CEO.
(v) To consider and recommend a policy regarding the period of service of Gas Malaysia's Executive and Non-Executive Directors and its Boards of Subsidiaries.
(vi) To consider and recommend any other measures to upgrade the effectiveness of Gas Malaysia Board, its Committees and Boards of Subsidiaries.
(vii) To consider and recommend solution on issues of conflict of interest affecting Gas Malaysia's Directors and Boards of Subsidiaries.
(viii) To recommend the appointment of Nominees of Gas Malaysia to the Boards of Subsidiaries. The Chairman of Gas Malaysia is given the mandate to finalise and recommend Nominee Directors of the Company to the respective Board of Subsidiaries.
(ix) To review and recommend to the Board the succession plan of Gas Malaysia Group.
(x) To carry out such other assignments as may be delegated by Gas Malaysia Board.
(xi) Review and recommend plan for succession of Chairman of the Board and Managing Director/CEO as well as certain other senior management positions in the Gas Malaysia Group.
(xii) Review the performance of the Managing Director/CEO, Chief Financial Officer and Chief Operating Officer.

Remuneration Function

(i) Review and recommend the general remuneration policy of Gas Malaysia. The level of remuneration should be aligned with the business strategy and long term objectives of the Company, complexity of the Company's activities, and reflects the experience and level of responsibilities undertaken by the Directors and senior management.
(ii) Review and recommend the appointment and promotion of senior management of Gas Malaysia. Senior management would comprise executive at Grade 16 (i.e. General Manager) and above within the Group, determine their salaries and recommend salary revisions and improvements as are considered necessary together with fringe benefits, perquisites and bonus programmes.
(iii) Review annually the compensation of directors.
(iv) Recommend suitable short and long-term incentive plans including the setting of appropriate performance targets as well as a programme for management development.
(v) Carry out such other assignments as may be delegated by the Board.

In August 2013, the NRC had reviewed and recommended the remuneration for the Chairman and the Board of Directors' fees for the Directors of the Company. The total Directors' fees were revised within the total range which was approved by the shareholders at the Company's 22nd Annual General Meeting ("AGM") and subsequently endorsed by the Board in its meeting held on 1 August 2013.

Details of remuneration of the Chairman and Directors of the Company for the financial year ended 31 December 2013 are as follows:

	Executive RM'000	Non-Executive RM'000
Directors' Fees	-	719
Salaries & Bonuses	1,441	-
Defined Contribution Plan	216	-
Other Allowances & Benefits	50	636
Total	**1,707**	**1,355**

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

	Executive	Non-Executive
RM0 – RM50,000	-	2
RM50,001 – RM100,000	-	4
RM100,001 – RM150,000	-	3
RM150,001 – RM200,000	-	1
RM200,001 – RM250,000	-	1
RM1,700,001 – RM1,750,000	1	-
Total	**1**	**11**

3. REINFORCE INDEPENDENCE

Annual Assessment of Independent Directors

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

The assessment on the independence of the Directors based on the provisions of the MMLR covers a series of objective tests and is carried out before the appointment of the Independent Directors. Further, the Board with assistance from NRC will undertake to carry out annual assessment of the effectiveness of the Board as a whole, including Independent Non-Executive Directors and consider whether the Independent Director can continue to bring independent and objective judgment to Board deliberations.

The Board in its Charter provided that the tenure of an Independent Director shall not exceed a cumulative term of nine years. The Board may, in exceptional cases and subject to the assessment of the NRC on an annual basis, recommend for an Independent Director who has served a consecutive or cumulative term of nine years to remain as an independent Director subject to shareholders' approval.

Separation of Positions of the Chairman and the Managing Director/CEO

There is a division of roles and responsibility between the Chairman and the Managing Director/CEO to ensure a balance of power and authority. Their roles are separated and clearly defined, for check and balance purposes. The Chairman is presently a Non-Independent Non-Executive Director.

The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board. He ensures that all relevant issues and quality information to facilitate decision making and effective running of the Group's business are included in the meeting agenda. In doing so, the Chairman will liaise with the Managing Director/CEO and the Company Secretary on the agenda for board meetings. The Chairman also chairs the meeting of shareholders of the Group. At the general meetings of the Group, the Chairman will ensure that the shareholders are given the opportunity to enquire on the Company's affairs.

The Managing Director/CEO is the Head of Management and is primarily responsible for the performance of the Group. The Managing Director/CEO is responsible for the day-to-day running of the business including organisational effectiveness, implementation of Board policies, decision making on operational matters and strategies and clarifies matters relating to the Group's business to the Board. In managing the business affairs, he is assisted by the Management Committee, which meets twice a month.

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

Composition of the Board

The Board currently has nine Directors, comprising a Non-Independent Non-Executive Chairman, four Non-Independent Non-Executive Directors and four Independent Non-Executive Directors. The present number of the Independent Non-Executive Directors is complying with the Paragraph 15.02(1) of the MMLR. The Independent Directors provide an effective check and balance in the functioning of the Board.

The profile of each Director is presented in the Board's Profile on pages 34 to 43 of the Annual Report.

The current Board composition fairly reflects the interests of its shareholders to provide the effective leadership, strategic direction and necessary governance to the Group at optimum level.

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

4. FOSTER COMMITMENT

Time Commitment

The Board meets at least four times a year, at quarterly intervals which are scheduled at the onset of the financial calendar year to help facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened when decisions on urgent matters are required between scheduled meetings. Upon consultation with the Chairman and the Managing Director/CEO, the Notices and Agenda of meetings together with the board papers are normally given at least five days prior to meetings. Normally, Board Committee meetings are held at least one day before the Board meetings, to allow sufficient time to properly deliberate matters.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities which is evidenced by the satisfactory attendance record of the Directors at Board meetings. The Directors shall also notify the Chairman before accepting any new directorships in other Public Listed Companies.

During the financial year ended 31 December 2013, the Board met six times and the details of each existing Directors' meeting attendance are as follows:

No.	Name of Director	Attendance
1.	Datuk Haji Hasni bin Harun (Non-Independent Non-Executive Chairman; appointed as Chairman on 15 May 2013)	6/6
2.	Dato' Sri Che Khalib bin Mohamad Noh (Non-Independent Non-Executive Director; appointed on 1 July 2013)	2/2*
3.	Tadaaki Maeda (Non-Independent Non-Executive Director)	6/6
	Tsuneaki Nakamura (Alternate Director to Tadaaki Maeda)	N/A
	Yasushi Sakakibara (Alternate Director to Tadaaki Maeda; appointed on 7 June 2013)	N/A
4.	Yusa' bin Hassan (Non-Independent Non-Executive Director; appointed on 2 August 2013)	1/1*
	Aida Aziza binti Mohd Jamaludin (Alternate Director to Yusa' bin Hassan; appointed on 2 August 2013)	N/A
5.	Shazali bin Dato' Haji Shahrani (Non-Independent Non-Executive Director)	6/6
	Rosthman bin Ibrahim (Alternate Director to Shazali bin Dato' Haji Shahrani)	N/A
6.	Datuk Puteh Rukiah binti Abd. Majid (Independent Non-Executive Director)	6/6
7.	Datuk Syed Abu Bakar S Mohsin Almohdzar Independent Non-Executive Director	6/6
8.	Tan Lye Chong (Independent Non-Executive Director)	6/6
9.	Ooi Teik Huat (Independent Non-Executive Director; appointed on 16 May 2013)	2/2*
10.	Dato' Hamzah bin Bakar (Non-Independent Non-Executive Chairman; retired on 15 May 2013)	4/4*
11.	Datuk Muhamad Noor bin Hamid (Managing Director; retired as Managing Director on 31 December 2013)	6/6*
12.	Samsudin bin Miskon (Non-Independent Non-Executive Director; resigned on 1 August 2013)	3/5*
	Aida Aziza binti Mohd Jamaludin (Alternate Director to Samsudin bin Miskon; resigned on 1 August 2013)	1/5*

* *Total number of meeting held subsequent to their appointment or prior to resignation/retirement.*

All Directors have complied with the minimum 50% requirement on attendance at Board meetings as provided for in the MMLR.

Directors' Training

The Board is fully aware of the importance and need of enhancing their knowledge and expertise to keep abreast of latest developments and changes in the industry in which the Group operates and in the area of their respective competencies and in the economic, financial, technology, corporate and governance fields.

All Directors have completed the Mandatory Accreditation Programme as prescribed by Bursa Securities within the stipulated time frame as imposed under the MMLR.

The NRC together with the Company Secretary identifies conference and seminars which are considered relevant and useful in enhancing the Directors' business expertise and professionalism in discharging their duties and responsibilities more effectively.

CORPORATE GOVERNANCE **STATEMENT**

The training programmes, seminar and briefings attended by Directors during the financial year ended 31 December 2013 are as follows:

Directors	Seminar/Course
Datuk Haji Hasni bin Harun	• FIDE Nominating Committee Programme • Forensic Accounting and Financial Crime • Strengthening the Board of Directors and Enhancing Financial Governance : - Focal Point for Corporate Governance System, MIA • Governance, Risks and Controls - what are the Board's responsibilities : - Corporate Governance - Requirements - Effective Governance and Control Framework - Risk Management - Framework and reporting (covers the Statement on Risk Management and Internal Controls)
Dato' Sri Che Khalib bin Mohamad Noh	• DBS Vickers Pulse of Asia Conference • Ethics and Board of Directors
Tadaaki Maeda	• LNG Malaysia Forum 2013 conference, Malaysian Gas Association
Tsuneaki Nakamura (Alternate Director to Tadaaki Maeda)	• Corporate Governance Symposium 2013 – Corporate Governance in Vogue, MeLearn Global
Yasushi Sakakibara (Alternate Director to Tadaaki Maeda)	• Mandatory Accreditation Programme for Directors of Public Listed Companies, Bursatra Sdn Bhd • Governance, Risks and Controls - what are the Board's responsibilities : - Corporate Governance - Requirements - Effective Governance and Control Framework - Risk Management - Framework and reporting (covers the Statement on Risk Management and Internal Controls)
Yusa' bin Hassan	• Mandatory Accreditation Programme for Directors of Public Listed Companies, Bursatra Sdn Bhd
Aida Aziza binti Mohd Jamaludin (Alternate Director to Yusa' bin Hassan)	• Strengthening the Board of Directors and Enhancing Financial Governance : Focal Point for Corporate Governance System, MIA
Shazali bin Dato' Haji Shahrani	• The Board Agenda Series, PwC • Governance, Risks and Controls - what are the Board's responsibilities : - Corporate Governance - Requirements - Effective Governance and Control Framework - Risk Management - Framework and reporting (covers the Statement on Risk Management and Internal Controls)
Rosthman bin Ibrahim (Alternate Director to Shazali bin Dato' Haji Shahrani)	• Government Intervention In Business : Some Public Policy Issues, Bursatra Sdn Bhd
Datuk Puteh Rukiah binti Abd. Majid	• Corporate Directors Advanced Programme (CDAP) – "Human Capital". • Governance, Risks and Controls - what are the Board's responsibilities : - Corporate Governance - Requirements - Effective Governance and Control Framework - Risk Management - Framework and reporting (covers the Statement on Risk Management and Internal Controls)
Datuk Syed Abu Bakar bin S Mohsin Almohdzar	• FIDE Nominating Committee Programme • 9th World Islamic Economic Forum, London • Governance, Risks and Controls - what are the Board's responsibilities : - Corporate Governance - Requirements - Effective Governance and Control Framework - Risk Management - Framework and reporting (covers the Statement on Risk Management and Internal Controls)

Directors	Seminar/Course
Tan Lye Chong	• Audit Committee Conference 2013 – Powering for Effectiveness, Malaysian Institute of Accountants & The Institute of Internal Auditors Malaysia • National Tax Conference 2013, CTIM • Annual Conference 2013, MAICSA • The Board Agenda Series, PwC • Strengthening the Board of Directors and Enhancing Financial Governance : Focal Point for Corporate Governance System, MIA • MIA Conference 2013 • Governance, Risks and Controls - what are the Board's responsibilities : - Corporate Governance - Requirements - Effective Governance and Control Framework - Risk Management - Framework and reporting (covers the Statement on Risk Management and Internal Controls)
Ooi Teik Huat	• Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers • Forum - Future of Corporate Reporting

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

Compliance with Applicable Financial Reporting Standards

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

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

The AC comprises of three members of whom all are Non-Executive Directors and Independent. The composition of the AC, including its roles and responsibilities are set out on pages 74 to 77 under AC Report of this Annual Report.

