

10. APPROVALS

10.1 Approvals and conditions

The SAC, vide its letter dated 23 September 2011 and 9 May 2012, classified our Shares as Shariah-compliant.

The SC, vide its letter dated 7 October 2011, approved the IPO and the Listing under Section 212(5) of the CMSA and the equity requirements for public companies, subject to the following conditions:

Conditions imposed by the SC	Status of compliance
(a) The execution of a new gas supply agreement with PETRONAS prior to the registration and issuance of the Prospectus, and the terms and conditions of the new gas supply agreement do not have a material adverse impact on the business operations and future profitability of GMB;	Complied.
(b) With regard to the stations erected by GMB:	To be complied.
(i) GMB is to identify those plots of land erected with stations which are not designated for gas station use and rectify the non-compliance within 12 months from the date of the SC's letter of approval for the Listing;	
(ii) Maybank IB/GMB is to make half-yearly announcements to Bursa Securities on the actions taken to comply with item (i); and	
(iii) Maybank IB/GMB is to update the SC on the actions taken to comply with item (i) when such announcements are made;	
(c) GMB is to allocate at least 12.5% of its enlarged issued and paid-up share capital to Bumiputera investors at the point of listing. This includes the shares offered under the balloted public offer portion, of which 50% are to be offered to Bumiputera investors, and the shares to be offered to Bumiputera investors to be approved by MITI. In the event that GMB/MITI is unable to allocate the shares to the potential Bumiputera investors approved by MITI, the unsubscribed shares should be offered to the Bumiputera retail investors via balloting; and	To be complied.
(d) Maybank IB and GMB should fully comply with the relevant requirements pertaining to the implementation of the listing proposal under the Equity Guidelines.	Noted.

Additionally, the SC, vide its letter dated 11 May 2012, granted its approval-in-principle for the registration of the Prospectus.

The MITI, vide its letters dated 29 September 2011 and 12 April 2012, approved the allocation of 147,678,000 Offer Shares to Bumiputera institutional and selected investors to be identified and approved by the MITI.

The Minister approved the Listing and in connection thereto, the changes in the shareholders and shareholding structure of our Company pursuant to the Acquisition of Special Share, Issuance of Special Rights RPS and the Offer For Sale on 14 October 2011.

10. APPROVALS (Cont'd)

10.2 Waivers

- (i) Bursa Securities, vide its letter dated 7 April 2011, granted its approval to deem the sale and purchase of gas as "Exempted Transactions" pursuant to Paragraph 10.08(11)(g) of the Listing Requirements;
- (ii) The SC, vide its letters dated 29 September 2011 and 25 April 2012, granted its approval for the relief sought from disclosing certain salient terms of the Existing Gas Supply Agreement and the New Gas Supply Agreement as well as making the said terms available for public inspection pursuant to Paragraph 8.02(m) and 18.01(c) of the Prospectus Guidelines; and
- (iii) Pursuant to Paragraph 13.10 of the Prospectus Guidelines, the Accountants' Report is to be accompanied by the relevant audit reports of those audited financial statements. Notes and schedules of the audited financial statements should also be disclosed. The SC, vide its letter dated 25 April 2012, granted its approval for the relief sought from inclusion of the auditors' report of the audited financial statements in the Accountants' Report, subject to the disclosure in the Accountants' Report of the auditors' opinion in relation to the audited financial statements for the financial years under review.

10.3 Moratorium on our Shares

In accordance with the Equity Guidelines, our Promoters will not be allowed, and have undertaken not to sell, transfer or assign their entire 950,160,000 Shares, for six (6) months from the date of the Listing.

The moratorium is specifically endorsed on the share certificates representing the shareholdings of our Promoters to ensure that our registrars do not register any transfer not in compliance with the moratorium restrictions. In compliance with the restrictions, Bursa Depository will, on our registrars' instructions in the prescribed forms, ensure that trading of these shares are not permitted during the moratorium period.

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11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

11.1 Related party transactions

As a company listed on the Main Market of Bursa Securities, our Company will be required to comply with the Listing Requirements, including requirements applicable to related party transactions. Pursuant to the Listing Requirements, subject to certain exemptions, a "related party transaction" is a transaction entered into by a listed issuer or its subsidiaries, which involves the interests, direct or indirect, of a related party. A "related party" is:

- (i) a director; or
- (ii) a major shareholder having an interest or interests in one or more voting shares in a corporation and the nominal amount of those shares, or the aggregate of the nominal amounts of those shares, is:
 - (i) 10% or more of the aggregate of the nominal amounts of all voting shares in the corporation; or
 - (ii) 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation,

of the listed company and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director, chief executive or major shareholder of the listed company or its subsidiaries or holding company. Further, a related party includes person connected with such director or major shareholder as defined under the Listing Requirements.

11.1.1 Non-recurrent related party transactions

Save as disclosed below, we have not entered into any non-recurrent related party transactions for the past three (3) FYE 31 December 2009, 31 December 2010 and 31 December 2011 of which rights and obligations are subsisting and/or proposed as at the date of this Prospectus.

On 12 March 2012, our Board approved the proposed acquisition of a 3.7 km Shah Alam NGV lateral distribution pipeline and its associated system owned by PGB, our substantial shareholder, for a cash consideration to be mutually agreed upon at a later date ("Proposed Acquisition"). As at LPD, the Proposed Acquisition is still pending execution of the sale and purchase agreement between PGB and our Company.

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

11.1.2 Recurrent related party transactions

Related party transactions can be deemed as recurrent, if they are entered into at least once every three (3) years, in the ordinary course of business and are of a revenue or trading nature necessary for the day-to-day operations of our Company.

After the Listing, our Company will be required to seek its shareholders' approval each time it enters into material related party transactions in accordance with the Listing Requirements. However, if the related party transactions can be deemed as recurrent related party transactions, our Company may seek a general mandate from its shareholders to enter into these transactions without having to seek separate shareholders' approval each time it wishes to enter into such related party transactions during the validity period of the mandate.

Under the Listing Requirements, related party transactions may be aggregated to determine its materiality if the transactions occur within a 12-month period, are entered into with the same party or with parties connected to one another or if the transactions involve the acquisition or disposal of securities or interests in one corporation/asset or of various parcels of land contiguous to each other.

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11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

11.1.2 Recurrent related party transactions (Cont'd)

Details of the recurrent related party transactions for the past three (3) FYE 31 December 2009, 31 December 2010 and 31 December 2011 as well as recurrent related party transactions which are expected to be transacted up to 31 May 2013 are as follows:

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value				
				Actual		Estimate		
				FYE 31 December 2009	FYE 31 December 2010	FYE 31 December 2011	17 months ending 31 May 2013*	RM'000
1.	PETRONAS Dagangan Berhad	<ul style="list-style-type: none"> A company held by the same interested indirect major shareholder, namely PETRONAS 	<ul style="list-style-type: none"> Purchase of LPG 	8,616	12,056	15,372	32,235	
2.	PETRONAS	<ul style="list-style-type: none"> Interested indirect major shareholder 	<ul style="list-style-type: none"> Lease of gas district station 	1	1	1	3	
3.	PGB	<ul style="list-style-type: none"> Interested direct major shareholder 	<ul style="list-style-type: none"> Tolling fees 	10,982	12,956	14,332	27,472	
			<ul style="list-style-type: none"> Land tenancy 	24	24	25	50	
		<ul style="list-style-type: none"> Samsudin bin Miskon, who is a Director of GMB, is also Managing Director and Chief Executive Officer of PGB 						
4.	Johor Port Berhad	<ul style="list-style-type: none"> A company held by the same interested indirect major shareholder, namely MMC 	<ul style="list-style-type: none"> Wayleaves 	1	1	4	9	
		<ul style="list-style-type: none"> Datuk Hj Hasni bin Harun, who is a Director of GMB, is also the Group Managing Director of MMC and a director of Johor Port Berhad 						
5.	MMC	<ul style="list-style-type: none"> Interested indirect major shareholder 	<ul style="list-style-type: none"> Provision of shared service comprising the provision of secretarial and corporate services 	76	100	59	44	
6.	Tradewinds International Insurance Brokers Sdn Bhd	<ul style="list-style-type: none"> A company held by the same interested indirect major shareholder, namely Tan Sri Dato' Seri Syed Mokhtar Shah bin Syed Nor via his interest in Restu Jernih Sdn Bhd, the holding company of Perspective Lane (M) Sdn Bhd, Kelana Ventures Sdn Bhd and Seaport Terminal (Johore) Sdn Bhd 	<ul style="list-style-type: none"> Brokerage in relation to third party insurance coverages 	100	100	70	140	

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value					
				Actual		Estimate			
				FYE 31 December 2009	FYE 31 December 2010	FYE 31 December 2011	17 months ending 31 May 2013*		
					RM'000				
7.	Tradewinds Travel Services Sdn Bhd	<ul style="list-style-type: none"> A company held by the same interested indirect major shareholder, namely Tan Sri Dato' Seri Syed Mokhtar Shah bin Syed Nor via his interest in Restu Jernih Sdn Bhd, the holding company of Perspective Lane (M) Sdn Bhd, Kelana Ventures Sdn Bhd and Seaport Terminal (Johore) Sdn Bhd 	<ul style="list-style-type: none"> Purchase of airline tickets for business travel 	90	25	30	51		
8.	Edaran Otomobil Nasional Berhad	<ul style="list-style-type: none"> A company held by the same interested indirect major shareholder, namely Tan Sri Dato' Seri Syed Mokhtar Shah bin Syed Nor via his interest through Etika Strategi Sdn Bhd 	<ul style="list-style-type: none"> Repair or purchase of our Company's vehicles 	3,068	449	615	408		

Note:

- * Our Company will seek our shareholders' approval for the recurrent related party transactions which are expected to be transacted for the 17 months ending 31 May 2013 at the next annual general meeting of our Company, if required.

Save as disclosed above, our Group does not expect to have any other proposed recurrent related party transactions to be entered into by our Group that involves the interest, direct or indirect, of our Directors, major shareholders and/or key management and/or persons connected with them.

Our Directors are of the view that all the above recurrent related party transactions have been conducted on arm's length basis and on terms not more favourable to the related parties than those generally available to the public and will ensure that future recurrent related party transactions will be conducted in such a manner.

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (*Cont'd*)

11.1.3 Loans made/received by us or any of our subsidiaries to or for the benefit of related parties

There are no outstanding loans (including guarantees of any kind) made/received by our Company or any of our subsidiaries to or for the benefit of any related party, for the past three (3) FYE 31 December 2009, 2010 and 2011.

11.2 Monitoring and review of related party transactions and conflicts of interest

11.2.1 Audit Committee review

Our Audit Committee was reconstituted on 19 August 2011 by the Board. Our Audit Committee periodically reviews:

- (i) any related party transaction and conflicts of interests that may arise within our Company or Group; and
- (ii) the procedures set by our Company to monitor related party transactions to ensure that these transactions are carried out on normal commercial terms not more favourable to the related party than those generally available to the third parties dealing at arm's length and are not to the detriment of our Company's minority shareholders.

All reviews by our Audit Committee will be reported to our Board for its further action.

11.2.2 Conflicts of interest

The related party transactions disclosed in Section 11.1 above, by their very nature, involve a conflict of interest between our Group and the related parties with whom our Group has entered into such transactions. Some of the Directors of our Group are also officers, directors and in some cases, shareholders of the related parties of our Group and, with respect to these related party transactions, a conflict of interest situation may arise. As at LPD and save as disclosed in Section 9.3.2.2 of this Prospectus, none of our Directors and substantial shareholders have any direct and indirect interests in:

- (i) other business and corporations carrying on a similar trade as our Company and/or other corporation in our Group; and
- (ii) other businesses and corporations which are customers or suppliers of our Company or our Group.

Where our Group enters into transactions with related parties, we will ensure that these transactions are carried out on normal commercial terms not more favourable to the related party than those generally available to third parties dealing at arm's length with our Group and are not to the detriment of our Company's minority shareholders.

In relation to matters whereby a director is interested in a matter or transaction by reason of the director holding a directorship in a substantial shareholder and/or is an officer of a substantial shareholder or may have a conflict of interest for any other reason, the voting and deliberation of a director on resolutions relating to these matters or transactions shall be governed by applicable Malaysian company law provisions, relevant regulatory requirements and the corporate governance principles that we have adopted.

11. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (*Cont'd*)

11.3 Declarations by advisers on conflicts of interest

- (i) Maybank IB and its related and associated companies ("Maybank Group") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and fund management and credit transaction services businesses. The Maybank Group has engaged and may in the future, engage in transactions with and perform services for our Company and/or our affiliates, in addition to the role set out in this Prospectus. In addition, in the ordinary course of business, any member of Maybank Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with any member of our Group or any other entity and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of our Group. This is a result of the business of Maybank Group generally acting independently of each other, and accordingly, there may be situations where parts of the Maybank Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of our Group. Nonetheless, the Maybank Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require amongst others, segregation between dealing and advisory activities and Chinese wall between different business divisions.

As at LPD, our Group has existing credit facilities with the Maybank Group. The said credit facilities have been extended by Maybank Group in its ordinary course of business. Notwithstanding this, Maybank IB is of the opinion that the aforesaid lending relationship is not significant and that it would not give rise to a conflict of interest in its capacity as Principal Adviser, Sole Bookrunner, Joint Underwriter and Placement Manager to our Company for our IPO and our Listing.

Save as disclosed above, Maybank IB is also not aware of any circumstance that exists or is likely to exist to give rise to a possible conflict of interest situation in its capacity as the Principal Adviser, Sole Bookrunner, Joint Underwriter and Placement Manager for our IPO and our Listing.

- (ii) Messrs Shearn Delamore & Co has confirmed that it is not aware of any circumstance that exists or is likely to exist to give rise to a possible conflict of interest in its capacity as Legal Adviser to us, in relation to our IPO and our Listing.
- (iii) PwC has confirmed that it is not aware of any circumstance that exists or is likely to exist to give rise to a possible conflict of interest in its capacity to act as the Auditors and Reporting Accountants to our Company, in relation to our IPO and our Listing.
- (iv) Frost & Sullivan Malaysia Sdn Bhd has confirmed that it is not aware of any circumstance that exists or is likely to exist to give rise to a possible conflict of interest in its capacity as Independent Market Researcher, in relation to our IPO and our Listing.
- (v) Bank Muamalat Malaysia Berhad confirms that it is not aware of any circumstance that exists or is likely to exist to give rise to a possible conflict of interest in its capacity as the Joint Underwriter in relation to our IPO and our Listing.
- (vi) Kenanga Investment Bank Berhad confirms that it is not aware of any circumstance that exists or is likely to exist to give rise to a possible conflict of interest in its capacity as the Joint Underwriter in relation to our IPO and our Listing.

12. FINANCIAL INFORMATION

12.1 Historical audited consolidated financial information

The following tables present selected financial information extracted from our audited consolidated financial statements for the FYE 31 December 2009, 31 December 2010 and 31 December 2011. Our consolidated financial statements are prepared in accordance with FRS and for the FYE 31 December 2009, 31 December 2010 and 31 December 2011, our consolidated financial statements have been audited by PwC.

The following summary consolidated financial information should be read in conjunction with the "Management's discussion and analysis of financial condition, results of operations and prospects" set out in Section 12.2 of this Prospectus and the Accountants' Report set out in Section 13 of this Prospectus.

The financial information included in this document does not reflect our Group's results of operations, financial position and cash flows in the future, and our Group's past operating results are not indicative of our Group's future operating performance.