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

6. RECOGNISE AND MANAGE RISKS

Sound Framework to Manage Risk

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

The composition of the RCC is as follows:

1. Tadaaki Maeda
   (Chairman, Non-Independent Non-Executive Director; appointed on 7 November 2012; resigned on 31 March 2014)
2. Yusa' bin Hassan
   (Member, Non-Independent Non-Executive Director; appointed on 28 November 2013)
3. Shazali bin Dato' Haji Shahrani
   (Member, Non-Independent Non-Executive Director; appointed on 13 February 2014)
4. Samsudin bin Miskon
   (Member, Non-Independent Non-Executive Director; appointed on 7 November 2012 and resigned on 1 August 2013)
5. Datuk Muhamad Noor bin Hamid
   (Member, Executive Director; appointed on 7 November 2012 and retired on 31 December 2013)

The RCC meets at least twice a year, and is responsible:

(i) To provide regular and timely reporting and update the Board on key risk management.
(ii) To ensure the effective implementation of risk treatment policy and procedures.
(iii) To ensure that a short and long term risk management strategy, framework and methodology have been implemented and consistently applied by the Company.
(iv) To review management's assessment of risks at least annually and to provide an update to the Board in this regard.
(v) To ensure full compliance with all applicable laws and regulations in its day to day businesses and operations.

During the financial year ended 31 December 2013, two RCC meetings were held and the attendance is as follows:

No.	Name of Committee Members	Number of meetings attended/held
1.	Tadaaki Maeda (Chairman, Non-Independent Non-Executive; appointed on 7 November 2012; resigned on 31 March 2014)	2/2
2.	Yusa' bin Hassan (Member, Non-Independent Non-Executive; appointed on 28 November 2013)	-*
3.	Shazali bin Dato' Haji Shahrani (Member, Non-Independent Non-Executive; appointed on 13 February 2014)	-*
4.	Samsudin bin Miskon (Member, Non-Independent Non-Executive; resigned on 1 August 2013)	2/2
5.	Datuk Muhamad Noor bin Hamid (Member, Executive Director; retired on 31 December 2013)	2/2

* *Total number of meetings held subsequent to their appointment date.*

The Risk and Compliance Management Policies and Procedures Framework was introduced and adopted in February 2013. The said framework is to provide guidance and reference in identifying, evaluating and developing processes and techniques for managing risks and compliance within the Group.

The key features of the risk and compliance management framework are set out in the Statement on Risk Management and Internal Control of the Company as set out on pages 68 to 72 of this Annual Report.

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

Internal Audit Function

The Company has outsourced its internal audit function to an independent internal audit service provider namely Messrs. Ernst & Young are tasked with the aim of providing assurance to the AC and the Board on the adequacy and effectiveness of the internal control systems and risk management in the Company. The appointed internal auditor reports directly to the AC and the AC has also met with the Internal Auditors twice without the presence of the Management during the financial year.

The key activities covered by the internal audit function during the financial year under review is provided in the Audit Committee Report of the Company as set out on pages 74 to 77 of this Annual Report.

7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

Corporate Disclosure Policies

The Company has established an internal Corporate Disclosure Policies and Procedures to facilitate disclosure of accurate, timely, consistent and fair disclosure of corporate information to enable informed and orderly market decision by investors. This information is directed to a diverse audience of shareholders, stakeholders and the public generally.

In formulating this policy, the Company has taken into account the recommendations contained in the Code and its disclosure obligations contained in the MMLR of Bursa Securities.

Leverage on Information Technology for Effective Dissemination of Information

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

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

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

Internally, the Company has identified persons authorised and responsible for approving, verifying and disclosing material information to shareholders and stakeholders to ensure compliance with the MMLR.

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

The management communicates with the institutional shareholders regularly. Minority shareholders may communicate with the Company through the Company's website (www.gasmalaysia.com).

8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Annual General Meeting

The AGM is the principal forum for dialogue between the Company and its shareholders and investors. The Notice of AGM will be circulated at least 21 days before the date of the meeting to enable shareholders sufficient time to peruse the Annual Report and papers supporting the resolutions proposed.

In the AGM, shareholders are given the opportunity to raise questions on the Company's activities and prospects as well as to communicate their expectations and concerns to the Company before putting the resolutions to vote. The Board encourages participation at general meetings and will generally carry out resolutions by show of hand and unless otherwise poll voting is demanded by shareholders in accordance with the Articles of Association of the Company.

The Extraordinary General Meeting is held as and when shareholders' approvals are required on specific matters.

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

This Corporate Governance Statement is made in accordance with the resolution of the Board of Directors dated 14 March 2014.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In accordance with Paragraph 15.26(b) of Bursa Securities' MMLR, the Board is required to produce a statement on the state of the Group's Risk Management and Internal Control in the Annual Report.

INTRODUCTION

The Board acknowledges and recognises the responsibility of maintaining a sound risk and compliance management system and internal control throughout the Group. The management is responsible for implementing the Board's policies and procedures in order to achieve the above said objectives. Both the Board and Management are liable for continuous monitoring of control activities to ensure that the Group's assets are well protected, relevant laws, regulations and requirements are adhered and complied to, shareholders' value are enhanced and their investments are safeguarded.

RISK MANAGEMENT & INTERNAL CONTROL SYSTEM DESCRIPTION

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

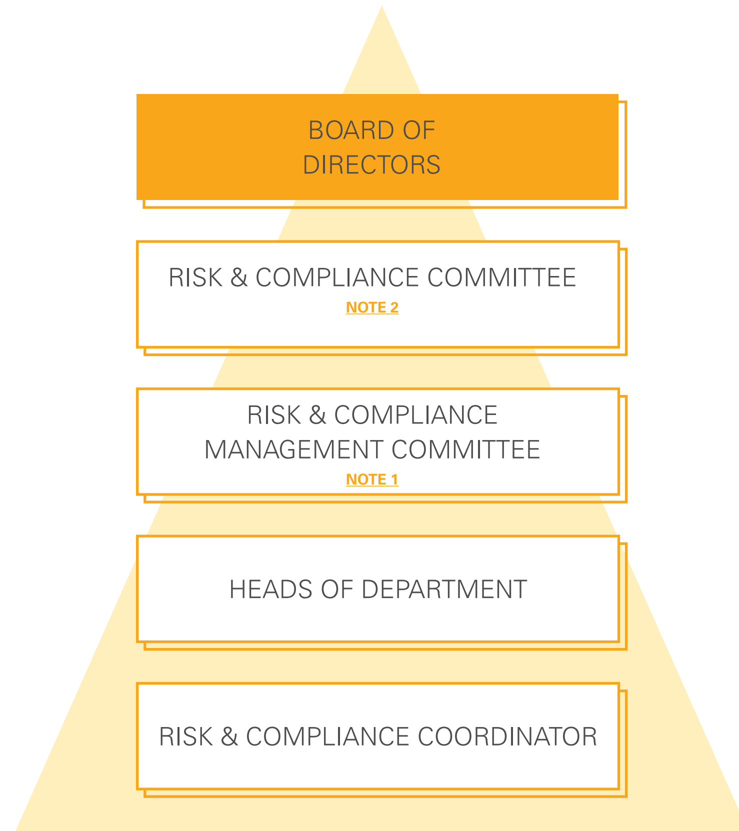
A) RISK MANAGEMENT

1) GROUP'S RISK AND COMPLIANCE MANAGEMENT POLICIES AND PROCEDURES FRAMEWORK

The Group has its own risk and compliance management policies and procedures framework which serves as a guidance and reference in identifying, evaluating and developing processes and techniques for managing risks and compliance in the Group. This framework is monitored and reviewed continuously to ensure that the systems of internal control remain effective at all times and are able to reduce the impact of risks rather than eliminating the opportunity because of the inherent risk and preventing the Group from achieving its objectives and goals. For good governance, the management has established an on-going process for identifying, evaluating and managing any significant risks faced by the Group and be aware of the events taking place which might impact the well-being of the Group, its employees, assets, profits and also its stakeholders.

2) REPORTING STRUCTURE

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



NOTE 1:

RISK AND COMPLIANCE MANAGEMENT COMMITTEE ("RCMC")

The RCMC was set up with overall responsibility for overseeing the risk and compliance management activities of the Group. These responsibilities include approving appropriate risk and compliance management procedures and measurement methodologies across the organisation.

The responsibilities and duties of RCMC are as follows:

a) To review, assess and ensure that there is adequate framework for risk identification, risk measurement, risk monitoring and the extent to which it is operating effectively.

b) To ensure that the risk and compliance policies and procedures are aligned and integrated to the business strategies and plans.

c) To review the development of the Risk and Compliance Management ("RCM") policies to ensure that the key business risks and compliance issues are effectively addressed by the management.

d) To review the risk and compliance assessments and implementation of action plans effectively.

e) To ensure that infrastructure, resources and/or systems are in place for RCM.

f) To report to the Risk and Compliance Committee the key risks and compliance issues and the respective management action plans.

The Managing Director/CEO will appoint the Chairman for the RCMC and the members comprise of all Heads of Department ("HOD"). The HOD are responsible for risk and compliance management in the day-to-day operations and are responsible to manage and control the identified risks and compliance issues relating to their respective departments. Furthermore, the management also needs to ensure that the risk and compliance policies and procedures are aligned and are integrated with the business strategies and plans. Both these risk and compliance related matters shall be reported to the RCMC twice a year. Subsequently, the RCMC will table it to the Risk and Compliance Committee.

NOTE 2:

RISK AND COMPLIANCE COMMITTEE ("RCC")

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

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

a) To prepare regular and timely reports and to update the Board on key risk management issues.

b) To ensure an effective implementation of risk treatment policies and procedures.

c) To ensure that short and long term risk management strategy, framework and methodology have been implemented and consistently applied by the Group.

d) To review management's assessment of risk at least twice a year and to update the Board in this regard.

e) To ensure that the management has proper supervision and compliance over financial and non-financial matters including auditing financial reporting, disclosures to investors, overall compliance programmes, policies and procedures, significant legal or regulatory compliance exposure and material reports or inquiries from government or regulatory authorities.

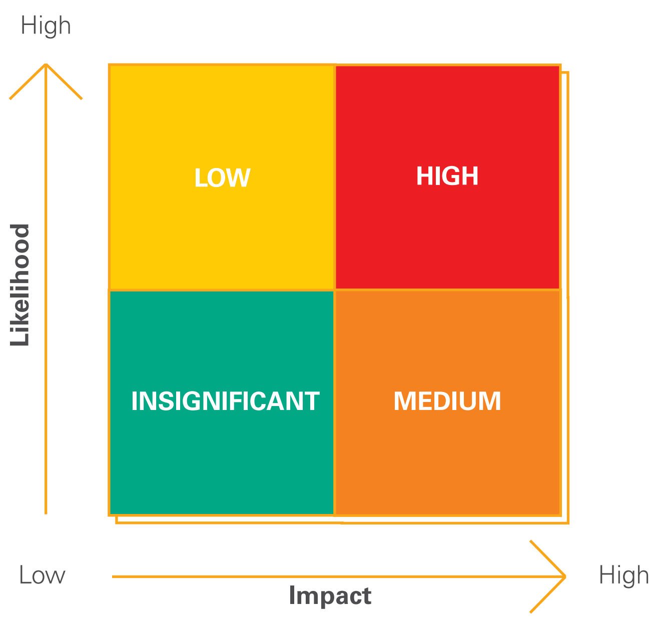
f) To review the Group's risk and compliance assessment plan.

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

3) RISK IDENTIFICATION PROCESS AND ANALYSIS

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



The risk coordinators are responsible in identifying risks which will then be mapped to the risk register. The compiled risks will be communicated to their respective HOD. Subsequently, only significant risks identified will be brought to the RCMC.

4) RISK REGISTER ("RR")

Upon revision of the risk identification, all risks detected will be registered and compiled in the RR which will be reviewed by the RCMC.

The RCC will then be briefed on the most significant risks identified based on the score which was derived upon based on the consequences, root cause and the current controls in place to mitigate its impact.

5) BUSINESS CONTINUITY PLAN ("BCP")

The Group has put in place the Emergency and Crisis Management Plan ("ECMP") as part of the BCP. The ECMP endorsed by Gas Malaysia has been designed to meet the Group's goals which are to minimise the effect of any incident on employees, business partners, local community and environment. It is essential in ensuring that the crucial business functions are able to perform even in an emergency situation.

The Emergency Management ("EM") and Crisis Management ("CM") are two major constituents under ECMP. EM is a programme to control the culmination of a physical incident within a business unit. It incorporates both the operations response to the triggering emergency and the supporting staff functions such as law, insurance, public affairs and human resources.

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

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

The BCP will be continuously reviewed, tested and audited in ensuring that it will remain relevant. This is also to ensure that adequate resources are readily available to allow Gas Malaysia to meet the challenges posed by any incidents.

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

a) Emergency Response Plan ("ERP")

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

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

b) Computer Disaster Recovery Centre ("CDRC")

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

c) Health, Safety, Environmental and Quality ("HSEQ") Policy

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

B) KEY ELEMENTS OF INTERNAL CONTROL SYSTEM ("ICS")

Listed below are the other key elements of the Group's ICS:

1) GOVERNANCE AND CONTROL ENVIRONMENT

- Delegations of responsibilities are clearly defined to the Board and the management. This is achieved by proper documentation of authorisation procedures and line of accountability for proper authorisation, approval and control procedures within the Board and Management. For this purpose, Financial Authority frameworks are in place to ensure that proper approvals are obtained for all transactions. Major tenders, acquisitions and disposals and other significant transactions are approved by the Board.
- Continuous update of Standard Operating Procedures ("SOP") based on the latest developments in the Group to ensure that it will be relevant at all times. This SOP would document the internal control procedures and encompass established guidelines in achieving its specific objectives depending on respective processes.
- ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 are accreditations obtained for operational processes.
- Currently, the Group is in the process of obtaining its future accreditation for Information Security Management System ISO/IEC 27001:2005.

2) RISK ASSESSMENT

Regular discussions are held with the HOD on any current significant issues impacting the Group. This would not only ensure quality decisions are made but it also encourages team work in solving all major issues.

3) CONTROL ACTIVITIES

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

4) INFORMATION AND COMMUNICATION

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

5) MONITORING

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board and Management is completely aware that the Group requires continuous reviewing process, enhancement and improvement of its existing internal control systems due to the continuously changing risks faced by the Group. This is important so that an adequate level of internal control is maintained in ensuring that all potential impacts from occurrence of the identified risks can be mitigated or reduced.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM EFFECTIVENESS

Continuous review by the Board in ensuring the effective risk management and internal control systems of the Group is done through the following monitoring and assessment mechanisms:

- The Board utilises the Group's actual versus planned performance and other key financial and operational performance indicators as a gauge to determine if the underlying risk management and internal control systems continues to be effective and applicable with the current situation.
- The management updates the Board on the Group's performance against plans and developments both internally and externally for discussions on a quarterly basis. Specific transactions, projects or opportunities are also discussed with the Board as and when it is required. This allows the Board to determine if new risks have arisen and need to be addressed or action plans and internal controls need to be enhanced to improve the expected results.
- The result of reviews carried out by the internal auditors, where internal control weaknesses identified are addressed as appropriate. Outcome of the reviews are discussed by the AC with follow-up monitoring being undertaken by the management and internal auditors.
- Risk management activities and risk registers will be reported to the Board at least twice yearly to provide an overview of the Group's key risks and how they are being addressed.

COMMENTARY ON THE ADEQUACY AND EFFECTIVENESS

The Board agreed that the system of internal control practices as described above is effective and covers up to the date of the approval 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 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 Managing Director/CEO and Chief Financial Officer, the Board believes that the Group's system of internal controls is in place and sufficient to provide reasonable assurance that the risks faced by the Group is under control and has not resulted in any material loss.

This Statement on Risk Management and Internal Control has been prepared in line with the MMLR of Bursa Securities and guided by the Statement on Risk Management and Internal Control Guidance for Directors of Listed Issuers. This Statement is made in accordance with a resolution of the Board dated 14 March 2014.

REVIEW BY EXTERNAL AUDITORS

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Companies Act, 1965 (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 (MFRSs), International Financial Reporting Standards and the requirements of the Act in Malaysia and the MMLR of Bursa Securities.

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 2013, and of the financial performance and cash flows of the Group and the Company for the financial year ended 31 December 2013.

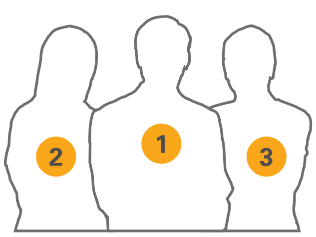
In preparing the financial statements, the Directors have:

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

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 such steps to ensure that proper internal controls are in place to safeguard the assets of the Group, and to detect and prevent fraud and other irregularities.

This statement is made in accordance with the resolution of the Board of Directors dated 14 March 2014.

AUDIT COMMITTEE **REPORT**



1. **Tan Lye Chong**
   Chairman
   Independent Non-Executive Director

2. **Datuk Puteh Rukiah binti Abd. Majid**
   Member
   Independent Non-Executive Director

3. **Ooi Teik Huat**
   Member
   Independent Non-Executive Director

The Board is pleased to present the Audit Committee Report for the financial year ended 31 December 2013.

Composition

The AC comprises three members as follows:

1. Tan Lye Chong (Chairman, Independent Non-Executive Director)
2. Datuk Puteh Rukiah binti Abd. Majid (Member, Independent Non-Executive Director); and
3. Ooi Teik Huat (Member, Independent Non-Executive Director; appointed on 16 May 2013).

As at the reporting date, the composition of the AC complied with the MMLR of Bursa Securities.

AC Meetings

During the financial year ended 31 December 2013, six AC meetings were held and the attendances are set out below:

No.	Name of Committee Members	Number of meetings attended/held
1.	Tan Lye Chong (Chairman, Independent Non-Executive Director)	6/6
2.	Datuk Puteh Rukiah binti Abd. Majid (Member, Independent Non-Executive Director)	6/6
3.	Ooi Teik Huat (Member, Independent Non-Executive Director; appointed as a member of AC on 16 May 2013)	3/3*
4.	Datuk Haji Hasni bin Harun (Member, Non-Independent Non-Executive Director; resigned as a member of AC on 16 May 2013)	3/3*

* *Total number of meetings held subsequent to appointment/prior to resignation.*

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

TERMS OF REFERENCE

Purpose

The primary objectives of the AC are as follows:

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

Membership

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

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

The AC shall have no executive powers.

Authority

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

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

AUDIT COMMITTEE REPORT

Meetings and Minutes

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

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

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

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

Key Functions and Duties

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

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

Summary of Activities of the AC

The activities of the AC during the financial year ended 31 December 2013 encompassed the following:

- Reviewed the quarterly financial results and annual audited financial statements with the External Auditors before recommending for the Board's consideration and approval and subsequent release of the results to Bursa Securities;
- Reviewed the Audit Planning Memorandum with the External Auditors;
- Reviewed the External Auditors' report and areas of concern and recommended solutions to address the concerns to ensure that all material issues are appropriately dealt with;
- Reviewed the independence of the External Auditors, evaluated their performance and recommended their re-appointment;
- Reviewed the Internal Audit Plan with the Internal Auditors to ensure adequacy of coverage on key risk areas;
- Reviewed the Internal Auditors' report and the status of past internal audit recommendations to ensure that the management addresses and resolves the issues highlighted;

- Evaluated their performance and re-appointed the Internal Auditors, to ensure that the Internal Auditors have the competency and resources to undertake the assignment;
- Met with the Internal Auditors and External Auditors without the presence of the Executive Directors and Management; and
- Reviewed the Recurrent Related Party Transactions entered into by the Group to ensure compliance with the MMLR of Bursa Securities.

Internal Audit Function

The Company has outsourced its internal audit function to an independent internal audit service provider, i.e. Messrs. Ernst & Young. The primary responsibility of the Internal Auditors is to undertake regular and systematic reviews of the system of internal control so as to provide reasonable assurance that the system continues to operate satisfactorily and effectively within the Group. The Internal Auditors report directly to the AC for the financial year ended 31 December 2013.

During the financial year, the activities carried out by the Internal Auditors are:

- Internal audits had been carried out in accordance with the approved Internal Audit Plan;
- Reviewed the effectiveness of the existing internal control systems of the Group based on key risk areas covered;
- Provision of recommendations, if any, to improve the internal control system, policies and procedures;
- Assessment of the efficiency and effectiveness of certain business processes; and
- Follow up review on prior internal audit findings to report on whether corrective action has been taken and operating effectively.
- Reviewed risk and controls associated with processes audited, to identify potential improvement opportunities.

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

The total costs incurred for the internal audit function of the Group in respect of the financial year ended 31 December 2013 amounted to RM129,995.

AC Training and Education

The AC members have attended various relevant development and training programmes which are set out in pages 64 to 65 of the Corporate Governance Statement in the Annual Report.

The Audit Committee Report is made in accordance with the resolution of the Board dated 14 March 2014.