	For the FYE 31 December		
	2009 (audited)	2010 (audited)	2011 (audited)
	(RM'000, except for percentages and per share data)		
Income statement data:			
Revenue	1,753,146	1,807,475	2,000,170
Cost of sales	(1,403,022)	(1,388,666)	(1,677,749)
Gross profit	350,124	418,809	322,421
Administrative expenses	(30,428)	(41,699)	(38,048)
Other operating income	1,845	3,638	622
Profit from operations	321,541	380,748	284,995
Finance costs	(844)	(300)	(252)
Interest income	5,184	7,928	9,987
PBT	325,881	388,376	294,730
Tax expense	(82,735)	(90,098)	(65,576)
PAT	243,146	298,278	229,154
Profit from operations includes:			
Depreciation of property, plant and equipment	38,563	40,840	44,394
Amortisation of prepaid lease	393	403	402
Total depreciation and amortisation	38,956	41,243	44,796
Total depreciation and amortisation included in:			
Cost of sales	37,424	39,769	42,647
Administrative expenses	1,532	1,474	2,151
Other selected financial data:			
Net cash generated from operating activities	300,539	369,417	261,654
Net cash used in investing activities	(45,705)	(66,059)	(25,396)
Net cash used in financing activities	(188,286)	(173,244)	(387,250)
EBITDA ⁽¹⁾	360,194	421,691	329,539
Dividends declared	173,244	280,681	206,239
Gross profit margin (%) ⁽²⁾	19.97	23.17	16.12
EBITDA margin (%) ⁽³⁾	20.55	23.33	16.48
PBT margin (%) ⁽⁴⁾	18.59	21.49	14.74
PAT margin (%) ⁽⁵⁾	13.87	16.50	11.46
No. of shares in issue ('000)	642	642	642
Gross EPS (RM) ⁽⁶⁾	507.60	604.95	459.08
Net EPS			
- Basic (RM) ⁽⁷⁾	378.73	464.61	356.94
- Diluted (RM)	*	*	*

12. FINANCIAL INFORMATION (Cont'd)

Notes:

⁽¹⁾ EBITDA represents earnings before interest, taxation, depreciation and amortisation. The table below sets forth a reconciliation of our PAT to EBITDA:

	For the FYE 31 December		
	2009 (audited)	2010 (audited)	2011 (audited)
	(RM'000)		
EBITDA:			
PAT	243,146	298,278	229,154
Tax expense	82,735	90,098	65,576
PBT	325,881	388,376	294,730
Interest	(4,643)	(7,928)	(9,987)
Depreciation of property, plant and equipment	38,563	40,840	44,394
Amortisation of prepaid land lease	393	403	402
	<u>360,194</u>	<u>421,691</u>	<u>329,539</u>

EBITDA, as well as the related ratios presented in this Prospectus, are supplemental measures of our performance and liquidity that are not required by or presented in accordance with FRS. EBITDA is not a measurement of financial performance or liquidity under FRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with FRS or as an alternative to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison between companies using such a term may not be possible.

⁽²⁾ Computed based on the gross profit over total revenue of our Group.

⁽³⁾ Computed based on the EBITDA over total revenue of our Group.

⁽⁴⁾ Computed based on the PBT over total revenue of our Group.

⁽⁵⁾ Computed based on the PAT over total revenue of our Group.

⁽⁶⁾ Computed based on the PBT of our Group divided by 642,000 ordinary shares of RM1,000.00 each in GMB, being the actual number of shares in issue.

⁽⁷⁾ Basic EPS amounts are calculated by dividing PAT to ordinary equity holders of our Company by 642,000 ordinary shares of RM1,000.00 each in GMB during the financial year.

* Our Group has no securities convertible into ordinary shares as at balance sheet date and therefore, diluted EPS has not been presented.

Our buying and average selling prices as well as average margins of natural gas from August 2008 until December 2011 were as follows:

Period	GMB's buying price	GMB's average selling price (RM/MMBtu)	GMB's average margin
August 2008 to February 2009	17.99	22.06	4.07
March 2009 to May 2011	11.05	15.00	3.95
June 2011 to December 2011	14.05	16.07	2.02

By virtue of a press statement on 30 May 2011, the Government announced the revision of natural gas prices with respect to electrical and non-electrical sectors commencing from 1 June 2011. As indicated in the announcement, the buying price of natural gas for our Company will be increased by RM3.00 per MMBtu every six (6) months beginning 1 June 2011 to December 2015 and our buying price of natural gas will be at market prices starting from 2016.

12. FINANCIAL INFORMATION (Cont'd)

The table below sets out our buying and average selling prices of natural gas beginning from 1 June 2011 to December 2015 as announced by the Government:

Sector		Price before revision (RM/MMBtu)	Revised price based on a fixed revision of RM3.00 per MMBtu every six (6) months*									
			2011		2012		2013		2014		2015	
			Jun	Dec	Jun	Dec	Jun	Dec	Jun	Dec	Jun	Dec
			(RM/MMBtu)									
Industrial	GMB	11.05	14.05	17.05	20.05	23.05	26.05	29.05	32.05	35.05	38.05	41.05
	Customers of GMB < 2 MMScfd (average)	15.00	16.07	19.12	22.16	25.21	28.05	31.10	34.15	37.20	40.25	43.30
<i>(Source: Press statement dated 30 May 2011 published on Ministry of Energy, Green Technology and Water's official website www.kettha.gov.my)</i>												
	GMB's average margin	3.95	2.02	2.07	2.11	2.16	2.00	2.05	2.10	2.15	2.20	2.25

Note:

- * The revised price based on a fixed revision of RM3.00 per MMBtu every six (6) months is in relation to GMB's buying price for natural gas.

As illustrated in the table above, the first (1st) revision to the natural gas prices commencing from 1 June 2011, entailed the upward revision of our buying price of natural gas from RM11.05 per MMBtu to RM14.05 per MMBtu and the upward revision of our average selling price of natural gas from an average of RM15.00 per MMBtu to RM16.07 per MMBtu. The first (1st) revision to the natural gas prices commencing 1 June 2011 was implemented and took effect in accordance with the notification and instruction from the Energy Commission to our Company on 31 May 2011.

Nevertheless, as at LPD, the Energy Commission has yet to issue an instruction to our Company for the second (2nd) revision of natural gas prices, scheduled to commence from 1 December 2011 onwards for the revision of our buying price and average selling price of natural gas to RM17.05 per MMBtu and RM19.12 per MMBtu respectively. Pending the instruction and notification to our Company from the Energy Commission, the buying price and average selling price of natural gas as at LPD remain at RM14.05 per MMBtu and RM16.07 per MMBtu respectively.

Please refer to the Accountants' Report in Section 13 of this Prospectus for the notes to the audited consolidated financial statements of our Group for the past three (3) FYE 31 December 2009, FYE 31 December 2010 and FYE 31 December 2011.

12. FINANCIAL INFORMATION (Cont'd)

12.2 Management's discussion and analysis of financial condition, results of operations and prospects

The following discussion should be read in conjunction with the Accountants' Report included in Section 13 of this Prospectus. Our financial statements have been prepared in accordance with the provisions of the Companies Act and FRS.

Any discrepancy in the tables included in this Prospectus between totals and the sums of amounts listed or between percentage changes and the listed amounts being compared are due to rounding.

12.2.1 Overview

We are the only licensed piped natural gas supplier in Peninsular Malaysia for small to medium-sized industrial users whose initial individual consumption of reticulated natural gas is two (2) MMScfd and below. However, pursuant to the New Gas Supply Agreement, we are allowed to supply natural gas to our customers who initially consume five (5) MMScfd and below. We were incorporated in Malaysia on 16 May 1992 for the purpose of selling, marketing and distribution of gas as well as constructing and operating the NGDS for Peninsular Malaysia. The NGDS that we operate is a network of natural gas pipelines which connects to the PGU. Natural gas is supplied by PETRONAS to us at transfer points known as city gate stations which are predominantly owned and operated by PGB. Natural gas is transferred to the NGDS through the PGU. In December 2000, our Group, via GM(LPG), expanded our business to include the supply of reticulated LPG to the industrial, commercial and residential sectors within Peninsular Malaysia. As at LPD, GM(LPG) purchases LPG from PETRONAS Dagangan Berhad and Boustead Petroleum Marketing Sdn Bhd. The expansion enabled us to supply LPG to locations not served by the NGDS. On 11 September 2006, PETRONAS transferred its shares in GMB, save for the Special Share, to PGB. Subsequently, on 19 August 2011, we were converted into a public company. As at LPD, we operate a total of approximately 1,800 km pipelines across Peninsular Malaysia serving 700 industrial customers, 519 commercial customers and 10,612 residential customers for natural gas. In relation to the supply of LPG, as at LPD, we serve 1 industrial customer, 1,132 commercial customers and 20,663 residential customers.

The principal activities of our subsidiaries, GM(LPG) and PTSB are the supply and sale of LPG via a reticulation system and property holding respectively.

As at 31 December 2011, our Group had total assets of RM1,474.4 million and shareholders' equity of RM1,009.5 million. For the FYE 31 December 2011, we generated PAT of RM229.2 million on revenue of RM2,000.2 million.

12. FINANCIAL INFORMATION (Cont'd)

12.2.2 Major factors affecting our Group's financial condition and results of operations

Our operating results have been and will continue to be affected by a number of factors, including those set out below:

- (i) **Demand for gas is dependent on general economic and political conditions, and deterioration in such conditions would adversely affect the demand for gas and ultimately our business operations, profitability and financial condition**

Demand for gas is typically dependent on the level of general economic activity and political conditions, both domestically and internationally, because gas is used in a wide range of industries across the economy. Increase in industrialisation will increase the demand of natural gas nationwide. Adverse political conditions could affect the general economic situation which in turn, could cause industries to lower production thus lowering consumption of natural gas which in turn, will affect our Group financially due to lower volume of gas sold. A prolonged economic downturn may affect our Company as many industries will either lower production or shut down their factories causing immediate loss of revenue to us.

- (ii) **Buying and average selling prices of natural gas which are regulated and approved by the Government as at LPD**

As at LPD, the buying and average selling prices of natural gas are based on the prices as regulated and approved by the Government.

In August 2008, the Government regulated our buying price of natural gas at RM17.99 per MMBtu and our selling price at an average of RM22.06 per MMBtu.

Following the sharp fall of crude oil prices, in March 2009, the Government reduced our buying price of natural gas by 38.6% to RM11.05 per MMBtu and reduced our selling price by 32.0% from an average of RM22.06 per MMBtu to an average of RM15.00 per MMBtu.

On 30 May 2011, the Government announced the revision of natural gas prices with respect to electrical and non-electrical sectors commencing from 1 June 2011. As indicated in the announcement, the buying price of natural gas for our Company will be increased by RM3.00 per MMBtu every six (6) months beginning 1 June 2011 to December 2015 and our buying price of natural gas will be at market prices starting from 2016. The first (1st) revision to the natural gas price, commencing from 1 June 2011, entailed the revision of our buying price of natural gas upwards by 27.1% from RM11.05 per MMBtu to RM14.05 per MMBtu and the revision of our average selling price of natural gas upwards by 7.1% from an average of RM15.00 per MMBtu to RM16.07 per MMBtu. The first (1st) revision to the natural gas prices commencing 1 June 2011 was implemented and took effect in accordance with the notification and instruction from the Energy Commission to our Company on 31 May 2011.

12. FINANCIAL INFORMATION (Cont'd)

Nevertheless, as at LPD, the Energy Commission has yet to issue an instruction to our Company for the second (2nd) revision of natural gas prices, scheduled to commence from 1 December 2011 onwards for the revision of our buying price and average selling price of natural gas to RM17.05 per MMBtu and RM19.12 per MMBtu respectively. Pending the instruction and notification to our Company from the Energy Commission, the buying price and average selling price of natural gas as at LPD remain at RM14.05 per MMBtu and RM16.07 per MMBtu respectively.

The gas supply industry, which we operate in, is governed by the GSA. In view that as at LPD, the buying and average selling prices of natural gas are regulated and approved by the Government, we cannot provide any assurance that the buying and average selling prices of natural gas will be maintained at the current revised prices in the future.

In addition to the above, it should be noted that pursuant to the New Gas Supply Agreement, our buying price from PETRONAS from 1 January 2013 to 31 December 2022 is as follows:

	Buying price under the New Gas Supply Agreement in accordance with the volume [^] of gas supplied							
	From 1 January 2013 until 31 December 2013		From 1 January 2014 until 31 July 2014		From 1 August 2014 until 31 December 2014		From 1 January 2015 until 31 December 2022	
	Gigajoule per day	MMScfd (approximate)	Gigajoule per day	MMScfd (approximate)	Gigajoule per day	MMScfd (approximate)	Gigajoule per day	MMScfd (approximate)
Maximum volume of gas supply contracted by PETRONAS per day which shall be subject to Government regulated price* ("DQ1")	414,721	382	414,721	382	325,697	300	325,697	300
Maximum volume of gas supply contracted by PETRONAS per day which shall be subject to LNG plus price ("DQ2")	43,426	40	75,996	70	165,020	152	208,446	192
Total	458,147	422	490,717	452	490,717	452	534,143	492

Notes:

* Currently, the Government regulated price is as per the announcement made by the Government on 30 May 2011, details of which are set out in Section 5.2.1 of this Prospectus. As indicated in the announcement, the buying price of natural gas for our Company will be increased by RM3.00 per MMBtu every six (6) months beginning 1 June 2011 to December 2015 and the buying price of natural gas will be at market prices starting from 2016.

[^] The volume of gas supplied is on a step-up basis.

12. FINANCIAL INFORMATION (Cont'd)

In view of the anticipated changes to the prices of natural gas, our Company intends to review the selling prices of natural gas and subject to such new selling prices being approved by the Energy Commission, our Company will revise the selling prices with all our customers. In the event the Energy Commission does not approve such new selling prices, we may resort to supply up to the DQ1 volume only, if it is not feasible to supply the DQ2 volume to our customers.

Therefore whilst the Government had, by the press release on 30 May 2011, announced our buying and average selling prices beginning from June 2011 to December 2015, under the New Gas Supply Agreement signed with PETRONAS, our buying prices throughout the tenure of the New Gas Supply Agreement would be based on either Government regulated price and/or LNG plus price, depending on the volume to be supplied to us by PETRONAS.

(iii) As our business depends heavily on our gas pipelines, any significant damage to our gas pipelines may have a material adverse effect on our business operations, profitability and financial condition

As at LPD, we operate a total of approximately 1,800 km pipelines across Peninsular Malaysia, particularly in key industrial areas such as Shah Alam, Prai, Senawang, Bangi, Kamunting and Pasir Gudang. Our gas infrastructure design, construction and operation is to enable natural gas to be sold and delivered safely, reliably and efficiently. As illustrated in the NGDS diagram included in Section 7.8 of this Prospectus, our gas pipelines are connected from each city gate station which is predominantly owned and operated by PGB to the respective odouriser stations, district stations, service stations, area stations and regulating stations and ending at our industrial, commercial and residential end users. Any occurrence of damage, accident, explosion or natural disaster on any parts of the same gas pipeline facilities network may materially affect our gas supply and sales to our customers.

Any significant damage to our gas pipeline facilities may have a material interruption in our supply of gas to our customers, which may result in loss of customers' confidence and affect our business operations, profitability and financial condition. Notwithstanding the above, as at LPD, we have never encountered any significant gas supply interruptions at our gas pipeline facilities that had a material adverse effect on our business operations, profitability and financial condition.

12. FINANCIAL INFORMATION (Cont'd)

(iv) Dependency on PETRONAS for supply of natural gas

On 18 August 1997, we signed the Existing Gas Supply Agreement with PETRONAS where PETRONAS is to supply us with natural gas. Starting from 2003 to 31 October 2009, the maximum amount of natural gas that PETRONAS agreed to supply us with was up to 150 MMScfd. We faced an ongoing challenge of securing more gas to meet the growing demand of our industrial, commercial and residential customers. On 1 November 2009, we signed the First Supplemental Agreement to the Existing Gas Supply Agreement with PETRONAS which resulted in an increase of the gas supply volume from 150 MMScfd to 300 MMScfd. On 12 July 2010, we signed the Second Supplemental Agreement to the Existing Gas Supply Agreement pursuant to which PETRONAS agreed that for the period commencing from 1 December 2009 until 31 December 2011, the maximum permissible offtake of natural gas on any day by us shall be increased by 82 MMScfd. Subsequently on 5 April 2011, PETRONAS has further agreed that the additional gas supply volume of 82 MMScfd shall be extended until 31 December 2012.

The Existing Gas Supply Agreement which took effect from 6 January 1993 is for a duration of 20 years and will expire on 31 December 2012.

In view of the impending expiry of the Existing Gas Supply Agreement, we signed the New Gas Supply Agreement with PETRONAS on 23 February 2012 to replace the Existing Gas Supply Agreement upon its expiry on 31 December 2012. The tenure of the New Gas Supply Agreement is for a period of 10 years but the New Gas Supply Agreement provides that our Company has the right to request for a further extension of five (5) years subject to the availability of gas supply and the renegotiation of any terms of the agreement, if requested by either ourselves or PETRONAS. The New Gas Supply Agreement is for the supply of natural gas of up to 534,143 gigajoule per day (which is equivalent to approximately 492 MMScfd) for the period commencing from 1 January 2013 until 31 December 2022 on a step-up basis. Details of the step-up volume pursuant to the New Gas Supply Agreement are as follows:

Period	Maximum gas supply volume from PETRONAS per day	
	Gigajoule per day	MMScfd (approximate)
1 January 2013 – 31 December 2013	458,147	422
1 January 2014 – 31 December 2014	490,717	452
1 January 2015 – 31 December 2022	534,143	492

12. FINANCIAL INFORMATION (Cont'd)

(v) Our obligation of take-or-pay for the natural gas

Pursuant to the Existing Gas Supply Agreement and the New Gas Supply Agreement, we are liable to a take-or-pay ("T-O-P") obligation which obliges our Company to take the stipulated quantities of natural gas in any given year. This T-O-P obligation is expressed as an obligation to take up the stipulated percentages of the contracted quantity of natural gas supplied under the relevant agreements and is referred to as the T-O-P quantity.

Our Company is under an obligation to take and pay PETRONAS for the T-O-P quantity of natural gas as stipulated even if the actual quantity of natural gas taken by us is less than the T-O-P quantity.

In the event that we are unable to utilise up to the T-O-P quantity, we are still liable to pay PETRONAS for natural gas that has not been taken by us up to the T-O-P quantity. This may have a material adverse effect on our business operations, profitability and financial condition.

(vi) Surcharges imposed on us by PETRONAS

Under the Existing Gas Supply Agreement and the New Gas Supply Agreement, we are required to observe the excess gas pricing for natural gas taken above the stipulated quantity.

In the New Gas Supply Agreement, the excess gas pricing is imposed over any quantity of natural gas taken above 105% of the daily quantity contracted on any day. The excess gas pricing may impose a significant additional cost to our Company as any excess quantity of natural gas so taken shall be paid for based on the excess gas price in addition to the contracted price.

In addition to the excess gas pricing*, pursuant to the New Gas Supply Agreement which takes effect from 1 January 2013, surcharges are imposed on us such as overrun surcharge and variance surcharge which may have a material adverse effect on our business operations, profitability and financial condition. Details of the abovementioned surcharges are as follows:

- **Variance surcharge** – Variance surcharge is imposed for any quantity of natural gas taken outside the variance tolerance, which refers to any intake of natural gas in any given day that differs (whether positively or negatively) from the daily nominated quantity of natural gas quoted by us to PETRONAS by more than 5%, subject to any amendments to the PGB Network Code by PGB in relation to the variance surcharge from time to time.
- **Overrun surcharge*** – Overrun surcharge is imposed for any quantity of natural gas taken above the overrun tolerance, which refers to any quantity exceeding 102% of the maximum hourly limit set by us or the authorised overrun quantity agreed with PETRONAS, subject to any amendments to the PGB Network Code by PGB in relation to the overrun surcharge from time to time.

Note:

- * *Under the New Gas Supply Agreement, we are only liable to pay for the excess gas pricing or the overrun surcharge, whichever is higher.*

12. FINANCIAL INFORMATION (Cont'd)**12.2.3 Critical accounting policies**

We prepare our consolidated financial statements in conformity with FRS. As such, we are required to make estimates, judgements and assumptions that affect (i) certain reported amounts of revenue and expenses during the reporting period, (ii) certain reported amounts of our assets and liabilities and (iii) the disclosure of our contingent assets and liabilities at the date of the financial statements. We base our estimates and judgements on our historical experience and on various other reasonable factors that together form the basis for making our judgements. Our actual results may differ from these estimates under different assumptions or conditions. We evaluate our estimates and judgements on an ongoing basis. We believe our most critical accounting policies that result in the application of estimates and/or judgements are the following:

(i) Property, plant and equipment

Freehold land and capital work-in-progress are stated at cost. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items less capital contributions received from customers.

With the adoption of IC Interpretation 18 "Transfer of assets from customers" (effective prospectively for assets received on or after 1 January 2011), the Group will recognise cash contributions from customers as revenue when the customers are connected to the pipelines.

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 our 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 charged to the 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 our Group. Major renovations are depreciated over the remaining useful life of the related asset.

At the end of each reporting period, our 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.

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

12. FINANCIAL INFORMATION (Cont'd)**(ii) Depreciation**

No depreciation is provided on freehold land as it has an infinite life. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

The straight-line method is used to write off the cost of the other assets to their residual values over the term of 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

The residual value, useful lives and depreciation method of property, plant and equipment are reviewed at the end of each reporting period.

Our 20-year Existing Gas Supply Agreement with PETRONAS will expire on 31 December 2012. The New Gas Supply Agreement was signed on 23 February 2012 and the tenure is for a period of 10 years, commencing from 1 January 2013 until 31 December 2022 with the right to request for an extension of another 5 years.

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

(iii) Impairment

Property, plant and equipment and other non-current assets, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows.

The impairment loss is charged to the 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 the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

(iv) Receivables

Trade receivables are amounts due from customers for sale of gas and tolling fee 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 effective interest method, less provision for impairment.

12. FINANCIAL INFORMATION (Cont'd)

(v) Taxation

Current tax expense is determined according to the tax laws of each jurisdiction in which our Group operates and includes all taxes based upon the taxable profits and real property gains taxes payable on disposal of properties. For the financial statements prepared under FRS 134, income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxation profit or loss. Investment tax allowance is treated as tax credits at inception.

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

Deferred tax is recognised on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for tax matters based on estimates of whether additional taxes will be due. If the final outcome of these tax matters result in a difference in the amounts initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made.

12. FINANCIAL INFORMATION (Cont'd)

(vi) Revenue recognition

Our Group recognises 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 our Group'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. Our Group base our estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) 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/receivable from customers during the financial year/period.

(b) Tolling Fee

Tolling fee represents fee received from PETRONAS for the transportation of gas to their customers.

(c) Interest income

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

(d) Cash contributions

With the adoption of IC Interpretation 18 "Transfer of assets from customers" (effective prospectively for assets received on or after 1 January 2011), the Group recognises cash contributions from customers as revenue when the pipelines are connected to customers.

Critical judgement in applying accounting policies

The Directors have applied judgement in applying the revenue recognition policy based on the Group's business model and its relationships and contracts with its customers. The judgement 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 to bear 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.

12. FINANCIAL INFORMATION (Cont'd)

12.2.4 Results of operations

(i) FYE 31 December 2009, 31 December 2010 and 31 December 2011

The following table presents our income statement data, the percentage such amounts represent of our total revenue and their percentage change for the periods indicated:

	FYE 31 December						% Change from 2009 to 2010	% Change from 2010 to 2011
	2009	% of revenue	2010	% of revenue	2011	% of revenue		
	(in RM millions, except for percentages)							
Revenue	1,753.1	100.0	1,807.5	100.0	2,000.2	100.0	3.1	10.7
Cost of sales	(1,403.0)	(80.0)	(1,388.7)	(76.8)	(1,677.8)	(83.9)	(1.0)	20.8
Gross profit	350.1	20.0	418.8	23.2	322.4	16.1	19.6	(23.0)
Administrative expenses	(30.4)	(1.7)	(41.7)	(2.3)	(38.0)	(1.9)	37.2	(8.9)
Other operating income	1.8	0.1	3.7	0.2	0.6	*	105.6	(83.8)
Profit from operations	321.5	18.4	380.8	21.1	285.0	14.2	18.4	(25.2)
Finance costs	(0.9)	*	(0.3)	*	(0.3)	*	(66.7)	-
Interest income	5.2	0.3	7.9	0.4	10.0	0.5	51.9	26.6
PBT	325.8	18.7	388.4	21.5	294.7	14.7	19.2	(24.1)
Tax expense	(82.7)	(4.7)	(90.1)	(5.0)	(65.5)	(3.2)	8.9	(27.2)
PAT	243.1	14.0	298.3	16.5	229.2	11.5	22.7	(23.2)

Note:

* Negligible.

Revenue

The following table sets forth our revenue from our principal activities, the percentage such amounts represent of our total revenue and their percentage change for the periods indicated:

	FYE 31 December						% Change from 2009 to 2010	% Change from 2010 to 2011
	2009	%	2010	%	2011	%		
	(in RM millions, except for percentages)							
Sale of natural gas	1,726.5	98.5	1,775.0	98.2	1,962.2	98.1	2.8	10.5
Tolling fees	10.9	0.6	13.0	0.7	14.4	0.7	19.3	10.8
Sale of LPG	15.7	0.9	19.5	1.1	23.6	1.2	24.2	21.0
Total	1,753.1	100.0	1,807.5	100.0	2,000.2	100.0	3.1	10.7

12. FINANCIAL INFORMATION (Cont'd)

The following table sets forth our sales volume from the sale of natural gas, tolling fees and LPG in millions MMBtu and the daily average of natural gas volume in MMScfd for the periods indicated:

Products	FYE 31 December		
	2009	2010	2011
	(in millions MMBtu or otherwise indicated)		
Volume of natural gas.....	107.3	117.6	124.6
Volume of natural gas transported to PETRONAS NGV and GDC stations.....	10.7	12.3	13.1
Volume of LPG.....	0.2	0.2	0.3
Daily average of natural gas volume (in MMScfd)	287	315	336

We recorded a 6.7% decrease in revenue for the FYE 31 December 2009 compared to the FYE 31 December 2008 mainly as a result of a 7.0% decrease in revenue from the sale of natural gas segment. The 7.0% decrease in revenue from the sale of natural gas was due to the decrease in customer demand for natural gas and the reduction in natural gas tariff. Gas consumption from the various industries was lower for the FYE 31 December 2009 compared to the FYE 31 December 2008 as a result of reduced production levels amidst the challenging economic conditions since end of 2008. The new natural gas tariff which took effect from 1 March 2009 reflected a reduction in the selling price of natural gas by 32.0% from an average of RM22.06 per MMBtu to an average of RM15.00 per MMBtu. This was in line with the drop in world crude oil prices. Notwithstanding that, there was a 21.1% increase in revenue from tolling fees due to higher volumes of natural gas transported to PETRONAS NGV stations as a result of the increase in the total number of PETRONAS NGV stations from 79 stations for the FYE 31 December 2008 to 112 stations for the FYE 31 December 2009. The 6.8% increase in revenue from the sale of LPG was due to higher volumes of LPG sold as a result of an increase in the total number of our LPG commercial customers from 778 LPG commercial customers for the FYE 31 December 2008 to 904 LPG commercial customers for the FYE 31 December 2009.

We recorded a 3.1% increase in revenue for the FYE 31 December 2010 compared to the FYE 31 December 2009 mainly as a result of a 2.8% increase in revenue from the sale of natural gas segment. The 2.8% increase in sale of natural gas was primarily due to the increase in demand across all industries for the FYE 31 December 2010 compared to the FYE 31 December 2009. The ability to meet the increase in demand for gas consumption from these industries during the FYE 31 December 2010 was a result of our ability to secure an additional 82 MMScfd of natural gas from PETRONAS (on top of the 300 MMScfd of natural gas) from 1 December 2009 until 31 December 2012. Despite being able to secure an additional allocation of 82 MMScfd of natural gas from PETRONAS which was officially secured on 12 July 2010, the sale of natural gas only increased marginally by 2.8% for the FYE 31 December 2010 as compared to the FYE 31 December 2009 as we required some time to construct additional gas pipelines and facilities to service our new customers.

12. FINANCIAL INFORMATION (Cont'd)

The 19.3% increase in revenue from tolling fees was due to higher volumes of natural gas transported to PETRONAS NGV stations as a result of the increase in the total number of PETRONAS NGV stations from 112 stations for the FYE 31 December 2009 to 130 stations for the FYE 31 December 2010. The 24.2% increase in revenue from the sale of LPG was due to higher volumes of LPG sold as a result of an increase in the total number of our LPG commercial customers from 904 LPG commercial customers for the FYE 31 December 2009 to 984 LPG commercial customers for the FYE 31 December 2010.

We recorded a 10.7% increase in revenue for the FYE 31 December 2011 compared to the FYE 31 December 2010 mainly as a result of a 10.5% increase in revenue from the sale of natural gas segment. The 10.5% increase in sale of natural gas was primarily due to the increase in demand across all industries for the FYE 31 December 2011 as compared to the FYE 31 December 2010 as well as the increase in selling price of natural gas upwards by 7.1% from an average of RM15.00 per MMBtu to RM16.07 per MMBtu pursuant to the first (1st) revision to the natural gas price, which was effective from 1 June 2011.

The 10.8% increase in revenue from tolling fees was due to higher volumes of natural gas transported to PETRONAS NGV stations as a result of an increase in the total number of PETRONAS NGV stations from 130 stations for the FYE 31 December 2010 to 141 stations for the FYE 31 December 2011. The 21.0% increase in revenue from the sale of LPG was due to higher volumes of LPG sold as a result of the increase in the total number of our LPG commercial customer from 984 LPG commercial customers for the FYE 31 December 2010 to 1,125 LPG commercial customers for the FYE 31 December 2011.

The following tables set forth our sales volume from the sale of natural gas classified by industrial, commercial and residential customers and sale of natural gas to industrial customers by industry, the percentage such amounts represent of our total sales volume and their percentage change for the periods indicated:

	FYE 31 December							
	2009	% of total volume	2010	% of total volume	2011	% of total volume	% Change from 2009 to 2010	% Change from 2010 to 2011
	(in millions MMBtu, except for percentages)							
Industrial.....	106.4	99.2	116.6	99.1	123.6	99.2	9.6	6.0
Commercial..	0.9	0.8	1.0	0.9	1.0	0.8	11.1	-
Residential....	*	*	*	*	*	*	*	*
Total	<u>107.3</u>	<u>100.0</u>	<u>117.6</u>	<u>100.0</u>	<u>124.6</u>	<u>100.0</u>	9.6	6.0

Note:

* Negligible.

12. FINANCIAL INFORMATION (Cont'd)

	FYE 31 December							
	2009	% of	2010	% of	2011	% of	%	%
		total		total		total	Change	Change
	volume	volume	volume	volume	volume	from	from	
	(in millions MMBtu, except for percentages)							
Food and beverages.....	29.1	27.3	31.6	27.1	33.3	26.9	8.6	5.4
Rubber.....	24.6	23.1	27.6	23.7	29.3	23.7	12.2	6.2
Fabricated & basic metal ...	12.9	12.1	14.4	12.4	15.4	12.5	11.6	6.9
Non-metallic minerals.....	10.8	10.2	11.6	9.9	12.2	9.9	7.4	5.2
Chemicals.....	8.8	8.3	9.5	8.1	9.8	7.9	8.0	3.2
Glass	7.3	6.9	8.3	7.1	9.0	7.3	13.7	8.4
Others.....	12.9	12.1	13.6	11.7	14.6	11.8	5.4	7.4
Total	106.4	100.0	116.6	100.0	123.6	100.0	9.6	6.0

Gas consumption decreased across all industries identified above for the FYE 31 December 2009 compared to the FYE 31 December 2008 as a result of reduced production levels amidst the challenging economic conditions since end of 2008.

Gas consumption increased across all industries identified above for the FYE 31 December 2010 compared to the FYE 31 December 2009. The ability to meet the increase in demand for gas consumption from these industries during the FYE 31 December 2010 was a result of our ability to secure an additional 82 MMScfd from PETRONAS (on top of the 300 MMScfd) from 1 December 2009 until 31 December 2012.

The increased consumption of natural gas for the FYE 31 December 2011 compared to the FYE 31 December 2010 was primarily due to the increase in the average actual consumption of natural gas by our industrial customers from the FYE 31 December 2010 to FYE 31 December 2011 as there was sufficient capacity from the additional allocation of 82 MMScfd.

Cost of sales

The following table sets forth our cost of sales, the percentage such amounts represent of our total cost of sales and their percentage change for the periods indicated:

	FYE 31 December							
	2009	%	2010	%	2011	%	%	%
							Change	Change
							from	from
	(in RM millions, except for percentages)							
Cost of natural gas	1,303.7	92.9	1,304.4	93.9	1,606.5	95.8	0.1	23.2
Cost of LPG.....	11.2	0.8	15.4	1.1	18.5	1.1	37.5	20.1
Depreciation	37.4	2.7	39.8	2.9	42.7	2.5	6.4	7.3
Others.....	50.7	3.6	29.1	2.1	10.1	0.6	(42.6)	(65.3)
Total	1,403.0	100.0	1,388.7	100.0	1,677.8	100.0	(1.0)	20.8

12. FINANCIAL INFORMATION (Cont'd)

Our cost of sales decreased by 7.4% from RM1,515.1 million in the FYE 31 December 2008 to RM1,403.0 million in the FYE 31 December 2009. The decrease in cost of sales was mainly due to a 9.6% decrease in cost of natural gas. Our natural gas segment experienced a decrease in total cost mainly due to a 38.6% decrease in the buying price of natural gas from RM17.99 per MMBtu to RM11.05 per MMBtu which was effective from 1 March 2009.

Our cost of sales decreased marginally by 1.0% from RM1,403.0 million in the FYE 31 December 2009 to RM1,388.7 million in the FYE 31 December 2010. The marginal decrease in cost of sales was mainly due to a 37.5% increase in cost of LPG, which was set off by a 42.6% decrease in other costs for the FYE 31 December 2010 as compared to the FYE 31 December 2009.

Our cost of sales increased by 20.8% from RM1,388.7 million for the FYE 31 December 2010 to RM1,677.8 million for the FYE 31 December 2011. The 23.2% increase in cost of natural gas was primarily due to a 27.1% increase in the buying price of natural gas from RM11.05 per MMBtu to RM14.05 per MMBtu which was effective from 1 June 2011.