ADDITIONAL COMPLIANCE INFORMATION

CONVICTIONS FOR OFFENCES
None of the Directors has been convicted for offences within the past 10 years other than traffic offences, if any.

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

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

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

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

IMPOSITIONS OF MATERIAL SANCTIONS/PENALTIES
There were no material sanctions or penalties imposed on the Group's Directors or Management by the relevant regulatory bodies.

NON-AUDIT FEES
There were no non-audit fees incurred during the financial year.

PROFIT ESTIMATE, FORECAST OR PROJECTION
The Company did not make any release on the profit estimate, forecast or projection for the financial year.

PROFIT GUARANTEE
During the financial year, there was no profit guarantee given by the Company.

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

MATERIAL CONTRACT
There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by Gas Malaysia and/or its subsidiary companies which involve Directors' and major shareholders' interests during the financial year ended 31 December 2013.

CONTRACTS RELATING TO LOAN
There were no contracts relating to loans by the Company involving Directors and major shareholders.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT")
At the Twenty-Second AGM held on 15 May 2013, Gas Malaysia had obtained shareholders' mandate to allow the 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 Twenty-Third AGM of the Company to be held on 15 May 2014.

In accordance with the Practice Note 12 of the Main Market Listing Requirements of Bursa Securities, the details of the RRPT conducted during the financial year ended 31 December 2013 pursuant to the said shareholders' mandate are as follows:

Related Parties	Companies within the Group	Name of Interested Related Parties	Value of transactions for FYE 2013 RM'000	Nature of transactions
PETRONAS Dagangan Berhad ("PDB")	Gas Malaysia (LPG) Sdn Bhd	MOF[(a)], PETRONAS[(b)], PGB[(c)], Samsudin bin Miskon[(d)] Yusa' bin Hassan[(e)]	16,208	Purchase of liquefied petroleum gas from PDB
PDB	Gas Malaysia	MOF[(a)], PETRONAS[(b)], PGB[(c)], Samsudin bin Miskon[(d)] Yusa' bin Hassan[(e)]	1	Lease of land from PDB by Gas Malaysia for placement of gas district station. The payment is made annually.
PETRONAS	Gas Malaysia	MOF[(a)], PGB[(c)], Samsudin bin Miskon[(d)] Yusa' bin Hassan[(e)]	16,592	Tolling fees paid by PETRONAS to Gas Malaysia for the transportation of gas to their customers
PGB	Gas Malaysia	MOF[(a)], PETRONAS[(b)], PGB[(c)], Samsudin bin Miskon[(d)] Yusa' bin Hassan[(e)]	30	Tenancy of land from PGB by Gas Malaysia for odoriser stations and right of way for the stations and the size ranges from 50 square meters to 2,000 square meters. The payment is made annually and the tenancy agreement is automatically renewed every 3 years.

Notes:
(a) Minister of Finance, Incorporated ("MOF") is deemed interested in Gas Malaysia through its shareholding in PETRONAS pursuant to Section 6A of the Companies Act, 1965 ("Act").
(b) PETRONAS is deemed interested in Gas Malaysia through its shareholding in PGB pursuant to Section 6A of the Act.
(c) PGB is the major shareholder of Gas Malaysia with a direct shareholding of 14.8%.
(d) Samsudin bin Miskon was a Director and is a shareholder of Gas Malaysia. He resigned as Director on 1 August 2013.
(e) Yusa' bin Hassan is a Director of Gas Malaysia and the Managing Director/CEO of PGB.

FINANCIAL STATEMENTS 2013

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The Directors have pleasure in presenting their report with the audited financial statements of the Group and Company for the financial year ended 31 December 2013.

PRINCIPAL ACTIVITIES

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

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

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year	171,436	169,249

DIVIDENDS

The dividends paid or declared by the Company since 31 December 2012 are as follows:

In respect of the financial year ended 31 December 2012:

	RM'000
Final dividend paid on 26 June 2013:	
7.69 sen per ordinary share, single-tier	98,740

In respect of the financial year ended 31 December 2013:

	RM'000
Interim dividend paid on 17 September 2013:	
6.00 sen per ordinary share, single-tier	77,040

The Directors have declared on 13 February 2014 a single-tier second interim dividend of 3.0 sen per share on the 1,284,000,000 ordinary shares of RM0.50 each, amounting to RM38,520,000 in respect of financial year ended 31 December 2013.

The Directors now recommend the payment of a single-tier final dividend of 4.36 sen per share on the 1,284,000,000 ordinary shares of RM0.50 each amounting to RM55,982,400 in respect of financial year ended 31 December 2013. This proposed final dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

RESERVES AND PROVISIONS

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

DIRECTORS

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

Datuk Hj. Hasni bin Harun, Chairman	(Re-designated w.e.f. 15 May 2013)
Dato' Hamzah bin Bakar, Chairman	(Retired w.e.f. 15 May 2013)
Datuk Muhamad Noor bin Hamid	(Retired w.e.f. 31 December 2013)
Dato' Sri Che Khalib bin Mohamad Noh	(Appointed w.e.f. 1 July 2013)
Tadaaki Maeda	*(Alternate Atsunori Takeuchi – Resigned 7 June 2013)* *(Alternate Tsuneaki Nakamura)* *(Alternate Yasushi Sakakibara – Appointed 7 June 2013)*
Yusa' bin Hassan	(Appointed w.e.f. 2 August 2013) *(Alternate Aida Aziza binti Mohd Jamaludin – Appointed w.e.f. 2 August 2013)*
Samsudin bin Miskon	(Resigned w.e.f. 1 August 2013) *(Alternate Aida Aziza binti Mohd Jamaludin – Resigned w.e.f. 1 August 2013)*
Shazali bin Dato' Haji Shahrani	*(Alternate Rosthman bin Ibrahim)*
Datuk Puteh Rukiah binti Abd. Majid	
Datuk Syed Abu Bakar bin S Mohsin Almohdzar	
Tan Lye Chong	
Ooi Teik Huat	(Appointed w.e.f. 16 May 2013)

**w.e.f. = with effect from*

In accordance with Article 95(1) of the Company's Articles of Association, Dato' Sri Che Khalib bin Mohamad Noh, Yusa' bin Hassan and Ooi Teik Huat shall retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election as Director.

In accordance with Article 95(4) of the Company's Articles of Association, Datuk Hj. Hasni bin Harun, Shazali bin Dato' Haji Shahrani, Datuk Puteh Rukiah binti Abd. Majid, Datuk Syed Abu Bakar bin S Mohsin Almohdzar and Tan Lye Chong shall retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election as Director.

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than the Directors' remuneration as disclosed in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

SHARE CAPITAL

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

DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares of RM0.50 each in the Company			
Directors with direct interest in the Company	**Balance at 1.1.2013/ Date of appointment**	**Bought**	**Sold**	**Balance at 31.12.2013**
Datuk Hj. Hasni bin Harun	0	100,000	(100,000)	0
Datuk Muhamad Noor bin Hamid	350,000	397,000	(747,000)	0
Shazali bin Dato' Haji Shahrani	120,000	0	(120,000)	0
Tadaaki Maeda	120,000	0	0	120,000
Datuk Puteh Rukiah binti Abd. Majid	30,000	0	(30,000)	0
Datuk Syed Abu Bakar bin S Mohsin Almohdzar	50,000	0	(50,000)	0
Tan Lye Chong	50,000	0	0	50,000

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts and

(b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and Company had been written down to an amount which they might be expected so to realise.

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

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and Company misleading or inappropriate.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

(b) any contingent liability of the Group or Company which has arisen since the end of the financial year.

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

In the opinion of the Directors:

(a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

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

AUDITORS

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

Signed on behalf of the Board of Directors in accordance with their resolution dated 13 February 2014.

DATUK HJ. HASNI BIN HARUN
CHAIRMAN

TAN LYE CHONG
DIRECTOR

STATEMENT BY DIRECTORS

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

We, Datuk Hj. Hasni bin Harun and Tan Lye Chong, the Directors of Gas Malaysia Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 88 to 127 are drawn up so as to give a true and fair view of the financial position of the Group and Company as at 31 December 2013 and of the financial performance and cash flows of the Group and Company for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965.

The supplementary information set out in Note 28 on page 128 to the financial statements have been compiled in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board of Directors in accordance with their resolution dated 13 February 2014.

DATUK HJ. HASNI BIN HARUN
CHAIRMAN

TAN LYE CHONG
DIRECTOR

STATUTORY **DECLARATION**

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

I, Mohamed Sophie bin Mohamed Rashidi, the officer primarily responsible for the financial management of Gas Malaysia Berhad, do solemnly and sincerely declare that the financial statements set out on pages 88 to 127 and the supplementary disclosure on page 128 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.

MOHAMED SOPHIE BIN MOHAMED RASHIDI

Subscribed and solemnly declared by the abovenamed Mohamed Sophie bin Mohamed Rashidi at Kuala Lumpur in Malaysia on 13 February 2014, before me.

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Gas Malaysia Berhad on pages 88 to 127 which comprise the statements of financial position as at 31 December 2013 of the Group and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 27.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2013 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT

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

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 28 on page 128 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

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

Kuala Lumpur
13 February 2014

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Revenue	4	2,317,219	2,125,294	2,288,465	2,099,592
Cost of sales	5	(2,066,077)	(1,886,865)	(2,042,315)	(1,864,168)
Gross profit		251,142	238,429	246,150	235,424
Administrative expenses	5	(38,359)	(32,859)	(36,228)	(31,019)
Other operating income		588	608	471	565
Profit from operations	6	213,371	206,178	210,393	204,970
Finance costs	9	(342)	(322)	(176)	(187)
Finance income		7,848	8,198	7,769	8,147
Profit before zakat and taxation		220,877	214,054	217,986	212,930
Zakat		(3,500)	(3,500)	(3,500)	(3,500)
Tax expense	10	(45,941)	(47,726)	(45,237)	(47,413)
Net profit/Total comprehensive income for the financial year		171,436	162,828	169,249	162,017
Attributable to:					
Owners of the Parent		171,436	162,828	169,249	162,017
Earnings per ordinary share attributable to the equity holders of the Company:					
- Basic and diluted earnings per share (RM)	11	0.13	0.13		

The notes on pages 94 to 127 form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	12	961,512	923,235	958,547	920,440
Investment in subsidiaries	13	0	0	10,005	10,005
Amounts due from subsidiaries	14	0	0	14,981	16,780
Prepaid lease payments	15	18,030	18,433	13,668	14,016
Deferred taxation	21	2,384	3,081	0	0
		981,926	944,749	997,201	961,241
CURRENT ASSETS					
Trade and other receivables	16	231,094	223,593	226,150	219,407
Amounts due from subsidiaries	14	0	0	0	328
Cash and cash equivalents	17	294,218	345,138	285,494	337,533
		525,312	568,731	511,644	557,268
Total assets		1,507,238	1,513,480	1,508,845	1,518,509
EQUITY AND LIABILITIES					
Share capital	18	642,000	642,000	642,000	642,000
Retained profits	19	362,068	366,412	377,452	383,983
Total equity		1,004,068	1,008,412	1,019,452	1,025,983
NON-CURRENT LIABILITIES					
Redeemable preference share	20	0*	0*	0*	0*
Deferred taxation	21	170,763	175,830	170,763	175,830
		170,763	175,830	170,763	175,830
CURRENT LIABILITIES					
Trade and other payables	22	326,401	321,791	312,619	309,253
Taxation		6,006	7,447	6,011	7,443
		332,407	329,238	318,630	316,696
Total liabilities		503,170	505,068	489,393	492,526
Total equity and liabilities		1,507,238	1,513,480	1,508,845	1,518,509