Depreciation cost consists of the depreciation of our gas pipelines whilst other costs consist mainly of our operation and maintenance staff costs as well as costs of repairs and maintenance of our gas pipelines.

Gross profit

As a result of the factors discussed above, our gross profit decreased by 4.0% from RM364.5 million in the FYE 31 December 2008 to RM350.1 million in the FYE 31 December 2009. The decrease in gross profit was due to the decrease in our average margin from RM4.07 per MMBtu for the period August 2008 to February 2009 to RM3.95 per MMBtu for the period March 2009 to December 2009. However, our gross profit margin increased from 19.4% in the FYE 31 December 2008 to 20.0% in the FYE 31 December 2009.

Our gross profit increased by 19.6% from RM350.1 million in the FYE 31 December 2009 to RM418.8 million in the FYE 31 December 2010. The increase in gross profit was due to an increase in the volume of natural gas sold and lower cost of sales for the FYE 31 December 2010 as compared to the FYE 31 December 2009. Our gross profit margin increased from 20.0% in the FYE 31 December 2009 to 23.2% in the FYE 31 December 2010, which is consistent with the increase in gross profit.

Our gross profit decreased by 23.0% from RM418.8 million in the FYE 31 December 2010 to RM322.4 million in the FYE 31 December 2011. The decrease in gross profit was due to the decrease in our average margin from RM3.95 per MMBtu for the period March 2009 to May 2011 to RM2.02 per MMBtu for the period June 2011 to December 2011. Therefore, our gross profit margin decreased from 23.2% in the FYE 31 December 2010 to 16.1% in the FYE 31 December 2011.

12. FINANCIAL INFORMATION (Cont'd)

Other operating income

Other operating income decreased by 80.4% from RM9.2 million in the FYE 31 December 2008 to RM1.8 million in the FYE 31 December 2009. The decrease was mainly due to the refund of approximately RM6.2 million from PETRONAS for an overcharge of gas cost in the FYE 31 December 2008 and approximately RM1.6 million bad debts provision written back in the FYE 31 December 2008.

Other operating income increased by 105.6% from RM1.8 million in the FYE 31 December 2009 to RM3.7 million in the FYE 31 December 2010. The increase was mainly due to late payment charges received from customers in the FYE 31 December 2010 amounting to RM2.8 million.

Other operating income decreased by 83.8% from RM3.7 million in the FYE 31 December 2010 to RM0.6 million in the FYE 31 December 2011. The decrease was mainly due to lower late payment charges received for the FYE 31 December 2011 of approximately RM0.1 million as compared to the FYE 31 December 2010 of RM2.8 million and bad debts provision written back in the FYE 31 December 2011 of approximately RM0.2 million.

Administrative expenses

Administrative expenses increased by 50.5% from RM20.2 million in the FYE 31 December 2008 to RM30.4 million in the FYE 31 December 2009. The increase was mainly due to corporate social responsibility contributions to our community in the FYE 31 December 2009.

Administrative expenses increased by 37.2% from RM30.4 million in the FYE 31 December 2009 to RM41.7 million in the FYE 31 December 2010. The increase was due mainly to corporate social responsibility contributions to our community in the FYE 31 December 2010.

Administrative expenses decreased by 8.9% from RM41.7 million in the FYE 31 December 2010 to RM38.0 million in the FYE 31 December 2011. The decrease was due mainly to lower corporate social responsibility contributions to our community for the FYE 31 December 2011 as compared to the FYE 31 December 2010.

Finance costs

Finance costs decreased marginally in the FYE 31 December 2009 mainly due to the reversal of a bank guarantee fee of approximately RM0.039 million which was previously accrued for in 2006.

Finance costs decreased by 66.7% from RM0.9 million in the FYE 31 December 2009 to RM0.3 million in the FYE 31 December 2010 mainly due to RM0.5 million interest incurred in the FYE 31 December 2009 on Al-Murabahah Commercial Papers, which were fully repaid in December 2009.

Finance costs remained constant at RM0.3 million from the FYE 31 December 2010 to the FYE 31 December 2011.

12. FINANCIAL INFORMATION (Cont'd)

Taxation

Our tax expenses decreased by 5.2% from RM87.2 million in the FYE 31 December 2008 to RM82.7 million in the FYE 31 December 2009 due to a decrease in PBT during that period and an adjustment for overaccrual of tax expense in prior years of RM4.7 million in the FYE 31 December 2009 as compared to a RM2.1 million adjustment in underaccrual of tax expense in prior years in the FYE 31 December 2008. However, our effective tax rate increased to 25.4% in the FYE 31 December 2009 from 24.4% in the FYE 31 December 2008, due to higher non-deductible tax expenses.

Our tax expenses increased by 8.9% from RM82.7 million in the FYE 31 December 2009 to RM90.1 million in the FYE 31 December 2010 due to an increase in PBT during that period. However, our effective tax rate decreased to 23.2% in the FYE 31 December 2010 from 25.4% in the FYE 31 December 2009, primarily due to a reversal of deferred tax amounting to RM7.5 million over accrued for in prior years.

Our tax expenses decreased by 27.2% from RM90.1 million in the FYE 31 December 2010 to RM65.5 million in the FYE 31 December 2011 due to a decrease in PBT during that period. In addition, our effective tax rate decreased to 22.2% in the FYE 31 December 2011 from 23.2% in the FYE 31 December 2010, due to lower PBT and the recognition of deferred tax asset of RM3.4 million during that period.

Net profit

As a result of the foregoing factors, our net profit decreased by 9.7% to RM243.1 million in the FYE 31 December 2009 from RM269.3 million in the FYE 31 December 2008.

Our net profit increased by 22.7% to RM298.3 million in the FYE 31 December 2010 from RM243.1 million in the FYE 31 December 2009.

Our net profit decreased by 23.2% to RM229.2 million in the FYE 31 December 2011 from RM298.3 million in the FYE 31 December 2010.

(ii) Revenue by geographic location

	FYE 31 December					
	2009	% of total volume	2010	% of total volume	2011	% of total volume
(in millions MMBtu, except for percentages)						
Central region	43.9	41.3	48.2	41.3	51.0	41.3
Southern region	34.7	32.6	37.6	32.2	39.8	32.2
Northern region	22.1	20.8	24.8	21.3	26.7	21.6
Eastern region	5.7	5.3	6.0	5.2	6.1	4.9
	106.4	100.0	116.6	100.0	123.6	100.0

Most of our natural gas volume sold is generated from natural gas supplied to industrial customers in the central, southern and northern region of Peninsular Malaysia. For the FYE 31 December 2010, natural gas supplied to industrial customers in the central, southern and northern region of Peninsular Malaysia accounted for 41.3%, 32.2% and 21.3% respectively, of our total volume of natural gas supplied to industrial customers. For the FYE 31 December 2011, natural gas supplied to industrial customers in the central, southern and northern region of Peninsular Malaysia accounted for 41.3%, 32.2% and 21.6% respectively, of our total volume of natural gas supplied to industrial customers.

12. FINANCIAL INFORMATION (Cont'd)

12.2.5 Liquidity and capital resources

(i) Cash flows

Our principal sources of liquidity have been funds generated from operating activities, our cash and cash equivalents and borrowings from financial institutions. Our principal uses of cash include payments to finance the purchase of natural gas, labour costs, capital expenditure and other operating expenses.

The following table sets forth a summary of our cash flows for the periods indicated:

	FYE 31 December		
	2009	2010	2011
	(audited)	(audited)	(audited)
	(in RM millions)		
Net cash generated from operating activities	300.5	369.4	261.7
Net cash used in investing activities	(45.7)	(66.1)	(25.4)
Net cash used in financing activities	(188.2)	(173.2)	(387.3)
Net change in cash and cash equivalents	66.6	130.1	(151.0)
Cash and cash equivalents at beginning of year	281.3	347.9	478.0
Cash and cash equivalents at end of year	347.9	478.0	327.0

Net cash generated from operating activities

Net cash generated from operating activities in the FYE 31 December 2011 was RM261.7 million due mainly to PBT of RM294.7 million, adjustments for non cash items of RM34.8 million and RM5.0 million from changes in working capital, which were partially set off by RM72.9 million in taxes paid. The adjustments for non-cash items for the FYE 31 December 2011 consisted primarily of a depreciation expense of RM44.4 million and interest income of RM10.0 million. The changes in working capital for the FYE 31 December 2011 consisted primarily of an increase in trade and other receivables of RM15.4 million, which was partially set off by an increase in trade and other payables of RM20.5 million. Please refer to Section 12.2.12 (i) and (ii) for additional information regarding trade and other payables and trade and other receivables. The lower net cash generated from operating activities of RM261.7 million for the FYE 31 December 2011 as compared to RM369.4 million for the FYE 31 December 2010 was primarily due to the lower PBT of RM294.7 million for the FYE 31 December 2011 as compared to RM388.4 million for the FYE 31 December 2010.

12. FINANCIAL INFORMATION (Cont'd)

Net cash generated from operating activities in the FYE 31 December 2010 was RM369.4 million due mainly to PBT of RM388.4 million, adjustments for non-cash items of RM33.3 million and RM28.6 million from changes in working capital, which were partially set off by RM80.8 million in taxes paid. The adjustments for non-cash items in the FYE 31 December 2010 consisted primarily of a depreciation expense of RM40.8 million and interest income of RM7.9 million. The changes in working capital in the FYE 31 December 2010 consisted primarily of an increase in trade and other payables of RM49.0 million in the FYE 31 December 2010, which was partially set off by an increase in trade and other receivables of RM20.5 million. Please refer to Section 12.2.12 (i) and (ii) for additional information regarding trade and other payables and trade and other receivables. The higher net cash generated from operating activities of RM369.4 million in the FYE 31 December 2010 as compared to RM300.5 million in the FYE 31 December 2009 was primarily due to the higher PBT of RM388.4 million in the FYE 31 December 2010 as compared to RM325.8 million in the FYE 31 December 2009.

Net cash generated from operating activities in the FYE 31 December 2009 was RM300.5 million due mainly to PBT of RM325.8 million and adjustments for non-cash items of RM33.4 million and RM13.3 million from changes in working capital, which were partially set off by RM72.1 million in taxes paid. The adjustments for non-cash items in the FYE 31 December 2009 consisted primarily of a depreciation expense of RM38.6 million and interest income of RM5.2 million. The changes in working capital in the FYE 31 December 2009 consisted primarily of a decrease in trade and other receivables of RM56.0 million, which was partially set off by a decrease in trade and other payables of RM42.7 million. Please refer to Section 12.2.12 (i) and (ii) for additional information regarding trade and other payables and trade and other receivables.

Net cash used in investing activities

Net cash used in investing activities for the FYE 31 December 2011 was RM25.4 million, consisting of additions to property, plant and equipment of RM35.4 million mainly due to additions of gas pipeline facilities for the NGDS which is set off partly by RM10.0 million in interest received.

Net cash used in investing activities in the FYE 31 December 2010 was RM66.1 million, consisting of additions to property, plant and equipment of RM74.0 million mainly due to additions of gas pipeline facilities for the NGDS, which is set off partly by RM7.9 million in interest received.

Net cash used in investing activities in the FYE 31 December 2009 was RM45.7 million, consisting of additions to property, plant and equipment of RM50.5 million mainly due to the additions of gas pipeline facilities for the NGDS and RM1.3 million in prepaid lease payments, which is set off partly by RM5.2 million in interest received and RM0.9 million in proceeds from disposal of property, plant and equipment which was mainly due to replacement of our vehicles.

12. FINANCIAL INFORMATION (Cont'd)

Net cash used in financing activities

Net cash used in financing activities for the FYE 31 December 2011 was RM387.3 million due to a RM387.3 million dividends paid in respect of the FYE 31 December 2010.

Net cash used in financing activities in the FYE 31 December 2010 was RM173.2 million due to a RM173.2 million dividends paid in respect of the FYE 31 December 2009.

Net cash used in financing activities in the FYE 31 December 2009 was RM188.2 million due primarily to a RM187.7 million dividends paid in respect of the FYE 31 December 2008 and interest paid on Al-Murabahah commercial papers of RM0.5 million.

(ii) Capital resources

We intend to meet our working capital, capital expenditure and other capital requirements principally with funds generated from operating activities, cash and cash equivalents and borrowings from financial institutions. Following the IPO, we may, from time to time, also rely on additional equity and debt offerings to raise capital. Our ability to rely on these sources of funding could be affected by our results of operations and financial position and by the liquidity of the Malaysian and international financial markets.

We intend to list our Shares on the Main Market of Bursa Securities as part of the IPO. We currently anticipate that the cash flow generated from our operations, together with our existing cash and cash equivalents and credit sources, will be sufficient to meet our currently anticipated needs for working capital, capital expenditure and other capital requirements for at least the next 12 months.

Our total shareholders' equity was RM1,042.5 million at 31 December 2009, RM1,167.6 million at 31 December 2010 and RM1,009.5 million at 31 December 2011.

(iii) Borrowings

As at 31 December 2011, 31 December 2010 and 31 December 2009, there are no outstanding short-term and long-term borrowings by our Group.

12. FINANCIAL INFORMATION (Cont'd)

12.2.6 Material capital commitments

We had capital commitments of RM74.6 million as at 31 December 2011 which consist of the following:

Material commitments	Total	Within one year (in RM millions)	More than 1 year but less than 2 years
Approved and contracted for.....	16.6 ⁽¹⁾	1.1	15.5 ⁽²⁾
Approved but not contracted for	58.0	-	58.0
Total.....	74.6	1.1	73.5

Notes:

⁽¹⁾ Out of this amount, RM1.1 million relates to other capital expenditure and RM15.5 million relates to the engineering, procurement and construction of the NGDS pipeline.

⁽²⁾ This amount relates to the engineering, procurement and construction of the NGDS pipeline.

These commitments mainly relate to the engineering, procurement and construction of the NGDS pipeline. We intend to finance our capital commitments through a combination of funds generated from operations and borrowings from external sources.

Save as disclosed above, as at 31 December 2011, we are not aware of any other material capital commitments incurred or known to be incurred by us that has not been provided for which, upon becoming enforceable, may have a material impact on our financial results or financial position.

12.2.7 Contingent liabilities

As at 31 December 2011, we have no material contingent liabilities.

12.2.8 Inflation

The effects of inflation in Malaysia on our financial condition and results of operations are reflected primarily in natural gas costs as well as in labour expenses. Inflation in Malaysia has not had a significant impact on our results of operations to date. It is possible that inflation in the future may have an adverse effect on our financial condition or results of operations.

12.2.9 Taxes

We have recognised a deferred tax asset of RM3.4 million as of 31 December 2011. The amount of tax savings for the FYE 31 December 2011 arising from previously unabsorbed capital allowances and unutilised tax losses amounted to RM0.5 million and RM3.4 million respectively.

12.2.10 Off balance sheet arrangements

We do not have any material off-balance sheet arrangements which are reasonably likely to have a current or future material effect on results of operations or our financial condition.

12. FINANCIAL INFORMATION (Cont'd)

12.2.11 Material litigation

As at LPD, we are not engaged in any material litigation or arbitration, either as plaintiff or defendant, and we are not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect our financial or business position.

12.2.12 Key financial ratios

The following table sets forth certain of our key financial ratios for the FYE 31 December 2009, 2010 and 2011:

	As at 31 December		
	2009	2010	2011
	(audited)	(audited)	(audited)
	(in RM'000, except for ratios)		
Trade receivables (gross).....	159,234	178,729	193,874
Revenue.....	1,753,146	1,807,475	2,000,170
Trade receivables turnover days ⁽¹⁾	33	36	35
Trade payables.....	145,447	170,603	203,235
Cost of sales.....	1,403,022	1,388,666	1,677,749
Trade payables turnover days ⁽²⁾	38	45	44
Current assets.....	508,116	658,700	523,154
Current liabilities.....	222,868	274,669	288,925
Current ratio (times) ⁽³⁾	2.3	2.4	1.8

Notes:

- ⁽¹⁾ Trade receivables (gross) as at 31 December divided by revenue for the fiscal year and multiplied by 365 days.
- ⁽²⁾ Trade payables as at 31 December divided by cost of sales for the fiscal year and multiplied by 365 days.
- ⁽³⁾ Current assets as at 31 December divided by current liabilities as at 31 December for the respective fiscal years.

(i) Trade receivables turnover days

The increase in trade receivables turnover days from 33 days as at 31 December 2009 to 36 days as at 31 December 2010 was the result of a greater 12.2% increase in trade receivables as compared to a corresponding 3.1% increase in revenue from the FYE 31 December 2009 to the FYE 31 December 2010. The increase in trade receivables from the FYE 31 December 2009 to the FYE 31 December 2010 was primarily due to the increase in customer demand across all industries for natural gas. The ability to meet the increase in demand for gas consumption from the various industries during the FYE 31 December 2010 was a result of our ability to secure an additional 82 MMScfd from PETRONAS (on top of the 300 MMScfd of natural gas) from 1 December 2009 until 31 December 2012.