* Denotes RM0.50

The notes on pages 94 to 127 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	Share capital RM'000	Distributable Retained profits RM'000	Total RM'000
GROUP				
At 1 January 2013		642,000	366,412	1,008,412
Net profit for the financial year		0	171,436	171,436
Transactions with owners:				
Dividend: financial year ended 31 December 2013	23	0	(77,040)	(77,040)
Dividend: financial year ended 31 December 2012	23	0	(98,740)	(98,740)
Total transactions with owners		0	(175,780)	(175,780)
At 31 December 2013		642,000	362,068	1,004,068
At 1 January 2012		642,000	367,454	1,009,454
Net profit for the financial year		0	162,828	162,828
Transactions with owners:				
Dividend: financial year ended 31 December 2012	23	0	(64,200)	(64,200)
Dividend: financial year ended 31 December 2011	23	0	(99,670)	(99,670)
Total transactions with owners		0	(163,870)	(163,870)
At 31 December 2012		642,000	366,412	1,008,412

The notes on pages 94 to 127 form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	Share capital RM'000	Distributable Retained profits RM'000	Total RM'000
COMPANY				
At 1 January 2013		642,000	383,983	1,025,983
Net profit for the financial year		0	169,249	169,249
Transactions with owners:				
Dividend: financial year ended 31 December 2013	23	0	(77,040)	(77,040)
Dividend: financial year ended 31 December 2012	23	0	(98,740)	(98,740)
Total transactions with owners		0	(175,780)	(175,780)
At 31 December 2013		642,000	377,452	1,019,452
At 1 January 2012		642,000	385,836	1,027,836
Net profit for the financial year		0	162,017	162,017
Transactions with owners:				
Dividend: financial year ended 31 December 2012	23	0	(64,200)	(64,200)
Dividend: financial year ended 31 December 2011	23	0	(99,670)	(99,670)
Total transactions with owners		0	(163,870)	(163,870)
At 31 December 2012		642,000	383,983	1,025,983

The notes on pages 94 to 127 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
OPERATING ACTIVITIES					
Profit before zakat and taxation		220,877	214,054	217,986	212,930
Adjustments for:					
Depreciation		47,162	45,563	46,894	45,305
Gain on disposal of property, plant and equipment		(11)	(44)	(11)	(44)
Amortisation of prepaid lease payments		403	403	348	349
Finance income		(7,848)	(8,198)	(7,769)	(8,147)
		260,583	251,778	257,448	250,393
Changes in working capital:					
Receivables		(7,501)	(27,443)	(6,743)	(26,388)
Payables		4,610	46,334	3,366	43,603
Cash generated from operations		257,692	270,669	254,071	267,608
Zakat paid		(3,500)	(3,500)	(3,500)	(3,500)
Net income tax paid		(51,752)	(53,687)	(51,736)	(53,648)
Net cash generated from operating activities		202,440	213,482	198,835	210,460
INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		11	46	11	46
Purchase of property, plant and equipment		(85,439)	(39,722)	(85,001)	(39,629)
Finance income		7,848	8,198	7,769	8,147
Repayment from subsidiary		0	0	2,127	1,700
Net cash used in investing activities		(77,580)	(31,478)	(75,094)	(29,736)
FINANCING ACTIVITY					
Dividends paid		(175,780)	(163,870)	(175,780)	(163,870)
Net cash used in financing activity		(175,780)	(163,870)	(175,780)	(163,870)

The notes on pages 94 to 127 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
NET CHANGE IN CASH AND CASH EQUIVALENTS		(50,920)	18,134	(52,039)	16,854
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		345,138	327,004	337,533	320,679
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	17	294,218	345,138	285,494	337,533

The notes on pages 94 to 127 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

1 GENERAL INFORMATION

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

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

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

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

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

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 13 February 2014.

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

(a) Profit rate risk

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

(b) Credit risk

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

The carrying amount of all financial assets represents the maximum exposure to credit risk except for the financial guarantee extended to a subsidiary. The maximum exposure to credit risk of this financial guarantee amounts to RM5,000,000 (2012: RM4,550,000) at the end of the reporting period.

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk

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

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

	Less than 3 months	Between 4 months to 1 year	Total
At 31 December 2013:			
Group (RM'000)			
Trade and other payables	314,702	696	315,398
Company (RM'000)			
Trade and other payables	300,920	696	301,616
Financial guarantee contracts	650	4,350	5,000
At 31 December 2012:			
Group (RM'000)			
Trade and other payables	276,681	724	277,405
Company (RM'000)			
Trade and other payables	264,143	724	264,867
Financial guarantee contracts	650	3,900	4,550

(d) Capital management

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

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

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

The new accounting standards, amendments and improvements to published standards and interpretations that are effective for the Group and Company's financial year beginning on or after 1 January 2013 are as follows:

- MFRS 10, 'Consolidated Financial Statements'
- MFRS 13, 'Fair Value Measurement'
- The revised MFRS 127, 'Separate Financial Statements'
- The revised MFRS 128, 'Investments in Associates and Joint Ventures'
- Amendments to MFRS 101 'Presentation of items of other comprehensive income'
- Amendment to MFRS 119, 'Employee benefits'
- Amendments to MFRS 134, 'Interim Financial Reporting'
- Amendment to MFRS 7, 'Financial Instruments: Disclosures'
- Amendments to MFRS 10, 'Consolidated Financial Statements: Transition Guidance'
- Annual improvements 2009 – 2011 Cycle

The adoption of the above MFRSs has not had a material impact on the financial performance and financial position of the Group and the Company.

(ii) Standards early adopted by the Group and Company

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

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

Financial year beginning on/after 1 January 2014

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

Financial year beginning on/after 1 January 2014 (continued)

- Amendments to MFRS 10, MFRS 12 and MFRS 127 (effective from 1 January 2014) introduce an exception to consolidation for investment entities. Investment entities are entities whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both and evaluate the performance of its investments on fair value basis. The amendments require investment entities to measure particular subsidiaries at fair value instead of consolidating them.

Financial year beginning on/after 1 January 2017

- MFRS 9, 'Financial Instruments – Classification and Measurement of Financial Assets and Financial Liabilities' (no earlier than annual period beginning on or after 1 January 2017) replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

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

(b) Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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

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

Acquisition-related costs are expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Consolidation (continued)

Subsidiaries (continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(c) Property, plant and equipment

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

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

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

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

(d) Depreciation

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

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

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Impairment of non-financial asset

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

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

(f) Cash and cash equivalents

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

(g) Investments

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

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

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

(h) Trade and other receivables

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

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

(i) Share capital

(i) Classification

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

(ii) Dividend distribution

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Trade payables

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

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

(k) Borrowings and borrowing costs

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

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

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

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

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

(l) Current and deferred income tax

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

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

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

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Current and deferred income tax (continued)

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

(m) Accounting for lessee - operating lease and prepaid lease payments

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

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

The up-front payment represents prepaid lease payments for lease of land and are amortised on the straight-line basis over the lease period of 20 to 99 years.

(n) Functional and presentation currency

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

(o) Revenue recognition

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

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

(i) Sale of natural gas and LPG

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

(ii) Tolling fee

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

(iii) Finance income

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

(iv) Cash contribution for pipelines construction

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Accounting for zakat

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

Zakat rates enacted or substantively enacted by the end of each reporting period are used to determine the zakat expense. The rate of zakat on business as determined by zakat authority under Pusat Pungutan Zakat Majlis Agama Islam Selangor for 2013 is 2.5% of the zakat base. The zakat base of the Group is determined based on the profit after tax of eligible companies within the Group after deducting certain non-operating income and expenses. Zakat on business is calculated by multiplying the zakat rate with zakat base. The amount of zakat assessed is recognised as an expense in the year in which it is incurred.

(q) Contingent liabilities

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

(r) Financial instruments

(i) Financial assets

(a) Classification

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

Financial assets at fair value through profit or loss

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

Loans and receivables

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

(b) Recognition and initial measurement

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial instruments (continued)

(i) Financial assets (continued)

(b) Recognition and initial measurement (continued)

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

(c) Subsequent measurement – gains and losses

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

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

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

(d) Subsequent measurement – impairment of financial assets

Assets carried at amortised cost

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial instruments (continued)

(i) Financial assets (continued)

(d) Subsequent measurement – impairment of financial assets (continued)

Assets carried at amortised cost (continued)

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

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

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

(e) Derecognition

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

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

(ii) Financial liability

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

(iii) Offsetting financial instruments

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

(iv) Financial guarantee contract

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial instruments (continued)

(iv) Financial guarantee contract (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 and subsequently at the higher of the amount determined in accordance with MFRS 137 "Provisions, contingent liabilities and contingent assets" and the amount initially recognised less cumulative amortisation, where appropriate.

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

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

(s) Employee benefits

(i) Short-term employee benefits

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

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

(ii) Post-employment benefits

Defined contribution plans

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

(t) Earnings per share

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

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

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

(u) Segment reporting

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Critical accounting estimates and judgments

Estimates and judgments 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) Critical accounting estimates and assumptions

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

(ii) Critical judgment in applying accounting policies

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

4 REVENUE

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Sale of natural gas	2,240,390	2,063,160	2,240,390	2,063,160
Sale of LPG	28,754	25,702	0	0
Tolling fee	16,592	15,513	16,592	15,513
Cash contribution for pipelines construction	31,483	20,919	31,483	20,919
	2,317,219	2,125,294	2,288,465	2,099,592

5 EXPENSES BY NATURE

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Cost of natural gas	1,962,031	1,790,617	1,962,031	1,790,617
Cost of LPG	22,325	21,390	0	0
Staff costs (Note 7)	44,715	35,346	42,364	33,423
Depreciation	47,162	45,563	46,894	45,305
Gas license fee	1,439	1,319	1,432	1,302
Other expenses	26,764	25,489	25,822	24,540
	2,104,436	1,919,724	2,078,543	1,895,187

Staff costs (technical service salaries and bonuses) amounting to RM7,337,000 (2012: RM5,606,000) incurred in construction of pipelines have been capitalised in the construction of the pipelines.

6 PROFIT FROM OPERATIONS

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Profit from operations is arrived at after crediting:				
Gain on disposal of property, plant and equipment	11	44	11	44
Rental income	22	114	22	112
Write back of impairment of trade receivables (Note 16)	11	21	3	1
and after charging:				
Auditors' remuneration:				
- statutory audit	145	142	117	117
- other audit related services	108	114	108	113
Amortisation of prepaid lease payments	403	403	348	349
Impairment of trade receivables (Note 16)	36	20	7	0
Rental of equipment	74	67	69	60
Rental of premises	539	635	495	584

7 STAFF COSTS

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Wages, bonuses and salaries	41,362	32,104	39,282	30,560
Defined contribution plan - contributions	4,398	3,674	4,147	3,489
Other employee benefits	6,292	5,174	6,272	4,980
	52,052	40,952	49,701	39,029

Staff costs include the remuneration of Executive and Non-Executive Directors (Note 8).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

8 DIRECTORS' REMUNERATION

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

Directors of the Company

	Group and Company	
	2013	2012
	RM'000	RM'000
Executive and Non-Executive Directors:		
- Salaries and bonuses	1,441	1,136
- Directors' fees	719	558
- Defined contribution plan - contributions	216	156
- Other benefits	686	401
	3,062	2,251

9 FINANCE COSTS

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Bank guarantee fee	31	30	31	30
Bank charges	311	292	145	157
	342	322	176	187

10 TAX EXPENSE

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Current taxation:				
- current financial year	47,064	49,911	47,037	49,883
- under/(over) accrual in prior financial year	3,247	(2,245)	3,267	(2,253)
	50,311	47,666	50,304	47,630
Deferred taxation (Note 21)				
- current financial year	(1,103)	(1,882)	(1,800)	(2,160)
- (over)/under accrual in prior financial year	(3,267)	1,942	(3,267)	1,943
	45,941	47,726	45,237	47,413

10 TAX EXPENSE (CONTINUED)

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

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Profit before taxation and after zakat	217,377	210,554	214,486	209,430
Tax calculated at the Malaysian income tax rate of 25% (2012: 25%)	54,344	52,638	53,622	52,357
Tax effects of:				
Income not subject to tax	(7,871)	(5,235)	(7,871)	(5,230)
Expenses not deductible for tax	764	626	762	596
Change in income tax rate	(1,276)	0	(1,276)	0
Over accrual in prior financial year	(20)	(303)	0	(310)
Tax expense	45,941	47,726	45,237	47,413

11 EARNINGS PER SHARE

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

	Group	
	2013	2012
Net profit for the financial year attributable to equity holder of the Company (RM'000)	171,436	162,828
Weighted average number of ordinary shares ('000)	1,284,000	1,284,000
Basic earnings per share (RM)	0.13	0.13
Diluted earnings per share (RM)	0.13	0.13

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (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	Pipelines system RM'000	Capital work-in-progress RM'000	Total RM'000
Cost									
At 1 January 2013	2,312	19,531	5,848	46,683	1,799	12,675	1,230,779	61,545	1,381,172
Additions	7,582	0	452	886	10	102	12,369	64,038	85,439
Disposals	0	0	(12)	(91)	0	0	(1,050)	0	(1,153)
Reclassifications	0	0	0	965	201	(277)	67,330	(68,219)	0
At 31 December 2013	9,894	19,531	6,288	48,443	2,010	12,500	1,309,428	57,364	1,465,458
Accumulated depreciation									
At 1 January 2013	0	5,527	4,327	39,984	1,624	11,717	394,758	0	457,937
Charge for the financial year	0	448	974	2,359	129	297	42,955	0	47,162
Disposals	0	0	(12)	(91)	0	0	(1,050)	0	(1,153)
At 31 December 2013	0	5,975	5,289	42,252	1,753	12,014	436,663	0	503,946
Net book value									
At 31 December 2013	9,894	13,556	999	6,191	257	486	872,765	57,364	961,512

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	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	Pipelines system RM'000	Capital work-in-progress RM'000	Total RM'000
Cost									
At 1 January 2013	2,312	19,531	5,736	44,929	1,664	12,339	1,226,953	61,545	1,375,009
Additions	7,582	0	452	886	10	102	11,931	64,038	85,001
Disposals	0	0	(12)	(91)	0	0	(1,050)	0	(1,153)
Reclassifications	0	0	0	965	201	(277)	67,330	(68,219)	0
At 31 December 2013	9,894	19,531	6,176	46,689	1,875	12,164	1,305,164	57,364	1,458,857
Accumulated depreciation									
At 1 January 2013	0	5,527	4,215	38,258	1,489	11,381	393,699	0	454,569
Charge for the financial year	0	448	974	2,331	129	297	42,715	0	46,894
Disposals	0	0	(12)	(91)	0	0	(1,050)	0	(1,153)
At 31 December 2013	0	5,975	5,177	40,498	1,618	11,678	435,364	0	500,310
Net book value									
At 31 December 2013	9,894	13,556*	999	6,191	257	486	869,800	57,364	958,547

* *Includes leasehold building with a net book value of RM6,878,002 which resides on leasehold land owned by a subsidiary company.*

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

13 INVESTMENT IN SUBSIDIARIES

	Company 2013 RM'000	Company 2012 RM'000
Unquoted shares, at cost	10,005	10,005

Details of the subsidiaries are as follows:

Name of company	Principal activities	Country of incorporation	Group's effective interest 2013 %	Group's effective interest 2012 %
Gas Malaysia (LPG) Sdn. Bhd.	Selling of liquefied petroleum gas via a reticulation system	Malaysia	100	100
Pelantar Teknik (M) Sdn. Bhd.	Property holding	Malaysia	100	100

14 AMOUNTS DUE FROM SUBSIDIARIES

	Company 2013 RM'000	Company 2012 RM'000
Amounts due from subsidiaries	14,981	17,108
Less: non-current portion	(14,981)	(16,780)
Current portion	0	328

The amount due from Gas Malaysia (LPG) Sdn. Bhd. of RM9,362,000 (2012: RM11,477,000) is unsecured, profit rate free and the non-current portion is based on the expected period of repayment by the subsidiary.

The amount due from Pelantar Teknik (M) Sdn. Bhd. of RM5,619,000 (2012: RM5,631,000) is unsecured, profit rate free and does not have a fixed term of repayments. Repayment is, however, not expected within the next twelve months as it is the intention of the Company to treat this amount as a long term source of capital to the subsidiary.

15 PREPAID LEASE PAYMENTS

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
At beginning of reporting period	18,433	18,836	14,016	14,365
Amortisation for the financial year	(403)	(403)	(348)	(349)
At end of reporting period	18,030	18,433	13,668	14,016

16 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Trade receivables	227,719	220,718	223,814	217,371
Impairment loss on trade receivables	(36)	(37)	(7)	(17)
	227,683	220,681	223,807	217,354
Other receivables, deposits and prepayments	3,411	2,912	2,343	2,053
	231,094	223,593	226,150	219,407

Credit term of trade receivables is 30 days (2012: 30 days).

As at 31 December 2013, trade receivables of RM31,705,000 (2012: RM28,380,000) for the Group and of RM30,661,000 (2012: RM27,260,000) for the Company were past due but not impaired. These relate to a number of independent customers for whom there is no history of default. The aging analysis of these trade receivables (excluding other receivables, deposits and prepayments) is as follows:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Neither past due nor impaired	195,978	192,301	193,146	190,094
Past due but not impaired:				
Up to 2 months (overdue)	26,287	21,756	25,320	20,795
Over 2 months (overdue)	5,418	6,624	5,341	6,465
Impaired	36	37	7	17
	227,719	220,718	223,814	217,371

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

16 TRADE AND OTHER RECEIVABLES (CONTINUED)

As at 31 December 2013, trade receivables amounting to RM36,000 (2012: RM37,000) for the Group and RM7,000 (2012: RM17,000) for the Company were impaired and provided for. The individually impaired receivables mainly related to customers, which have defaulted in payment.

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

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

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
At beginning of reporting period	37	44	17	18
Impairment of trade receivables during the financial year	36	20	7	0
Write back of impairment of trade receivables	(11)	(21)	(3)	(1)
Trade receivables written-off during the financial year	(26)	(6)	(14)	0
At end of reporting period	36	37	7	17

17 CASH AND CASH EQUIVALENTS

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Deposits placed with:				
Licensed banks	145,443	209,835	137,240	202,655
Other financial institutions	110,512	106,868	110,512	106,868
	255,955	316,703	247,752	309,523
Cash and bank balances	38,263	28,435	37,742	28,010
	294,218	345,138	285,494	337,533

17 CASH AND CASH EQUIVALENTS (CONTINUED)

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

	Group		Company	
	2013	2012	2013	2012
	%	%	%	%
	per annum	per annum	per annum	per annum
Deposits placed with:				
Licensed banks	3.41	3.23	3.41	3.23
Other financial institutions	3.52	3.42	3.52	3.42

Deposits placed with licensed banks and other financial institutions of the Group and Company have an average maturity period of 26 days (2012: 27 days). Bank balances are deposits held at call with licensed banks.

18 SHARE CAPITAL

	Group and Company	
	2013	2012
	RM'000	RM'000
Authorised:		
1,999,999,900 (2012: 1,999,999,900) ordinary shares of RM0.50 (2012: RM0.50) each	1,000,000	1,000,000
100 (2012: 100) preference shares of RM0.50 each	0*	0*
	1,000,000	1,000,000
Issued and fully paid:		
1,284,000,000 (2012: 1,284,000,000) ordinary shares of RM0.50 (2012: RM0.50) each	642,000	642,000
	642,000	642,000

* Denotes RM50

19 RETAINED PROFITS

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (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 Petroliam Nasional Berhad ("Special Shareholder" or "PETRONAS") which adopted the special rights attached to the RPS via amendments to the Memorandum and Articles of Association of the Company ("Articles").

Salient points of the RPS stated in the Articles are:

(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 Articles and/or the Bursa Malaysia Securities Berhad Listing Requirements ("the Listing Requirements");

(b) The Special Shareholder shall have the right to vote at any meeting convened in each of the following circumstances as provided for under the Listing Requirements:

(i) when the dividend or part of the dividend on the share is in arrears for more than six (6) months, if applicable;
(ii) on a proposal to reduce the Company's share capital;
(iii) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
(iv) on a proposal that affects rights attached to the RPS;
(v) on a proposal to wind-up the Company; and
(vi) during the winding-up of the Company.

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

(c) The Special Shareholder shall have no right to appoint or nominate any Directors;

(d) The RPS shall confer no right to dividend;

(e) The RPS is not transferable and is to be held by PETRONAS. Notwithstanding this, the RPS may be transferred to an entity wholly-owned by the Government of Malaysia;

(f) The Special Shareholder may, subject to the requirement of the Companies Act, 1965, require the Company to redeem the RPS at par at any time by serving written notice upon the Company and delivering the relevant share certificate;

(g) In a distribution of capital in a winding-up of the Company, the Special Shareholder shall be entitled to repayment of the capital paid-up on the RPS in priority to any other shareholders. Save as otherwise provided in the Articles, the RPS shall confer no other rights to participate in the capital or profits of the Company;

(h) In the Articles, the provisions relating to the general meetings, votes of 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

20 REDEEMABLE PREFERENCE SHARE (CONTINUED)

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

(i) Each of the following matters may only be effected with the consent in writing of the Special Shareholder:

(i) The amendment, or removal, or alteration of the effect of all or any of the following Articles:

(a) The definitions of RPS and Special Shareholder; and

(b) The rights of the RPS and Special Shareholder;

(ii) The voluntary winding-up, liquidation or dissolution of the Company;

(iii) The creation of a new category of shares in the Company;

(iv) Any proposal to reduce the share capital of the Company;

(v) A sale or disposal of the Company's assets where any of the percentage ratios of such transaction is 25% or more, such percentage ratios are to be calculated in accordance with the definition of "percentage ratios" as defined in the Listing Requirement;

(vi) Any acquisition of assets by the Company where any of the percentage ratios of such transaction is 25% or more, such percentage ratios are to be calculated in accordance with the definition of "present ratios" as defined in the Listing Requirements;

(vii) The change in nature of business and principal activities of the Company; and

(viii) The suspension of the whole of the Company's operation.