12. FINANCIAL INFORMATION (Cont'd)

The decrease in trade receivables turnover days from 36 days as at 31 December 2010 to 35 days as at 31 December 2011 was the result of a 10.7% increase in revenue as compared to a corresponding 8.5% increase in trade receivables from the FYE 31 December 2010 to the FYE 31 December 2011. The increase in trade receivables from the FYE 31 December 2010 to the FYE 31 December 2011 was primarily due to the increase in customer demand across all industries for natural gas. In addition, the increase in trade receivables from the FYE 31 December 2010 to the FYE 31 December 2011 was also due to the increase in selling price of natural gas from an average of RM15.00 per MMBtu to RM16.07 per MMBtu pursuant to the first (1st) revision to the natural gas price, which was effective from 1 June 2011.

(ii) Trade payables turnover days

The increase in trade payables turnover days from 38 days as at 31 December 2009 to 45 days as at 31 December 2010 was the result of a 17.3% increase in trade payables as compared to a 1% decrease in cost of sales. The increase in trade payables from the FYE 31 December 2009 to the FYE 31 December 2010 was mainly due to the increase in purchase of natural gas from PETRONAS as a result of our ability to secure an additional 82 MMScfd from PETRONAS (on top of the 300 MMScfd) from 1 December 2009 until 31 December 2012.

The decrease in trade payables turnover days from 45 days as at 31 December 2010 to 44 days as at 31 December 2011 was the result of a greater 20.8% increase in cost of sales as compared to a corresponding 19.1% increase in trade payables. The increase in trade payables from the FYE 31 December 2010 to the FYE 31 December 2011 was primarily due to the increase in the buying price of natural from RM11.05 per MMBtu to RM14.05 per MMBtu which was effective from 1 June 2011.

(iii) Current ratio

The increase in the current ratio from 2.3 times at 31 December 2009 to 2.4 times at 31 December 2010 was mainly due to an increase in cash and bank balances from RM347.9 million at 31 December 2009 to RM478.0 million at 31 December 2010. The increase in cash and bank balances from year to year was a result of net cash generated from operating activities after deducting net cash used in investing and financing activities.

The decrease in the current ratio from 2.4 times at 31 December 2010 to 1.8 times at 31 December 2011 was primarily due to a decrease in cash and bank balances from RM478.0 million at 31 December 2010 to RM327.0 million at 31 December 2011. The decrease in cash and bank balances in 31 December 2011 as compared to FYE 31 December 2010 was a result of an increase in the dividend paid from RM173.2 million in respect of the FYE 31 December 2009 to RM387.3 million of which RM280.7 million and RM106.6 million were dividends paid for the FYE 31 December 2010 and FYE 31 December 2011 respectively.

12. FINANCIAL INFORMATION (Cont'd)

The following table sets forth our ageing analysis of trade receivables and payables as at 31 December 2011:

	0 to 30 days	31 to 60 days	More than 60 days	Total
	(in RM'000)			
Trade receivables				
Industrial.....	174,839	15,020	-	189,859
Commercial.....	2,997	744	43	3,784
Residential.....	146	34	51	231
Trade receivables (gross).....	177,982	15,798	94	193,874
Impaired receivables.....	-	-	(44)	(44)
Trade receivables (net).....	177,982	15,798	50	193,830
Trade payables				
Trade payables.....	203,235	-	-	203,235

Our credit period for trade receivables is 30 days and the credit period for trade payables is generally 30 to 45 days.

As at 31 December 2011, 91.8% of our trade receivables were within 30 days. Of the balance, 99.7% of our trade receivables were paid subsequent to the 30 days and adequate provision has been made for long overdue amounts.

As at 31 December 2011, 100% of our trade payables were due within 30 days.

12.2.13 Trends and prospect information

Our results of operations for the FYE 31 December 2011 and 31 December 2012 have been, and are expected to continue to be, influenced by the following factors:

- the price of gas and the level of demand for gas by industrial, commercial and residential customers; and
- management of capital expenditures and operating costs.

Except as disclosed in the "Management's discussion and analysis of financial condition, results of operations and prospects" set out in Section 12.2.2 and "Risk factors" set out in Section 5 of this Prospectus and to the best of the Board's knowledge and belief, there are no other known trends, factors, demands, commitments or events that are reasonably likely to have a material effect on our financial conditions and results of operations. However, the factors and trends affecting our financial position and results of operations as set out in the discussion above and in "Risk factors" set out in Section 5 of this Prospectus are not exhaustive.

12. FINANCIAL INFORMATION (Cont'd)

12.3 Capitalisation and indebtedness

The following table summarises our Group's cash and cash equivalents as well as capitalisation as at 31 December 2011 based on our latest available audited consolidated financial statements and the proforma consolidated balance sheets as at 31 December 2011, on the assumption that the IPO had occurred on 31 December 2011.

The information should be read in conjunction with the Reporting Accountants' Letter and the Proforma Consolidated Balance Sheets and Accountants' Report set out in Section 12.5 and 13 of this Prospectus respectively.

The proforma financial information below does not represent our actual capitalisation as at 31 December 2011 and is provided for information purposes only. Our Group does not have any outstanding borrowings and material contingent liabilities as at 31 December 2011. As such, our Group does not have any indebtedness.

	As at 31 December 2011 (audited)	Proforma After dividend payment [^] and Pre- IPO Exercise* (unaudited) (RM'000)	Proforma II After Proforma I and IPO (unaudited)
Deposits with licensed banks, cash and bank balances	327,004	227,334	227,334
Total shareholders' equity	1,009,454	909,784	909,784
Total capitalisation	1,009,454	909,784	909,784

Notes:

[^] The final single tier dividend amounting to RM99,670,000 in respect of the FYE 31 December 2011 was approved by our shareholders at our annual general meeting and was paid on 30 April 2012 from the cash and bank balances of our Company.

* The Pre-IPO Exercise involved the following:

- (i) acquisition by PGB of the Special Share from PETRONAS and removal of the special rights attached to the Special Share;
- (ii) subdivision of 642,000 ordinary shares of RM1,000.00 each in our Company into 1,284,000,000 GMB Shares; and
- (iii) issuance of one (1) Special Rights RPS to PETRONAS.

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12. FINANCIAL INFORMATION (Cont'd)

12.4 Proforma consolidated balance sheets

Our Company has prepared the proforma consolidated balance sheets below for illustrative purposes only, to show effects of the Pre-IPO Exercise and the IPO on the assumption that the events had been effected on 31 December 2011. The proforma consolidated balance sheets have been prepared in accordance with FRS and in a manner consistent with both the format of the financial statements and the accounting policies adopted by our Group.

The proforma consolidated balance sheets should be read in conjunction with the Reporting Accountants' Letter and the Proforma Consolidated Balance Sheets as at 31 December 2011 and the notes thereon as set out in Section 12.5 of this Prospectus.

	As at 31 December 2011 (audited)	Proforma I After dividend payment ^A and Pre-IPO Exercise [*]	Proforma II After Proforma I and IPO
	RM'000		
NON-CURRENT ASSETS			
Property, plant and equipment	929,078	929,078	929,078
Prepaid lease payments	18,836	18,836	18,836
Deferred taxation	3,358	3,358	3,358
Total non-current assets	951,272	951,272	951,272
CURRENT ASSETS			
Trade and other receivables	196,150	196,150	196,150
Cash and bank balances	327,004	227,334	227,334
Total current assets	523,154	423,484	423,484
TOTAL ASSETS	1,474,426	1,374,756	1,374,756
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
ATTRIBUTABLE TO EQUITY			
HOLDERS OF OUR COMPANY			
Share capital	642,000	642,000	642,000
Retained profits	367,454	267,784	267,784
Total equity	1,009,454	909,784	909,784
NON-CURRENT LIABILITIES			
Deferred taxation	176,047	176,047	176,047
Total non-current liabilities	176,047	176,047	176,047
CURRENT LIABILITIES			
Trade and other payables	275,457	275,457	275,457
Taxation	13,468	13,468	13,468
Total current liabilities	288,925	288,925	288,925
TOTAL LIABILITIES	464,972	464,972	464,972
TOTAL EQUITY AND LIABILITIES	1,474,426	1,374,756	1,374,756
Number of shares ('000)			
RM1,000.00 nominal value	642	-	-
RM0.50 nominal value	-	1,284,000	1,284,000
NA/ NTA (RM'000)	1,009,454	909,784	909,784
NA/ NTA per ordinary share of RM1,000 each (RM) ⁽¹⁾	1,572.36	-	-
NA/ NTA per ordinary share of RM0.50 each (RM) ⁽¹⁾	0.79 ⁽²⁾	0.71	0.71

12. FINANCIAL INFORMATION (Cont'd)

Notes:

- [^] The final single tier dividend amounting to RM99,670,000 in respect of the FYE 31 December 2011 was approved by our shareholders at our annual general meeting and was paid on 30 April 2012 from the cash and bank balances of our Company.
- * The Pre-IPO Exercise involved the following:
- (i) acquisition by PGB of the Special Share from PETRONAS and removal of the special rights attached to the Special Share;
 - (ii) subdivision of 642,000 ordinary shares of RM1,000.00 each in our Company into 1,284,000,000 GMB Shares; and
 - (iii) issuance of one (1) Special Rights RPS to PETRONAS.
- ⁽¹⁾ Computed based on the NA/NTA attributable to equity holders of our Company over number of shares.
- ⁽²⁾ Adjusted retrospectively to show the effect of the subdivision of 642,000 ordinary shares of RM1,000.00 each in our Company into 1,284,000,000 GMB Shares.

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12. FINANCIAL INFORMATION (Cont'd)

12.5 Reporting Accountants' Letter and the Proforma Consolidated Balance Sheets

(Prepared for inclusion in this Prospectus)



The Board of Directors
Gas Malaysia Berhad
5, Jalan Serendah 26/17 Seksyen 26
40732 Shah Alam
Selangor

7 May 2012

PwC/YWY/TEC/ps/0006C

Dear Sirs,

Report on Pro Forma Consolidated Balance Sheets

- 1 We report on the Pro forma Consolidated Balance Sheets as at 31 December 2011 together with the Notes thereon of Gas Malaysia Berhad ('the Company'), as set out in Appendix A (which we have stamped for the purpose of identification), which have been prepared for inclusion in the Prospectus to be dated 18 May 2012 in connection with the initial public offering ("IPO") of the Company.
- 2 The Pro Forma Consolidated Balance Sheets have been prepared, for illustrative purposes only, to show the effects of the Completed Transactions and Proposals as disclosed in Notes 2.2, 2.3 and 3.1 respectively on the financial position presented had these been effected at the date stated.

Responsibilities

- 3 It is the sole responsibility of the Directors of the Company to prepare the Pro Forma Consolidated Balance Sheets on the basis set out in the notes thereon in accordance with the requirements of the Prospectus Guidelines.
- 4 It is our responsibility to form an opinion as required by the Prospectus Guidelines on the Pro Forma Consolidated Balance Sheets.
- 5 In providing this opinion, we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the preparation of the Pro Forma Consolidated Balance Sheets nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

- 6 We conducted our work in accordance with the approved standard for assurance engagement in Malaysia, ISAE 3000 "Assurance Engagement Other Than Audits or Reviews of Historical Financial Information". Our work, which involved no independent examination of any of the underlying financial information, consisted of comparing unadjusted information with the audited consolidated financial statements of the Company, considering the evidence supporting the adjustments and discussing the Pro Forma Consolidated Balance Sheets with the Directors of the Company.

.....
PricewaterhouseCoopers (AF 1146), Chartered Accountants,
Level 10, 1 Sentral, Jalan Travers, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my

12. FINANCIAL INFORMATION (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/ps/0006C
7 May 2012

- 7 We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Consolidated Balance Sheets have been properly prepared on the basis stated, using financial statements prepared in accordance with Financial Reporting Standards, and in a manner consistent with both the format of the financial statements and the accounting policies of the Company.
- 8 As the Pro Forma Consolidated Balance Sheets are prepared for illustrative purposes only, such information, because of its nature, does not give a true picture of the effects of the Completed Transactions and Proposals on the financial position presented had the transaction or event occurred at the date stated. Further, such information does not purport to predict the Group's future financial position.

Our Opinion

- 9 In our opinion:
- (a) the Pro Forma Consolidated Balance Sheets have been properly prepared on the basis set out in the notes, using financial statements prepared in accordance with Financial Reporting Standards, and in a manner consistent with both the format of the financial statements and the accounting policies of the Company; and
- (b) each material adjustment made to the information used in the preparation of the Pro Forma Consolidated Balance Sheets is appropriate for the purposes of preparing such financial information.

Other Matter

- 10 This report is issued for the sole purpose of inclusion in the Prospectus in connection with the Company's IPO and should not be used or relied upon for any other purpose. We accept no duty of responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this Report in connection with any transaction other than the IPO.

Yours faithfully,

PRICEWATERHOUSECOOPERS
 (No. AF 1146)
 Chartered Accountants

YEE WAI YIN
 (No.2081/08/12 (J))
 Chartered Accountant

12. FINANCIAL INFORMATION (Cont'd)



GAS MALAYSIA BERHAD

APPENDIX A

PRO FORMA CONSOLIDATED BALANCE SHEETS AS AT 31 December 2011

The Pro forma Consolidated Balance Sheets as set below have been prepared for illustrative purposes only to show the effects on the audited balance sheet of Gas Malaysia Berhad Group as at 31 December 2011 on the assumption that the dividend payment, Pre-IPO exercises and Proposals and events as set forth in Notes 2.2, 2.3 and 3.1 had been effected on that date and should be read in conjunction with the notes thereon.

	At 31.12.2011 (Audited) RM'000	Pro forma I After dividend payment & Pre-IPO exercises RM'000	Pro forma II After Proforma I and IPO RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	929,078	929,078	929,078
Prepaid lease payments	18,836	18,836	18,836
Deferred taxation	3,358	3,358	3,358
Total non-current assets	951,272	951,272	951,272
CURRENT ASSETS			
Trade and other receivables	196,150	196,150	196,150
Cash and bank balances	5 327,004	227,334	227,334
Total current assets	523,154	423,484	423,484
Total assets	1,474,426	1,374,756	1,374,756
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	642,000	642,000	642,000
Retained profits	4.1 367,454	267,784	267,784
Total equity	1,009,454	909,784	909,784
NON-CURRENT LIABILITIES			
Deferred taxation	176,047	176,047	176,047
CURRENT LIABILITIES			
Trade and other payables	275,457	275,457	275,457
Taxation	13,468	13,468	13,468
Total current liabilities	288,925	288,925	288,925
Total liabilities	464,972	464,972	464,972
Total equity and liabilities	1,474,426	1,374,756	1,374,756
Net tangible assets (RM'000)	1,009,454	909,784	909,784
Number of ordinary shares of RM1,000 each ('000)	642	NA	NA
Number of ordinary shares of RM0.50 each (RM'000)	NA	1,284,000	1,284,000
Net tangible assets per share of RM1,000 each (RM)	1,572.36	NA	NA
Net tangible assets per share of RM0.50 (RM)	0.79*	0.71	0.71

*adjusted retrospectively to show the effect of the subdivision of shares

12. FINANCIAL INFORMATION (Cont'd)



GAS MALAYSIA BERHAD

PRO FORMA CONSOLIDATED BALANCE SHEETS AS AT 31 December 2011
(CONTINUED)

1 INTRODUCTION

The Pro Forma Consolidated Balance Sheets as at 31 December 2011 of Gas Malaysia Berhad ("GMB" or "the Company"), for which the Directors of the Company are solely responsible, have been prepared for illustrative purposes only, for the purpose of inclusion in the Prospectus, issued in connection with the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad ("the Listing"). The Pro forma Consolidated Balance Sheets show the effects of the dividend payment and Pre-IPO Exercises referred to in Notes 2.2, 2.3 and Proposals in Note 3 below undertaken by the Company and may not, because of its nature, reflect the actual financial position of GMB Group.

2 BASIS OF PREPARATION

- 2.1 The Pro Forma Consolidated Balance Sheets have been prepared on the basis set out in the notes, using the financial statements of GMB Group as at 31 December 2011 prepared under Financial Reporting Standards and in the manner consistent with both the format of the financial statements and the accounting policies of GMB Group.

Completed Transactions2.2 Dividend payment

The consolidated balance sheet as at 31 December 2011 of GMB has been adjusted to reflect a final single tier dividend of RM99,670,000 in respect of the financial year ended 31 December 2011. The payment of final dividend was approved by the shareholders at its annual general meeting and was paid on 30 April 2012 from cash and bank balances of GMB.