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 statement of financial position:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets:				
- Deferred tax assets to be recovered within 12 months	(13)	(13)	0	0
- Deferred tax assets to be recovered after more than 12 months	(2,371)	(3,068)	0	0
Total deferred tax assets	(2,384)	(3,081)	0	0
Deferred tax liabilities:				
- Deferred tax liabilities to be utilised within 12 months	5,067	0	5,067	0
- Deferred tax liabilities to be utilised after more than 12 months	165,696	175,830	165,696	175,830
Total deferred tax liabilities	170,763	175,830	170,763	175,830
Deferred tax liabilities (net)	168,379	172,749	170,763	175,830
At beginning of reporting period	172,749	172,689	175,830	176,047
Charged/(credited) to profit or loss (Note 10):				
- Unutilised tax losses	435	0	0	0
- Property, plant and equipment	(3,829)	(44)	(4,091)	(321)
- Payables	(49)	0	(49)	0
- Accrual for bonus	(927)	104	(927)	104
	(4,370)	60	(5,067)	(217)
At end of reporting period	168,379	172,749	170,763	175,830
Subject to income tax:				
Deferred tax assets (before offsetting)				
- Unutilised tax losses	2,998	3,433	0	0
- Property, plant and equipment	0	229	0	0
- Accrual for bonus	3,015	2,088	3,002	2,075
	6,013	5,750	3,002	2,075
Offsetting	(3,629)	(2,669)	(3,002)	(2,075)
Deferred tax assets (after offsetting)	2,384	3,081	0	0

21 DEFERRED TAXATION (CONTINUED)

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Deferred tax liabilities (before offsetting)				
- Property, plant and equipment	174,441	178,499	173,814	177,905
- Payables	(49)	0	(49)	0
	174,392	178,499	173,765	177,905
Offsetting	(3,629)	(2,669)	(3,002)	(2,075)
Deferred tax liabilities (after offsetting)	170,763	175,830	170,763	175,830

22 TRADE AND OTHER PAYABLES

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Trade payables	266,746	240,008	262,262	235,724
Other payables	3,936	4,784	2,841	3,807
Customers' deposits	37,649	65,435	29,446	58,158
Accruals	18,070	11,564	18,070	11,564
	326,401	321,791	312,619	309,253

Credit terms of trade payables granted to the Group and Company vary from 30 to 45 days (2012 and 2012: 30 to 45 days).

Included in customers' deposits is deferred revenue relating to capital contribution for pipelines amounting to RM11,002,748 (2012: RM44,385,995).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

23 DIVIDENDS

	Group and Company per share		Group and Company Total amount	
	2013 sen	2012 sen	2013 RM'000	2012 RM'000
Dividends paid during the financial year:				
1) Interim dividend per ordinary share, single-tier – in respect of financial year ended 2013/12	6.00	5.00	77,040	64,200
2) Final dividend per ordinary share, single-tier – in respect of financial year ended 2012/11	7.69	7.76	98,740	99,670
	13.69	12.76	175,780	163,870
Dividends declared/proposed subsequent to year end:				
1) Interim dividend per ordinary share, single-tier – in respect of financial year ended 2013/12	3.00	0	38,520*	0
2) Final dividend per ordinary share, single-tier – in respect of financial year ended 2013/12	4.36	7.69	55,982*	98,740

At the forthcoming Annual General Meeting, the proposed final dividend in respect of the financial year ended 31 December 2013 will be proposed for shareholders' approval.

* The above interim dividend declared and the proposed final dividend (upon approval by the shareholders) subsequent to year-end will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2014.

24 CAPITAL COMMITMENTS

	Group and Company	
	2013 RM'000	2012 RM'000
In respect of purchase of property, plant and equipment:		
Authorised by the Board:		
Not contracted for	55,437	91,549
Contracted but not provided for in the financial statements	78,613	47,687

25 SIGNIFICANT RELATED PARTIES DISCLOSURES

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

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

Related parties	Relationship	Country of incorporation
Indra Cita Sdn. Bhd.	Controlling party of MMC	Malaysia
MMC Corporation Berhad ("MMC")#	Indirect substantial shareholder	Malaysia
Petronas Gas Berhad ("PGB")	Shareholder with significant influence over the Group	Malaysia
Petronas Dagangan Berhad ("PDB")	Fellow subsidiary of a shareholder with significant influence over the Group	Malaysia
Central Sugar Refinery Sdn. Bhd. ("CSR")	A subsidiary of Tradewinds (Malaysia) Berhad, a related company to controlling party of MMC	Malaysia
Petroliam Nasional Berhad (PETRONAS)*	Holding company of a shareholder with significant influence over the Group	Malaysia
Gula Padang Terap Sdn. Bhd. ("GPT")	A subsidiary of Tradewinds (Malaysia) Berhad, a related company to controlling party of MMC	Malaysia
Johor Port Berhad ("Johor Port")	Subsidiary of MMC	Malaysia
Tradewinds International Insurance Brokers Sdn. Bhd. ("Tradewinds Insurance Broker")	A subsidiary of Tradewinds Corporation Berhad, a related company to controlling party of MMC	Malaysia
Tradewinds Travel Services Sdn. Bhd. ("Tradewinds Travel")	A subsidiary of Tradewinds Corporation Berhad, a related company to controlling party of MMC	Malaysia

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

25 SIGNIFICANT RELATED PARTIES DISCLOSURES (CONTINUED)

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

Related parties	Relationship	Country of incorporation
Edaran Otomobil Nasional Berhad ("EON")	A subsidiary of DRB-Hicom Berhad, a related company to controlling party of MMC	Malaysia
Pos Malaysia Berhad ("Pos Malaysia")	A subsidiary of DRB-Hicom Berhad, a related company to controlling party of MMC	Malaysia

* PETRONAS owns 1 RPS in the Company. The rights of this RPS state that any variation to the matters within the Articles shall be effective only with written consent of the holder of the RPS as disclosed in Note 20.

PETRONAS is wholly owned by 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 the Company.

There were no individually significant transactions and commitments with Government-related entities other than those that have been disclosed in the financial statements.

In addition to the above, the Group and the Company have transactions that are collectively, but not individually 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.

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

(a) Sales and purchases of goods and services

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Non-trade expenses payable to MMC**	303	81	303	81
Gas sales to:				
CSR***	42,649	41,424	42,649	41,424
GPT***	12,021	0	12,021	0
Cash contribution for pipeline construction received from GPT**	3,160	6,000	3,160	6,000
Purchase of LPG from PDB**	16,208	16,444	0	0

25 SIGNIFICANT RELATED PARTIES DISCLOSURES (CONTINUED)

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

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Purchase of natural gas from PETRONAS***	1,962,031	1,790,617	1,962,031	1,790,617
Tolling fee income earned from PETRONAS**	16,592	15,513	16,592	15,513
Cash contribution for Citygate construction paid to PETRONAS**	11,932	2,050	11,932	2,050
Wayleaves fee payable to Johor Port**	4	4	4	4
Rental fee on leased land payable to PGB**	30	25	30	25
Rental fee on lease of gas district station payable to PDB**	1	1	1	1
Provision for brokerage in relation to third party insurance from Tradewinds Insurance Broker**	100	70	100	70
Purchase of airline tickets from Tradewinds Travel**	17	5	17	5
Provision for repair and purchase of motor vehicle from EON**	17	243	17	243
Provision for postage services from Pos Malaysia**	52	40	52	40

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

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

25 SIGNIFICANT RELATED PARTIES DISCLOSURES (CONTINUED)

(b) Key management compensation

	Group and Company	
	2013	**2012**
	RM'000	**RM'000**
- Salaries and bonuses	7,001	3,718
- Directors' fees	719	558
- Defined contribution plan - contributions	873	524
- Other benefits	686	879
	9,279	5,679

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

26 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

27 SEGMENT REPORTING

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

	Natural Gas & LPG RM'000	Others RM'000	Total RM'000
31 December 2013			
Revenue:			
Total segment revenue - external	2,317,219	0	2,317,219
Results:			
Profit/(loss) before zakat and taxation	220,914	(37)	220,877
Finance income	(7,848)	0	(7,848)
Depreciation and amortisation	47,510	55	47,565
Earnings before finance income, zakat, taxation, depreciation and amortisation (segment results)	260,576	18	260,594

27 SEGMENT REPORTING (CONTINUED)

	Natural Gas & LPG RM'000	Others RM'000	Total RM'000
Other information:			
Segment assets	1,500,492	4,362	1,504,854
Unallocated assets – taxation			2,384
Total assets			1,507,238
Segment liabilities	(326,393)	(8)	(326,401)
Unallocated liabilities - taxation			(176,769)
Total liabilities			(503,170)
Other disclosure:			
Capital expenditure	85,439	0	85,439
Depreciation	47,162	0	47,162
Amortisation of prepaid lease payments	348	55	403
31 December 2012			
Revenue:			
Total segment revenue - external	2,125,294	0	2,125,294
Results:			
Profit/(loss) before zakat and taxation	214,108	(54)	214,054
Finance income	(8,198)	0	(8,198)
Depreciation and amortisation	45,912	54	45,966
Earnings before finance income, zakat, taxation, depreciation and amortisation (segment results)	251,822	0	251,822
Other information:			
Segment assets	1,505,982	4,417	1,510,399
Unallocated assets – taxation			3,081
Total assets			1,513,480
Segment liabilities	(321,785)	(6)	(321,791)
Unallocated liabilities - taxation			(183,277)
Total liabilities			(505,068)
Other disclosure:			
Capital expenditure	39,722	0	39,722
Depreciation	45,563	0	45,563
Amortisation of prepaid lease payments	349	54	403

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

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

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

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Total retained profits of the Company and its subsidiary companies:				
- Realised	530,447	539,161	548,215	559,813
- Unrealised	(168,379)	(172,749)	(170,763)	(175,830)
	362,068	366,412	377,452	383,983

SHAREHOLDING STATISTICS

AS AT 2 APRIL 2014

Class of securities	: Ordinary Shares of RM0.50 each and preference shares of RM0.50 each
Authorised Share Capital	: RM1,000,000,000.00 divided into 1,999,999,900 ordinary shares of RM0.50 each and 100 preference shares of RM0.50 each
Issued paid-up Capital	: RM642,000,000.50 divided into 1,284,000,000 ordinary shares of RM0.50 each and 1 Redeemable Preference Share of RM0.50 each
Voting rights	: (i) One vote for every ordinary share (ii) No voting right for Redeemable Preference Share save as circumstances as provided in the Articles of Association of the Company
No. of shareholders	: 6,250

SUBSTANTIAL SHAREHOLDERS (AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS)

	No. of Shares			
	Direct	%	Indirect	%
Anglo Oriental (Annuities) Sdn Bhd	397,179,040	30.93	-	-
Tokyo Gas – Mitsui & Co Holdings Sdn Bhd	237,546,000	18.50	-	-
PETRONAS Gas Berhad	190,010,000	14.80	-	-
Shapadu Corporation Sdn Bhd	93,379,960	7.27	-	-
MMC Corporation Berhad(1)	-	-	397,179,040	30.93
Tokyo Gas International Holdings B.V.(2)	-	-	237,546,000	18.50
Mitsui & Co. (Asia Pacific) Pte Ltd(3)	-	-	237,546,000	18.50
Petroliam Nasional Berhad(4)	-	-	190,010,000	14.80
Minister of Finance(5)	-	-	190,010,000	14.80