2.3 Pre-IPO Exercises

The Company implemented the following Pre-IPO exercises:

- (i) Acquisition by Petronas Gas Berhad of the Special Share from Petroliam Nasional Berhad ("PETRONAS") and removal of the special rights and powers attached to the Special Share.
- (ii) Subdivision of the par value of the existing GMB ordinary shares of RM1,000 each to RM0.50 each resulting in the increase from 642,000 existing ordinary shares to 1,284,000,000 ordinary shares.
- (iii) Issuance of one (1) Special Rights Redeemable Preference Share ("RPS") at an issue price of RM0.50 to PETRONAS.

12. FINANCIAL INFORMATION (Cont'd)



GAS MALAYSIA BERHAD

PRO FORMA CONSOLIDATED BALANCE SHEETS AS AT 31 December 2011
(CONTINUED)

3 PROPOSALS

3.1 Initial Public Offering (IPO) and Listing

Offer for sale of 333,840,000 ordinary shares of RM0.50 each in the Company comprising (a) Institutional offering of 303,315,000 ordinary shares ("Institutional Offering") at a price of RM2.20 per share; and (b) the retail offering of 30,525,000 ordinary shares ("Retail Offering") at the price of RM2.20 per share ("Retail Price"), payable in full upon application.

The expenses of the IPO to be borne by GMB are estimated to be RM4,100,000, which are professional fees and miscellaneous expenses. The selling shareholders will be bearing their own professional fees and miscellaneous expenses in respect of the IPO. The IPO expenses of RM4,100,000 has been accrued and charged to GMB's profit or loss for the financial year ended 31 December 2011.

Listing and quotation for all the issued and paid-up ordinary shares comprising 1,284,000,000 shares on the Main Market of Bursa Malaysia Securities Berhad.

4 EFFECTS ON THE PRO FORMA CONSOLIDATED BALANCE SHEETS

The Pro Forma Consolidated Balance Sheets have been prepared solely for illustrative purposes only to show the effects of the dividend payment, Pre-IPO exercises and Proposals on the audited consolidated balance sheet of Gas Malaysia Berhad as at 31 December 2011 had these been effected on that date.

Pro forma I

This has been presented to include the effects of the dividend payment on its ordinary shares for the financial year ended 31 December 2011 and the Pre-IPO exercises as detailed in Notes 2.2 and 2.3 respectively.

The single tier dividend payment amounting to RM99,670,000 made on 30 April 2012 was from cash and bank balances of GMB.

Pro forma II

Pro forma II incorporates the effects of Pro forma I and the effects of the IPO as detailed in Note 3.1 on Pro forma I.

12. FINANCIAL INFORMATION (Cont'd)



GAS MALAYSIA BERHAD

PRO FORMA CONSOLIDATED BALANCE SHEETS AS AT 31 December 2011
(CONTINUED)

4 EFFECTS ON THE PRO FORMA CONSOLIDATED BALANCE SHEETS (CONTINUED)

4.1 Retained profits

The effect of the dividend payment on the retained profits of the GMB Group is as follows:

	<u>Retained profits</u> RM' 000
Per audited balance sheet of GMB Group at 31 December 2011	367,454
Effect of the dividend payment:	
<u>Final single tier dividend - 31.12.2011</u>	(99,670)
Per Pro forma I and II	<u>267,784</u>

5 CASH AND BANK BALANCES

The effect of the dividend payment on the cash and bank balances of the GMB Group is as follows:

	<u>Cash and bank balances</u> RM' 000
Per audited balance sheet of GMB Group at 31 December 2011	327,004
Effect of the dividend payment:	
- <u>Final single tier dividend - 31.12.2011</u>	(99,670)
Per Pro forma I and II	<u>227,334</u>

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12. FINANCIAL INFORMATION (Cont'd)

12.6 Dividend policy

It is the policy of our Board in recommending dividends, to allow shareholders to participate in our profits, as well as to retain adequate reserves for our future growth. In considering the level of dividend payments, if any, our Directors will take into account various factors including but not limited to the following, when recommending final dividends for approval by shareholders or when declaring any interim dividends:

- (i) the level of our cash, gearing, return on equity and retained earnings;
- (ii) our expected financial performance; and
- (iii) our projected levels of capital expenditure and other investment plans.

For the past three (3) FYE 31 December 2009, 31 December 2010 and 31 December 2011, our gross dividend payout ratios were approximately 95%, 100% and 90% respectively of our Company's PAT.

For the FYE 31 December 2012, our Company intends to propose a dividend payout ratio of 100% of our Company's PAT under FRS and thereafter, our Company targets a dividend payout ratio of not less than 75% of our Company's PAT under FRS in each subsequent financial year, subject to the recommendation of our Board and to any applicable law, licence and contractual obligations and provided that such distribution would not be detrimental to our cash requirements or to any plans approved by our Board. Investors should note that this dividend policy merely describes our Company's present intention and shall not constitute legally binding statements in respect of our Company's future dividends which are subject to modifications (including reduction or non-declaration thereof) at our Board's discretion.

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13. ACCOUNTANTS' REPORT



(Prepared for inclusion in the Prospectus to be dated 18 May 2012)

The Board of Directors
Gas Malaysia Berhad
5, Jalan Serendah 26/17 Seksyen 26
40732 Shah Alam
Selangor

7 May 2012

PwC/YWY/TEC/py/0004C

Dear Sirs,

**Gas Malaysia Berhad
Accountants' Report**

1.0 Introduction

This report has been prepared by PricewaterhouseCoopers, an approved company auditor, for inclusion in the Prospectus of Gas Malaysia Berhad ("GMB") to be dated 18 May 2012 in connection with the initial public offering ("IPO") and listing of GMB on the Main Market of Bursa Malaysia Securities Berhad.

This report is prepared based on the audited consolidated financial statements of GMB which have been prepared in accordance with the applicable Financial Reporting Standards in Malaysia.

2.0 General Information

2.1 Background

GMB was incorporated as a private limited company on 16 May 1992 in Malaysia under the name of Gas Malaysia Sdn Bhd ("GMSB"). GMSB was converted into a public limited company and changed its name to Gas Malaysia Berhad on 19 August 2011.

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

*PricewaterhouseCoopers (AF 1146), Chartered Accountants,
Level 10, 1 Sentral, Jalan Travers, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my*

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

2.0 **General Information (continued)**2.2 (a) **Initial public offering of GMB on the Main Market of Bursa Securities**

GMB has applied to Bursa Securities for its admission to the Official List and the listing of and quotation for all the issued and paid-up ordinary shares of GMB comprising of 1,284,000,000 Shares on the Main Market of Bursa Securities ("Listing") which incorporated the following proposals:

- (i) Initial Public Offering of 333,840,000 GMB Shares comprising:
 - the institutional offering by the offerors of 303,315,000 GMB Shares to Malaysian institutional and selected investors and Bumiputera institutional and selected investors approved by the Ministry of International Trade and Industry at the Institutional Price to be determined by way of bookbuilding ("Institutional Price"); and
 - the retail offering by the offerors of 30,525,000 GMB Shares to the Malaysian Public and the eligible Directors and employees of the GMB Group at the retail price.
- (ii) Listing of and quotation for all the issued and paid-up ordinary shares comprising 1,284,000,000 GMB shares on the Main Market of Bursa Securities.

(b) **Pre-IPO Exercises**

During the financial year ending 31 December 2012, GMB implemented the following Pre-IPO exercises:

- (i) Acquisition by Petronas Gas Berhad of the Special Share from Petroliam Nasional Berhad ("PETRONAS") and removal of the special rights and powers attached to the Special Share.
- (ii) Subdivision in the par value of one (1) ordinary share of RM1,000 each into 2,000 ordinary shares of RM0.50 each. The number of issued and paid up ordinary shares increased from 642,000 ordinary shares of RM1,000 each into 1,284,000,000 ordinary shares of RM0.50 each ("GMB Shares") to facilitate the listing as defined below;
- (iii) Issuance of one (1) Special Rights Redeemable Preference Share ("RPS") at an issue price of RM0.50 to PETRONAS.

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

2.3 Share capital

Details of the authorised and issued and paid-up share capital of GMB since its incorporation are as follows:

<u>Date of creation</u>	<u>Par value</u> RM	<u>Number of ordinary shares</u>	<u>Cumulative authorised share capital</u> RM
16.05.1992	1,000	300,000	300,000,000
28.11.2008	1,000	700,000	1,000,000,000

<u>Date of allotment</u>	<u>Par value</u> RM	<u>Number of ordinary shares/ Special Rights RPS</u>	<u>Consideration</u> RM	<u>Resultant total issued and paid up share capital</u> RM
16.05.1992	1,000	3	Cash	3,000
24.08.1992	1,000	8,697	Cash	8,700,000
17.03.1993	1,000	14,000	Cash	22,700,000
28.01.1994	1,000	3,600	Cash	26,300,000
28.04.1994	1,000	9,000	Cash	35,300,000
29.07.1994	1,000	7,500	Cash	42,800,000
28.11.2008	1,000	599,200	Bonus issue	642,000,000
			Subdivision of shares with par value of RM1,000 to RM0.50	
23.04.2012	0.50	1,284,000,000		642,000,000
23.04.2012	0.50	1 Special Rights RPS	Cash	642,000,000.50

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

2.0 General Information (continued)

2.4 Subsidiaries

The subsidiaries of GMB, all of which are incorporated in Malaysia, as at 31 December 2011 are as follows:

<u>Company</u>	<u>Principal activities</u>	<u>Effective ownership</u> %
Gas Malaysia (LPG) Sdn Bhd	Supply and sale of liquefied petroleum gas ("LPG") via a reticulation system	100
Pelantar Teknik (M) Sdn Bhd	Property holding	100

3.0 Auditors and audited financial statements

We are the auditors of GMB and all its subsidiaries ("the Group" or "GMB Group") for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011.

For the purpose of this report, the audited consolidated financial statements of GMB Group for the three financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 are presented.

We have audited the financial statements of GMB Group, which comprise the statements of financial position as at 31 December 2009, 31 December 2010 and 31 December 2011, the statements of comprehensive income, the statements of changes in equity and cash flow statements of the Group for the respective financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 and have issued our reports thereon dated 8 February 2010, 10 February 2011 and 10 February 2012 respectively. In these reports, we expressed the opinion that the respective consolidated financial statements have been properly drawn up in accordance with Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group as at 31 December 2009, 31 December 2010 and 31 December 2011 and their financial performance and cash flows for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011.

The auditors' reports on the financial statements of GMB and its subsidiaries for the respective financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 were not subject to any qualification.

No audited financial statements have been prepared in respect of any period subsequent to 31 December 2011.

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

4.0 Consolidated statements of comprehensive income of GMB Group

The consolidated statements of comprehensive income of GMB Group based on its audited financial statements for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 are as follows:

	Note	2009 RM'000	2010 RM'000	Audited 2011 RM'000
Revenue	11.1	1,753,146	1,807,475	2,000,170
Cost of sales	11.2	(1,403,022)	(1,388,666)	(1,677,749)
Gross profit		350,124	418,809	322,421
Administration expenses	11.2	(30,428)	(41,699)	(38,048)
Other operating income		1,845	3,638	622
Profit from operations	11.3	321,541	380,748	284,995
Finance costs	11.6	(844)	(300)	(252)
Finance income		5,184	7,928	9,987
Profit before taxation		325,881	388,376	294,730
Tax expense	11.7	(82,735)	(90,098)	(65,576)
Profit and total comprehensive income for the financial year		<u>243,146</u>	<u>298,278</u>	<u>229,154</u>
Attributable to: Owners of the Parent		<u>243,146</u>	<u>298,278</u>	<u>229,154</u>
Earnings per ordinary share attributable to the equity holders of the Company: - Basic and diluted earnings per share (RM)	11.8	<u>378.73</u>	<u>464.61</u>	<u>356.94</u>

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

5.0 Consolidated statements of financial position of GMB Group

The consolidated statements of financial position of GMB Group based on its audited financial statements as at 31 December 2009, 31 December 2010, and 31 December 2011 are as follows:

	Note	2009 RM'000	2010 RM'000	Audited 2011 RM'000
NON-CURRENT ASSETS				
Property, plant and equipment	11.9	904,913	938,088	929,078
Prepaid lease payments	11.10	19,638	19,238	18,836
Deferred taxation	11.11	0	0	3,358
		<u>924,551</u>	<u>957,326</u>	<u>951,272</u>
CURRENT ASSETS				
Trade and other receivables	11.12	160,234	180,704	196,150
Cash and bank balances	11.13	347,882	477,996	327,004
		<u>508,116</u>	<u>658,700</u>	<u>523,154</u>
Total assets		<u>1,432,667</u>	<u>1,616,026</u>	<u>1,474,426</u>
EQUITY AND LIABILITIES				
Share capital	11.14	642,000	642,000	642,000
Retained profits	11.15	400,516	525,550	367,454
Total equity		<u>1,042,516</u>	<u>1,167,550</u>	<u>1,009,454</u>
NON-CURRENT LIABILITIES				
Deferred taxation	11.11	167,283	173,807	176,047
CURRENT LIABILITIES				
Trade and other payables	11.16	205,953	254,982	275,457
Taxation		16,915	19,687	13,468
		<u>222,868</u>	<u>274,669</u>	<u>288,925</u>
Total liabilities		<u>390,151</u>	<u>448,476</u>	<u>464,972</u>
Total equity and liabilities		<u>1,432,667</u>	<u>1,616,026</u>	<u>1,474,426</u>

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

6.0 Consolidated statements of changes in equity of GMB Group

The consolidated statements of changes in equity of GMB Group based on its audited financial statements for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 are as follows:

	<u>Note</u>	<u>Number of shares</u> '000	<u>Share capital</u> RM'000	<u>Retained profits</u> RM'000	<u>Total</u> RM'000
Group					
At 1 January 2009		642	642,000	345,115	987,115
Profit and total comprehensive income for the financial year		0	0	243,146	243,146
Transaction with owners: Dividends: financial year ended 31 December 2008	11.18	0	0	(187,745)	(187,745)
At 31 December 2009		<u>642</u>	<u>642,000</u>	<u>400,516</u>	<u>1,042,516</u>

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

6.0 Consolidated statements of changes in equity of GMB Group (continued)

The consolidated statements of changes in equity of GMB Group based on its audited financial statements for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 are as follows: (continued)

	Note	Number of shares '000	Share capital RM'000	Retained profits RM'000	Total RM'000
Group					
At 1 January 2010		642	642,000	400,516	1,042,516
Profit and total comprehensive income for the financial year		0	0	298,278	298,278
Transaction with owners: Dividend: financial year ended 31 December 2009	11.18	0	0	(173,244)	(173,244)
At 31 December 2010		642	642,000	525,550	1,167,550
At 1 January 2011		642	642,000	525,550	1,167,550
Profit and total comprehensive income for the financial year		0	0	229,154	229,154
Transactions with owners: Dividend: financial year ended 31 December 2011	11.18	0	0	(106,569)	(106,569)
Dividend: financial year ended 31 December 2010	11.18	0	0	(280,681)	(280,681)
At 31 December 2011		642	642,000	367,454	1,009,454

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

7.0 Consolidated statements of cash flows of GMB Group

The consolidated statements of cash flows of GMB Group based on its audited financial statements for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 are as follows:

	<u>2009</u>	<u>2010</u>	<u>Audited</u> <u>2011</u>
	RM'000	RM'000	RM'000
OPERATING ACTIVITIES			
Profit before taxation	325,881	388,376	294,730
Adjustments for:			
Depreciation	38,563	40,840	44,394
Amortisation of prepaid lease payments	393	403	402
Gain on disposal of property, plant and equipment	(899)	(31)	(1)
Interest expense	541	0	0
Interest income	(5,184)	(7,928)	(9,987)
	<u>359,295</u>	<u>421,660</u>	<u>329,538</u>
Changes in working capital:			
Receivables	55,985	(20,470)	(15,446)
Payables	(42,673)	49,029	20,475
	<u>372,607</u>	<u>450,219</u>	<u>334,567</u>
Cash generated from operations	372,607	450,219	334,567
Income tax paid	(72,068)	(80,802)	(72,913)
Tax refund	0	0	0
	<u>300,539</u>	<u>369,417</u>	<u>261,654</u>
Net cash generated from operating activities	300,539	369,417	261,654
INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment	908	34	1
Purchase of property, plant and equipment	(50,497)	(74,018)	(35,384)
Prepayment of lease	(1,300)	(3)	0
Interest received	5,184	7,928	9,987
	<u>(45,705)</u>	<u>(66,059)</u>	<u>(25,396)</u>
Net cash used in investing activities	(45,705)	(66,059)	(25,396)

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

7.0 Consolidated statements of cash flows of GMB Group (continued)

The consolidated statements of cash flows of GMB Group based on its audited financial statements for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 are as follows:
(continued)

	Note	<u>2009</u> RM'000	<u>2010</u> RM'000	<u>Audited</u> <u>2011</u> RM'000
FINANCING ACTIVITIES				
Proceeds from borrowings		243,000	0	0
Repayment of borrowings		(243,000)	0	0
Interest paid		(541)	0	0
Dividends paid		(187,745)	(173,244)	(387,250)
Net cash used in financing activities		<u>(188,286)</u>	<u>(173,244)</u>	<u>(387,250)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS				
		66,548	130,114	(150,992)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR				
		<u>281,334</u>	<u>347,882</u>	<u>477,996</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR				
	11.13	<u><u>347,882</u></u>	<u><u>477,996</u></u>	<u><u>327,004</u></u>

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

8.0 Financial Risk Management Objectives And Policies

The Group's activities expose it to a variety of financial risks, including interest 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) Interest rate risk

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

(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 ongoing 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.

(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's non-derivative financial liabilities into relevant maturity groupings based on remaining period at the end of reporting period 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
<u>Group (RM '000)</u>			
Trade and other payables:			
At 31 December 2010	254,928	54	254,982
At 31 December 2011	275,316	141	275,457

13. ACCOUNTANTS' REPORT (Cont'd)

**The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012**

8.0 Financial Risk Management Objectives And Policies (Continued)**(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 taxation.

9.0 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. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Group have been prepared in accordance with the Financial Reporting Standards in Malaysia and comply with the provisions of the Companies Act, 1965.

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 the Financial Reporting Standards in Malaysia 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's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ.

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
 Gas Malaysia Berhad
 PwC/YWY/TEC/py/0004C
 7 May 2012

9.0 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

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

The new accounting standards, amendments and improvements to published standards and interpretations that are applicable and effective for the Group's financial period beginning on or after 1 January 2011 are as follows:

- IC Interpretation 4 "Determining whether an arrangement contains a lease" (effective from 1 January 2011) requires the Group to identify any arrangement that does not take the legal form of a lease, but conveys a right to use an asset in return for a payment or series of payments. This interpretation provides guidance for determining whether such arrangements are, or contain, leases. The assessment is based on the substance of the arrangement and requires assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset. If the arrangement contains a lease, the requirements of FRS 117 "Leases" should be applied to the lease element of the arrangement.
- IC Interpretation 18 "Transfers of assets from customers" (effective prospectively for assets received on or after 1 January 2011) provides guidance where an entity receives from a customer an item of property, plant and equipment (or cash to acquire such an asset) that the entity must then use to connect the customer to a network or to provide the customer with services. Where the transferred item meets the definition of an asset, the asset is recognised as an item of property, plant and equipment at its fair value. Any corresponding credit is allocated to each separate service to be performed under the agreement. Revenue is recognised for each service in accordance with the recognition criteria of FRS 118 "Revenue". This interpretation is to be applied prospectively to assets received from customer on or after 1 January 2011. The Group will recognise cash contributions from customers as revenue when the pipelines are connected to customers. Prior to adoption of this interpretation, the Group recognised cash contributions received from customers as a deduction against the cost of acquisitions of the property, plant and equipment (Note 9.0 (c)).

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
 Gas Malaysia Berhad
 PwC/YWY/TEC/py/0004C
 7 May 2012

9.0 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

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

The following amendments were part of the Malaysian Accounting Standards Board's ("MASB") improvements project:

- The revised FRS 127 "Consolidated and separate financial statements" (effective prospectively from 1 July 2010) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss.
- Amendments to FRS 7 "Financial instruments: Disclosures" and FRS 1 "First-time adoption of financial reporting standards" (effective from 1 January 2011) require enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy.
- FRS 5 "Non-current assets held for sale and discontinued operations". Improvement effective from 1 July 2010 clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosure should be made for this subsidiary if the definition of a discontinued operation is met.
- FRS 101 "Presentation of financial statements" (effective from 1 January 2011) clarifies that an entity shall present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

The adoption of the above standards did not have a material impact on the Group's financial statements.

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

9.0 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(ii) Standards early adopted by the Group

There were no standards early adopted by the Group

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

Financial year beginning on/after 1 January 2013

- MFRS 9 “Financial instruments - classification and measurement of financial assets and financial liabilities” (effective from 1 January 2013) replaces the multiple classification and measurement models in MFRS 139 with a single model that has only two classification categories: amortised cost and fair value. The basis of classification depends on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The accounting and presentation for financial liabilities and for de-recognising financial instruments has been relocated from MFRS 139, without change, except for financial liabilities that are designated at fair value through profit or loss (“FVTPL”). Entities with financial liabilities designated at FVTPL recognise changes in the fair value due to changes in the liability’s credit risk directly in other comprehensive income (OCI). There is no subsequent recycling of the amounts in OCI to profit or loss, but accumulated gains or losses may be transferred within equity.

The guidance in MFRS 139 on impairment of financial assets and hedge accounting continues to apply.

- MFRS 13 “Fair value measurement” (effective from 1 January 2013) aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across MFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The enhanced disclosure requirements are similar to those in MFRS 7 “Financial instruments: Disclosures”, but apply to all assets and liabilities measured at fair value, not just financial ones.

The Group does not expect that the adoption of these standards, amendments to published standards and interpretations to have a material impact on the Group’s financial statements.

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
 Gas Malaysia Berhad
 PwC/YWY/TEC/py/0004C
 7 May 2012

9.0 Summary of significant accounting policies (continued)

(b) Basis of consolidation

Subsidiaries are those corporations in which the Group has power to exercise control over the financial and operation policies so as to obtain benefits from their activities.

Under the acquisition method of accounting, subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The cost of an acquisition is the amount of cash paid and the fair value at the date of acquisition of other purchase consideration given by the acquirer, together with directly attributable expenses of the acquisition. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The difference between the cost of acquisition over the Group's share of the fair value of the identifiable net assets of the subsidiary acquired at the date of acquisition is reflected as goodwill or negative goodwill.

Intragroup transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered.

(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 historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items less capital contributions received from customers. With the adoption of IC Interpretation 18 "Transfer of assets from customers" (effective prospectively for assets received on or after 1 January 2011), the Group will recognise cash contribution from customers as revenue when the customers are connected to the gas pipelines.

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 charged to the 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.

At the end of each 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. Refer to accounting policy Note 9.0(e) on impairment of non financial assets.

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
 Gas Malaysia Berhad
 PwC/YWY/TEC/py/0004C
 7 May 2012

9.0 Summary of significant accounting policies (continued)

(c) Property, plant and equipment (continued)

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

(d) Depreciation

No depreciation is provided on freehold land as it has an infinite life. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

The straight-line method is used to write-off the cost of the other assets to their residual values over the term of 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

The residual value, useful lives and depreciation method of property plant and equipment are reviewed at the end of each reporting period.

(e) Impairment of non financial asset

Property, plant and equipment and other non-current assets, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 net selling price and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows.

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 the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

9.0 Summary of significant accounting policies (continued)**(f) Receivables**

Trade receivables are amounts due from customers for sale of gas and tolling fee 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.

Financial year ended 31 December 2009

Trade receivables are carried at invoice amount less allowance for doubtful debts. The allowance is established when there is objective evidence that the Group will be not be able to collect all the amounts due according to the original terms of the receivables.

Financial year ended 31 December 2010 and onward

Upon adoption of FRS 139: "Financial Instruments 'Recognition and Measurement'" with effect from 1 January 2010, trade receivables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

(g) Cash and cash equivalents

For the purpose of the cash flow statements, cash and cash equivalents comprise cash in hand and bank balances and deposits held at call with banks and other financial institutions.

(h) Share capital**(a) Classification**

Ordinary shares are classified as equity.

(b) Dividends to shareholders of the Company

Dividends are recognised as a liability in the period in which they are declared.

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

9.0 Summary of significant accounting policies (continued)**(i) Trade payables**

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

Financial year ended 31 December 2009

Trade payable is recognised at invoiced amount.

Financial year ended 31 December 2010 and onward

Upon adoption of FRS 139: "Financial Instruments 'Recognition and Measurement'" with effect from 1 January 2010, trade payable is recognised initially at fair value and subsequently measured at amortised cost using effective interest method.

(j) Borrowings

Borrowings are initially recognised based on the proceeds received, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss over the period of the borrowings except for the amounts capitalised in respect of qualifying expenditures.

Interest, dividends, losses and gains relating to a financial instrument classified as a liability is reported within finance cost in the profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting period.

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
 Gas Malaysia Berhad
 PwC/YWY/TEC/py/0004C
 7 May 2012

9.0 Summary of significant accounting policies (continued)

(k) Taxation

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits and real property gains taxes payable on disposal of properties.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxation profit or loss.

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

Deferred tax is recognised on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

(l) Prepaid lease payments

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

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on the straight-line basis over the lease term of 20 to 99 years.

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
 Gas Malaysia Berhad
 PwC/YWY/TEC/py/0004C
 7 May 2012

9.0 Summary of significant accounting policies (continued)

(m) Foreign currencies

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 functional currency of each Company in the Group and the Group's presentation currency.

(n) Revenue recognition

The Group recognises 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 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 bases 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 liquefied petroleum gas ("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 their customers.

(iii) Interest income

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

(iv) Cash contributions

With the adoption of IC Interpretation 18 "Transfer of assets from customers" (effective prospectively for assets received on or after 1 January 2011), the Group recognises cash contributions from customers as revenue when the pipelines are connected to customers.

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

9.0 Summary of significant accounting policies (continued)**(o) Borrowing costs**Financial year ended 31 December 2009

All interest and other costs incurred in connection with borrowings are expensed as incurred.

Financial year ended 31 December 2010 and onward

Borrowing costs are recognised in the profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of property, plant and equipment. These costs which will be capitalised during the period of time that is required to complete and prepare the assets for its intended use or sale includes those costs on borrowings acquired specifically for the construction or development of property, plant and equipment, as well as those in relation to general borrowings used to finance the construction or development of property, plant and equipment.

(p) 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 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 circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

(q) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
 Gas Malaysia Berhad
 PwC/YWY/TEC/py/0004C
 7 May 2012

9.0 Summary of significant accounting policies (continued)

(r) Financial instruments (continued)

(i) Financial assets

Classification

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

(a) 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 acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) 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's loans and receivables comprise 'receivables' and 'cash and cash equivalents' in the statement of financial position (notes 9.0(f) and 9.0(g)).

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments 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 the profit or loss. 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. Available-for-sale financial assets and 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 interest method.

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
 Gas Malaysia Berhad
 PwC/YWY/TEC/py/0004C
 7 May 2012

9.0 Summary of significant accounting policies (continued)

(r) Financial instruments (continued)

(i) Financial assets (continued)

Recognition and measurement (continued)

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit or loss within 'other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss as part of other income when the group's right to receive payments is established.

Impairment of financial assets

Assets carried at amortised cost

The Group assesses at the end of each 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 interest or principal payments;
- 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;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

9.0 Summary of significant accounting policies (continued)

(r) Financial instruments (continued)

(i) Financial assets (continued)

Impairment of financial assets (continued)

Assets carried at amortised cost (continued)

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include: (continued)

- 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:
 - (i) adverse changes in the payment status of borrowers in the portfolio; and
 - (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence of impairment exists.

For loans and receivables category, 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 interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit or loss. If a loan or held to maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest 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 the profit or loss.

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

9.0 Summary of significant accounting policies (continued)

(r) Financial instruments (continued)

(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 reported 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 instruments recognised on the statement of financial position

The particular recognition method adopted for financial instruments recognised on the statement of financial position is disclosed in the individual accounting policy notes associated with each item.

(v) Fair value estimation for disclosure purposes

The face values, less any estimated credit adjustments, for financial instruments with a maturity of less than one year are assumed to approximate their fair values.

The fair values for financial instruments with a maturity more than one year are estimated using a variety of methods and assumptions that are based on market conditions existing at the end of each reporting period including estimated discounted value of future cash flows, quoted market price or dealer quotes.

13. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012**

9.0 Summary of significant accounting policies (continued)**(s) Employee benefits****(i) Short-term employee benefits**

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

(ii) Post employment benefits**Defined contribution plans**

A defined contribution plan is a plan under which the Group pays fixed contributions into Employees Provident Fund and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee services in the current and prior periods.

The Group's contributions to Employees Provident Fund are charged to the profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

9.0 Summary of significant accounting policies (continued)

(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 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 Board of Directors that makes strategic decisions.

The Group has adopted FRS 8 "Operating segments" from 1 January 2010. FRS 8 replaces FRS 114 "Segment reporting" and is applied retrospectively. The adoption of FRS 8 has resulted in further analysis to the Group's earnings before interest, tax, depreciation and amortisation ("EBITDA"). There is no impact on the measurement of the Group's assets and liabilities.

10.0 Critical accounting estimates and judgments

Estimates and judgments are continually 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.

10.1 Critical accounting estimates and assumptions

GMB's 20 year existing Gas Supply Agreement with Petroliam Nasional Berhad ("Petronas") will expire on 31 December 2012. A new Gas Supply Agreement was signed on 23 February 2012 and the tenure is for a period of 10 years, commencing from 1 January 2013 until 31 December 2022 with the rights to request for a further extension of 5 years subject to certain conditions.

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

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

10.0 Critical accounting estimates and judgments (continued)

Estimates and judgments are continually 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. (continued)

10.2 Critical judgement in applying accounting policies

The Directors have applied judgement in applying the revenue recognition policy based on the Group's business model and its relationships and contracts with its customers. The judgement 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.

10.3 Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. This involves judgment regarding the future financial performance of a subsidiary in which the deferred tax asset has been recognised.

The key assumptions used in the forecasting of future taxable profits for the purpose of deferred tax asset recognition of a subsidiary are as follows:

- (a) Sales growth for 2012 is 10%.
- (b) Sales growth for 2013 to 2016 is between 3% to 4% per annum.
- (c) Retail customers represent over 84% of total revenue.

11.0 Notes to the financial statements of GMB Group

11.1 REVENUE

	<u>2009</u>	<u>2010</u>	<u>Audited</u> <u>2011</u>
	RM'000	RM'000	RM'000
Sale of natural gas	1,726,469	1,775,005	1,962,221
Sale of LPG	15,695	19,514	23,617
Tolling Fees	10,982	12,956	14,332
	<u>1,753,146</u>	<u>1,807,475</u>	<u>2,000,170</u>

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

11.0 Notes to the financial statements of GMB Group (Continued)

11.2 EXPENSES BY NATURE

	Audited		
	2009 RM'000	2010 RM'000	2011 RM'000
Cost of natural gas	1,303,684	1,304,406	1,606,509
Cost of LPG	11,168	15,372	18,484
Staff costs (Note 11.4)	26,712	30,873	33,615
Depreciation	38,563	40,840	44,394
Repairs and maintenance	30,676	8,402	12,003
Contribution to Albukhary International University	0	20,000	0
License fee	1,073	1,176	1,266
IPO expenses	0	0	4,100
Reversal of an accrual of liability	0	0	(25,000)
Other expenses	21,574	9,296	20,426
Total cost of sales and administrative expenses	1,433,450	1,430,365	1,715,797

Staff costs (technical service salaries and bonuses) amounting to 2009: RM5,585,000, 2010: RM5,620,000, 2011: RM5,983,000 incurred in construction of pipelines have been capitalised in the construction of the pipelines.

The reversal for an accrual of liability amounting to RM25 million is in connection with the supply of gas to a new location following a reassessment by the Directors as to the Group's obligation to pay.

11.3 PROFIT FROM OPERATIONS

	Audited		
	2009 RM'000	2010 RM'000	2011 RM'000
Profit from operations is arrived at after crediting:			
Gain on disposal of property, plant and equipment	899	31	1
Rental income	0	72	1
Write-back of impairment of trade receivables	165	208	710
and after charging:			
Auditors' remuneration:			
- statutory audit	85	85	85
- other audit related services	8	8	468
Impairment of trade receivables	302	35	29
Amortisation of prepaid lease payments	393	403	402
Rental of equipment	74	41	51
Rental of premises	718	652	672

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

11.0 Notes to the financial statements of GMB Group (continued)

11.4 STAFF COSTS

			Audited
	2009	2010	2011
	RM'000	RM'000	RM'000
Wages, bonuses and salaries	29,129	28,747	31,495
Defined contribution plan - contributions	2,979	3,180	3,451
Other employee benefits	189	4,566	4,652
	<u>32,297</u>	<u>36,493</u>	<u>39,598</u>

Staff costs include the remuneration of Executive and Non-Executive Directors (Note 11.5).