Notes:

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

ANALYSIS BY SIZE SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Share Held
less than 100 shares	38	0.61	365	0.00
100 to 1,000	1,390	22.24	1,227,380	0.10
1,001 to 10,000	3,524	56.38	15,527,306	1.21
10,001 to 100,000	1,098	17.57	28,376,575	2.21
100,001 to less than 64,199,999 issued shares	196	3.14	320,753,374	24.98
64,200,000 and above of issued shares	4	0.06	918,115,000	71.50
TOTAL	**6,250**	**100.00**	**1,284,000,000**	**100.00**

SHAREHOLDING STATISTICS

AS AT 2 APRIL 2014 (CONTINUED)

DIRECTORS' SHAREHOLDING (AS PER REGISTER OF DIRECTORS' SHAREHOLDING)

	No. of Shares			
Name of Directors	Direct	%	Indirect	%
Datuk Haji Hasni bin Harun	-	-	-	-
Dato' Sri Che Khalib bin Mohamad Noh	-	-	-	-
Shazali bin Dato' Haji Shahrani	-	-	-	-
Rosthman bin Ibrahim (Alternate to Shazali bin Dato' Haji Shahrani)	-	-	-	-
Yusa' bin Hassan	-	-	-	-
Aida Aziza binti Mohd Jamaludin (Alternate to Yusa' bin Hassan)	-	-	-	-
Shigeru Muraki	-	-	-	-
Tsuneaki Nakamura (Alternate to Shigeru Muraki)	-	-	-	-
Yasushi Sakakibara (Alternate to Shigeru Muraki)	-	-	-	-
Tan Lye Chong	50,000	0.00	-	-
Datuk Puteh Rukiah binti Abd. Majid	-	-	-	-
Datuk Syed Abu Bakar bin S Mohsin Almohdzar	-	-	-	-
Ooi Teik Huat	-	-	-	-

TOP THIRTY SECURITIES ACCOUNT HOLDERS

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

No.	Name	Numbers of Shares	% of Issued Shares
1	Anglo Oriental (Annuities) Sdn Bhd	397,179,040	30.93
2	Tokyo Gas - Mitsui & Co. Holdings Sdn Bhd	237,546,000	18.50
3	PETRONAS Gas Berhad	190,010,000	14.80
4	Shapadu Corporation Sdn Bhd	93,379,960	7.27
5	Kumpulan Wang Persaraan (Diperbadankan)	56,408,800	4.39
6	Amanahraya Trustee Berhad Skim Amanah Saham Bumiputera	32,404,000	2.52
7	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	29,209,700	2.27
8	Amanahraya Trustee Berhad AS 1 Malaysia	16,932,300	1.32
9	Amanahraya Trustee Berhad Public Islamic Select Treasures Fund	15,870,700	1.24
10	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (HDBS)	11,975,900	0.93
11	Amanahraya Trustee Berhad Public Islamic Dividend Fund	10,869,000	0.85
12	Lembaga Tabung Haji	8,209,400	0.64
13	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For AIA Bhd	8,001,500	0.62

SHAREHOLDING STATISTICS

AS AT 2 APRIL 2014 (CONTINUED)

TOP THIRTY SECURITIES ACCOUNT HOLDERS (CONTINUED)

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

No.	Name	Numbers of Shares	% of Issued Shares
14	Amsec Nominees (Tempatan) Sdn Bhd Amtrustee Berhad For CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI)	5,619,100	0.44
15	Amanahraya Trustees Berhad Public Islamic Equity Fund	5,560,000	0.43
16	Amanahraya Trustees Berhad Public Dividend Select Fund	4,669,600	0.36
17	HSBC Nominees (Asing) Sdn Bhd BNYM SA/NV For Magna Emerging Markets Dividend Fund (MAGNA UMBR FD P)	4,663,000	0.36
18	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (F Templeton)	4,271,900	0.33
19	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Amundi)	4,000,000	0.31
20	Lembaga Tabung Angkatan Tentera	3,934,700	0.31
21	Cartaban Nominees (Tempatan) Sdn Bhd Exempt An For Eastspring Investments Berhad	3,250,900	0.25
22	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Pertubuhan Keselamatan Sosial (Hwang 6939-403)	3,070,400	0.24
23	CIMB Commerce Trustee Berhad Public Focus Select Fund	3,019,600	0.24
24	Amanahraya Trustees Berhad Public Islamic Select Enterprises Fund	2,867,700	0.22
25	PM Nominees (Tempatan) Sdn Bhd For Bank Kerjasama Bank Rakyat Malaysia Berhad	2,536,500	0.20
26	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Hwang Aiiman Growth Fund (4207)	2,316,900	0.18
27	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad For Saham Amanah Sabah (ACC 2-940410)	2,274,800	0.18
28	HSBC Nominees (Asing) Sdn Bhd Exempt An For JPMorgan Chase Bank, National Association (U.S.A.)	2,249,974	0.18
29	HSBC Nominees (Asing) Sdn Bhd Exempt An For JPMorgan Chase Bank, National Association (Norges BK Lend)	2,044,300	0.16
30	AMSEC Nominees (Tempatan) Sdn Bhd AMTrustee Berhad For Pacific Dividend Fund (UT-PM-DIV)	1,974,400	0.15
	TOTAL	**1,166,320,074**	**90.83**

LIST OF PROPERTIES

PURSUANT TO APPENDIX 9C PART A (25) OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

No.	Location	Description/ Existing use	Tenure	Area (Acres)	Net book value as at 31 December 2013 (RM'000)	Age of building (years)	Year of acquisition
1	No. Hakmilik: 89023, Lot No.: 52547 PT No.: 15752 Headquarters No. 5, Jalan Serendah 26/17, Seksyen 26, 40000 Shah Alam Selangor Darul Ehsan	Headquarters, warehouse and regulating station	Leasehold expiring in 2094	5.273	7,073	18	1994
2	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	297	14	2000
3	No Hakmilik :13007 Lot No.: 813 No.1, 1A & 1B Jalan Bola Jaring 13/15 Seksyen 13, Shah Alam Selangor Darul Ehsan	Office	Leasehold expiring in 2100	0.08	1,922	19	2009
4	No. Hakmilik : 26774, Lot No.: 85 No. 20, Jalan Gurney 54100 Kuala Lumpur	Kuala Lumpur Regional Office	Freehold	0.017767	4,256	7	2011
5	No Hakmilik: 7115 Lot No.: 8938 Lot 104, Gebeng Industrial Area 26080 Kuantan Pahang Darul Makmur	Office warehouse and odoriser station	Leasehold expiring in 2064	2.9999	2,258	18	1994

LIST OF PROPERTIES
(CONTINUED)

PURSUANT TO APPENDIX 9C PART A (25) OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

No.	Location	Description/ Existing use	Tenure	Area (Acres)	Net book value as at 31 December 2013 (RM'000)	Age of building (years)	Year of acquisition
6	HS(D) 359331 PTD 3527 Mukim Sungai Tiram Daerah Johor Bahru Johor Darul Takzim	Vacant land	Leasehold expiring in 2063	27.8225	9,932	16	2003
7	No. Hakmilik: 3272 Lot No.: 6462 No. Hakmilik : 6545 Lot No.: 5810 No. Hakmilik : 6546 Lot No.: 6461 HS(D) 34458 PT No.: 4101 No Hakmilik: 5928 Lot No.: 5809 HS(D) 34510 PT No.: 1654 Prai Industrial Park Pulau Pinang	District station land	Leasehold expiring in 2061	0.0375 0.565 0.115 0.0375 0.0375 0.07825	243	-	2000
8	HS(D) 221664 PTD 115555 PLO 343, Jalan Emas Tiga 81700 Pasir Gudang Johor Darul Takzim	Office building	Leasehold expiring in 2055	3.0352	1,708	14	1993
9	HS(D) 108992 LOT No.: 4228 No.34, Jalan Bunga Raya 9 Pusat Perniagaan Senawang 70400 Seremban Negeri Sembilan Darul Khusus	Office	Freehold	0.0378	178	17	1995
10	HS(M) : 1457 PT 2957 Mukim 06, Seberang Perai Tengah Pulau Pinang	New office building	Freehold	3.02	7,732	-	2012

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PROXY FORM

TWENTY-THIRD ANNUAL GENERAL MEETING

GAS MALAYSIA BERHAD
(Company No. : 240409-T)
(Incorporated in Malaysia)

Number of Ordinary Share(s) held	
CDS Account No.	

I/We, ______________________________ NRIC No./Passport No./Company No. ______________________
(FULL NAME OF SHAREHOLDER IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

being a member/members of **GAS MALAYSIA BERHAD**, hereby appoint:

	Name/NRIC No.	No of Shares	Percentage (%)	
Proxy 1				or failing him/her
Proxy 2				or failing him/her

* the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Third (23rd) Annual General Meeting of the Company, to be held at *Glenmarie Ballroom, Holiday Inn Kuala Lumpur Glenmarie, No. 1, Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan* on Thursday, 15 May 2014 at 3.00 p.m. and, at any adjournment thereof, on the following resolutions referred to in the notice of the Annual General Meeting:

(Please indicate “X” in the appropriate box against each Resolution as to how you wish your proxy/proxies to vote. If you do not do so, the proxy may vote or abstain from voting at his/her discretion.)

AGENDA

1	To receive the Audited Financial Statements and the Reports of the Directors and Auditors			
	Ordinary Business		**For**	**Against**
2	Declaration of Dividend	Ordinary Resolution 1		
3	Payment of Directors’ Fees	Ordinary Resolution 2		
4	Re-election of Director - Datuk Haji Hasni bin Harun	Ordinary Resolution 3		
5	Re-election of Director - Shazali bin Dato’ Haji Shahrani	Ordinary Resolution 4		
6	Re-election of Director - Datuk Puteh Rukiah binti Abd. Majid	Ordinary Resolution 5		
7	Re-election of Director - Datuk Syed Abu Bakar bin S Mohsin Almohdzar	Ordinary Resolution 6		
8	Re-election of Director - Tan Lye Chong	Ordinary Resolution 7		
9	Re-election of Director - Ooi Teik Huat	Ordinary Resolution 8		
10	Re-election of Director - Dato’ Sri Che Khalib bin Mohamad Noh	Ordinary Resolution 9		
11	Re-election of Director - Yusa’ bin Hassan	Ordinary Resolution 10		
12	Re-election of Director - Shigeru Muraki	Ordinary Resolution 11		
13	Re-appointment of Auditors	Ordinary Resolution 12		
	Special Business			
14	Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	Ordinary Resolution 13		

* 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 ______________ 2014.

Contact No. ____________________________

Signature of Member and/or Common Seal

NOTES :

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. A member shall not be entitled to appoint more than two (2) proxies. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
3. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”) as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. Where there are two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.
5. The instrument appointing a proxy or corporate representative or the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited with the Share Registrar of the Company at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 7 May 2014 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

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Gas Malaysia Berhad
Annual General Meeting
15 May 2014

STAMP
HERE

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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