11.5 DIRECTORS' REMUNERATION

The aggregate amount of emoluments received by Directors of the GMB and its subsidiaries during the financial year was as follows:

Directors of the GMB and its subsidiaries

			Audited
	2009	2010	2011
	RM'000	RM'000	RM'000
Executive and Non-Executive Directors:			
- Salaries and bonuses	853	1,037	1,183
- Directors' fees	345	443	471
- Defined contribution plan - contributions	103	125	143
- Other benefits	79	146	271
	<u>1,380</u>	<u>1,751</u>	<u>2,068</u>

11.6 FINANCE COSTS

			Audited
	2009	2010	2011
	RM'000	RM'000	RM'000
Interest on commercial papers	541	0	0
Bank guarantee fee	37	23	36
Bank charges	266	277	216
	<u>844</u>	<u>300</u>	<u>252</u>

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

11.0 Notes to the financial statements of GMB Group (continued)

11.7 TAX EXPENSE

			Audited
	2009	2010	2011
	RM'000	RM'000	RM'000
Current taxation:			
- current financial year	70,595	83,270	64,764
- under accrual in prior financial year	112	304	1,930
	<u>70,707</u>	<u>83,574</u>	<u>66,694</u>
Deferred taxation (Note 11.11)	12,028	6,524	(1,118)
	<u>82,735</u>	<u>90,098</u>	<u>65,576</u>

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

			Audited
	2009	2010	2011
	RM'000	RM'000	RM'000
Profit before taxation	325,881	388,376	294,730
Tax calculated at the Malaysian income tax rate of 2009: 25%, 2010: 25%, 2011: 25%	81,470	97,094	73,683
Tax effects of:			
Income tax not subject to tax	0	0	(6,250)
Expenses not deductible for income tax purposes	6,530	522	2,302
Recognition of previously unutilised tax losses	0	0	(3,433)
Utilisation of unabsorbed capital allowances	(519)	(345)	(464)
Changes in income tax rate	(49)	0	0
Difference in tax rates for small and medium enterprise	3	0	0
Over accrual in prior years	(4,700)	(7,173)	(262)
Tax expense	<u>82,735</u>	<u>90,098</u>	<u>65,576</u>

The amount of tax savings arising from previously unabsorbed capital allowances recognised by the Group during the financial year amounted to 2009: RM519,000, 2010: RM345,000, 2011: RM464,000.

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

11.0 Notes to the financial statements of GMB Group (continued)

11.8 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.

	<u>2009</u>	<u>2010</u>	<u>Audited</u> <u>2011</u>
	RM'000	RM'000	RM'000
Net profit for the financial year attributable to equity holders of the Company (RM'000)	243,146	298,278	229,154
Weighted average number of ordinary shares ('000)	642	642	642
Basic earnings per share (RM)	378.73	464.61	356.94
Diluted earnings per share (RM)	378.73	464.61	356.94

13. ACCOUNTANTS' REPORT (Cont'd)

The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012



11.0 Notes to the financial statements of GMB Group (continued)

11.9 PROPERTY, PLANT AND EQUIPMENT

Group	Audited								
	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
<u>Cost</u>									
At 1 January 2009	24	16,554	5,129	42,449	2,184	11,548	1,053,370	60,879	1,192,137
Additions	0	744	3,014	1,411	0	81	(18,329)*	63,576	50,497
Disposals	0	0	(3,120)	(4,925)	(728)	(425)	0	0	(9,198)
Reclassifications	0	0	0	0	0	0	52,931	(52,931)	0
At 31 December 2009	24	17,298	5,023	38,935	1,456	11,204	1,087,972	71,524	1,233,436
<u>Accumulated depreciation</u>									
At 1 January 2009	0	3,852	4,203	38,880	2,165	11,056	238,993	0	299,149
Charge for the financial year	0	396	845	1,336	4	174	35,808	0	38,563
Disposals	0	0	(3,120)	(4,916)	(728)	(425)	0	0	(9,189)
At 31 December 2009	0	4,248	1,928	35,300	1,441	10,805	274,801	0	328,523
<u>Net book value</u>									
At 31 December 2009	24	13,050	3,095	3,635	15	399	813,171	71,524	904,913

* The balances consist of additions of RM706,000 offsetted against the capital contributions received from customers of RM19,035,000.

13. ACCOUNTANTS' REPORT (Cont'd)

The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012



11.0 Notes to the financial statements of GMB Group (continued)

11.9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group								Audited	
	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
<u>Cost</u>									
At 1 January 2010	24	17,298	5,023	38,935	1,456	11,203	1,087,972	71,524	1,233,435
Additions	0	0	364	1,330	12	148	4,408	67,756	74,018
Disposals	0	0	(254)	(436)	(16)	0	0	0	(706)
Reclassifications	0	0	0	(135)	135	0	60,167	(60,167)	0
At 31 December 2010	24	17,298	5,133	39,694	1,587	11,351	1,152,547	79,113	1,306,747
<u>Accumulated depreciation</u>									
At 1 January 2010	0	4,248	1,928	35,301	1,441	10,804	274,800	0	328,522
Charge for the financial year	0	403	887	1,414	6	202	37,928	0	40,840
Disposals	0	0	(255)	(432)	(16)	0	0	0	(703)
Reclassifications	0	0	0	(135)	135	0	0	0	0
At 31 December 2010	0	4,651	2,560	36,148	1,566	11,006	312,728	0	368,659
<u>Net book value</u>									
At 31 December 2010	24	12,647	2,573	3,546	21	345	839,819	79,113	938,088

13. ACCOUNTANTS' REPORT (Cont'd)

The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012



11.0 Notes to the financial statements of GMB Group (continued)

11.9 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	Audited Total RM'000
Cost									
At 1 January 2011	24	17,298	5,133	39,694	1,587	11,351	1,152,547	79,113	1,306,747
Additions	2,138	2,233	699	991	119	420	1,495	27,289	35,384
Disposals	0	0	0	(312)	(3)	0	0	0	(315)
Reclassifications	0	0	0	4,472	0	0	59,628	(64,100)	0
At 31 December 2011	2,162	19,531	5,832	44,845	1,703	11,771	1,213,670	42,302	1,341,816
Accumulated depreciation									
At 1 January 2011	0	4,651	2,560	36,148	1,566	11,006	312,728	0	368,659
Charge for the financial year	0	429	934	2,077	13	284	40,657	0	44,394
Disposals	0	0	0	(312)	(3)	0	0	0	(315)
At 31 December 2011	0	5,080	3,494	37,913	1,576	11,290	353,385	0	412,738
Net book value									
At 31 December 2011	2,162	14,451	2,338	6,932	127	481	860,285	42,302	929,078

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

11.0 Notes to the financial statements of GMB Group (continued)

11.10 PREPAID LEASE PAYMENTS

	<u>Audited</u>		
	<u>2009</u> RM'000	<u>2010</u> RM'000	<u>2011</u> RM'000
At beginning of reporting period	18,731	19,638	19,238
Additions	1,300	3	0
Amortisation for the financial year	(393)	(403)	(402)
At end of reporting period	<u>19,638</u>	<u>19,238</u>	<u>18,836</u>

11.11 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax asset 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:

	<u>Audited</u>		
	<u>2009</u> RM'000	<u>2010</u> RM'000	<u>2011</u> RM'000
Deferred tax assets	0	0	(3,358)
Deferred tax liabilities	167,283	173,807	176,047
	<u>167,283</u>	<u>173,807</u>	<u>172,689</u>
At beginning of reporting period	155,255	167,283	173,807
Charged/(credited) to profit or loss (Note 11.7):			
- Unutilised tax losses	0	0	(3,433)
- Property, plant and equipment	12,028	6,524	4,507
- Accrual for bonus	0	0	(2,192)
	<u>12,028</u>	<u>6,524</u>	<u>(1,118)</u>
At end of reporting period	<u>167,283</u>	<u>173,807</u>	<u>172,689</u>

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

11.0 Notes to the financial statements of GMB Group (continued)

11.11 DEFERRED TAXATION (CONTINUED)

			Audited
	2009	2010	2011
	RM'000	RM'000	RM'000
Subject to income tax:			
Deferred tax assets (before offsetting)			
- Unutilised tax losses	0	0	3,433
- Property, plant and equipment	312	400	534
- Accrual for bonus	0	0	2,192
	<u>312</u>	<u>400</u>	<u>6,159</u>
Offsetting	(312)	(400)	(2,801)
Deferred tax assets (after offsetting)	<u>0</u>	<u>0</u>	<u>3,358</u>
Deferred tax liabilities (before offsetting) - Property, plant and equipment	167,595	174,207	178,848
Offsetting	(312)	(400)	(2,801)
Deferred tax liabilities (after offsetting)	<u>167,283</u>	<u>173,807</u>	<u>176,047</u>

Subject to agreement by tax authorities, the amount of deductible temporary differences and unutilised tax losses of the Group (all of which have no expiry date) for which no deferred tax assets have been recognised in the statement of financial position are as follows:

			Audited
	2009	2010	2011
	RM'000	RM'000	RM'000
Deductible temporary differences	3,007	1,838	0
Unutilised tax losses	13,729	13,729	0

The unutilised deductible differences and unutilised tax losses in financial years 2009 and 2010 belong to a subsidiary. No deferred tax assets were recognised then as there were no probable future taxable profits.

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

11.0 Notes to the financial statements of GMB Group (continued)

11.12 TRADE AND OTHER RECEIVABLES

	<u>2009</u>	<u>2010</u>	<u>Audited</u> <u>2011</u>
	RM'000	RM'000	RM'000
Trade receivables	159,234	178,729	193,874
Less: Impairment loss	(898)	(725)	(44)
	<u>158,336</u>	<u>178,004</u>	<u>193,830</u>
Amounts due from related parties	17	0	0
Other receivables, deposits and prepayments	1,881	2,700	2,320
	<u>160,234</u>	<u>180,704</u>	<u>196,150</u>

Credit term of trade receivables is 30 days (2009 and 2010: 30 days).

As at 31 December 2011, trade receivables of 2009: RM8,673,000, 2010: RM 18,388,000, 2011: RM 15,848,000 for the GMB Group were past due but not impaired. These relate to a number of independent customers for whom there is no history of default. The aging analysis of these trade receivables (excluding other receivables, deposits and prepayments) is as follows:

	<u>2009</u>	<u>2010</u>	<u>Audited</u> <u>2011</u>
	RM'000	RM'000	RM'000
Neither past due nor impaired	149,663	159,616	177,982
Past due but not impaired:			
Up to 2 months (overdue)	8,606	18,355	15,838
Over 2 months (overdue)	67	33	10
Impaired	898	725	44
	<u>159,234</u>	<u>178,729</u>	<u>193,874</u>

As at 31 December 2011, trade receivables amounting to 2009: RM898,472, 2010: RM725,000, 2011: RM 44,000 for the GMB Group were impaired and provided for. The individually impaired receivables mainly related to customers, which have defaulted in payment.

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

11.0 Notes to the financial statements of GMB Group (continued)

11.12 TRADE AND OTHER RECEIVABLES (CONTINUED)

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 8.0(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:

	<u>2009</u>	<u>2010</u>	<u>Audited</u> <u>2011</u>
	RM'000	RM'000	RM'000
At beginning of reporting period	761	898	725
Impairment of trade receivables during the financial year	302	35	29
Write-back of impairment of trade receivables	(165)	(208)	(710)
At end of reporting period	<u>898</u>	<u>725</u>	<u>44</u>

11.13 CASH AND CASH EQUIVALENTS

	<u>2009</u>	<u>2010</u>	<u>Audited</u> <u>2011</u>
	RM'000	RM'000	RM'000
Deposits are placed with:			
Licensed banks	199,497	379,290	191,000
Other financial institutions	106,093	65,375	101,025
	<u>305,590</u>	<u>444,665</u>	<u>292,025</u>
Cash and bank balances	42,292	33,331	34,979
	<u>347,882</u>	<u>477,996</u>	<u>327,004</u>

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

11.0 Notes to the financial statements of GMB Group (continued)

11.13 CASH AND CASH EQUIVALENTS (CONTINUED)

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

	<u>2009</u>	<u>2010</u>	<u>Audited</u> <u>2011</u>
	% per annum	% per annum	% per annum
Deposits placed with:			
Licensed banks	2.27	2.77	3.26
Other financial institutions	2.40	2.92	3.41

Deposits placed with licensed banks and other financial institutions of the Group have an average maturity period of 2009: 21 days, 2010: 26 days, 2011: 27 days. Bank balances are deposits held at call with licensed banks.

11.14 SHARE CAPITAL

	<u>2009</u>	<u>2010</u>	<u>Audited</u> <u>2011</u>
	RM'000	RM'000	RM'000
Authorised:			
1,000,000 (2009 and 2010: 1,000,000) ordinary shares of RM1,000 each	1,000,000	1,000,000	1,000,000
Issued and fully paid:			
642,000 (2009 and 2010: 642,000) ordinary shares of RM1,000 each	642,000	642,000	642,000

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

11.0 Notes to the financial statements of GMB Group (continued)

11.15 RETAINED PROFITS

Subject to agreement by the tax authorities, the Company has at 31 December 2011 sufficient Section 108 tax credits and tax exempt income to frank approximately RM Nil (2009: RM230,512,000, 2010: RM52,792,000) of its retained profits at the end of reporting period if paid out as dividends.

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.

Companies with Section 108 credits as at 31 December 2007 may continue to pay franked dividends until the Section 108 credits are exhausted or 31 December 2013 whichever is earlier unless they opt to disregard the Section 108 credits to pay single-tier dividends under the special transitional provisions of the Finance Act 2008.

11.16 TRADE AND OTHER PAYABLES

	<u>2009</u>	<u>2010</u>	<u>Audited</u> <u>2011</u>
	RM'000	RM'000	RM'000
Trade payables	145,447	170,603	203,235
Other payables	10,808	1,703	2,578
Amount due to immediate holding company	22	29	10
Customer deposits	13,090	46,195	53,673
Accruals	36,586	36,452	15,961
	<u>205,953</u>	<u>254,982</u>	<u>275,457</u>

Credit terms of trade payables granted to the Group vary from 30 to 45 days (2009 and 2010: 30 to 45 days).

11.17 CAPITAL COMMITMENTS

	<u>2009</u>	<u>2010</u>	<u>Audited</u> <u>2011</u>
	RM'000	RM'000	RM'000
Property, plant and equipment:			
Authorised:			
Not contracted for	<u>107,253</u>	<u>77,602</u>	<u>58,009</u>
Contracted but not provided for in the financial statements	<u>55,636</u>	<u>42,793</u>	<u>16,638</u>

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

11.0 Notes to the financial statements of GMB Group (continued)

11.18 DIVIDENDS

	<u>2009</u>	<u>2010</u>	<u>Audited</u> <u>2011</u>
	RM'000	RM'000	RM'000
Special interim dividend of 2009: RM Nil, 2010: RM Nil, 2011: RM165.99 per share single tier	0	0	106,569
Proposed dividends:			
Final dividend of 2009: RM189.37, 2010: RM109.64, 2011: RM Nil per share, less 25% tax	91,182	52,792	0
Final dividend of 2009: RM Nil, 2010: 122.66, 2011: RM155.25 per share single tier	0	78,750	99,670*
Special final dividend of 2009: RM Nil, 2010: RM232.30, 2011: RM Nil per share single tier	0	149,139	0
Final dividend of 2009: RM162.92, 2010: RM Nil, 2011: RM Nil per share, less 25% tax	82,062	0	0
	<u>173,244</u>	<u>280,681</u>	<u>206,239</u>

* The final single tier dividend in respect of the financial year ended 31 December 2011 was approved by the shareholders' at its annual general meeting and was paid on 30 April 2012. The financial statements for the current financial year do not reflect this dividend. This final dividend would be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2012.

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

11.0 Notes to the financial statements of GMB Group (continued)

11.19 SEGMENT REPORTING

The chief operating decision-maker, which consists of members of the Board consider that its business consists of three operating segments which are the selling of natural and liquefied petroleum gas to industrial users within Peninsular Malaysia and tolling fee for transportation of gas. The reportable operating segment (which is an aggregation of the three operating segments) mainly derives its revenue from sales of natural as well as 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 interest, tax, depreciation and amortisation ("EBITDA").

	Audited		
	Natural Gas & LPG RM'000	Others RM'000	Total RM'000
<u>31 December 2009</u>			
<u>Revenue:</u>			
Total segment revenue - external	1,753,146	0	1,753,146
<u>Results:</u>			
Profit/(loss) before taxation	325,937	(56)	325,881
Interest income	(5,184)	0	(5,184)
Interest expenses	541	0	541
Depreciation and amortisation	38,901	55	38,956
Earnings/(loss) before interest, taxation, depreciation and amortisation (segment results)	360,195	(1)	360,194
<u>Other information:</u>			
Segment/Total assets	1,428,087	4,580	1,432,667
Segment liabilities	(205,944)	(9)	(205,953)
Unallocated liabilities - taxation			(184,198)
Total liabilities			(390,151)
<u>Other disclosure:</u>			
Capital expenditure	50,497	0	50,497
Depreciation	38,563	0	38,563
Amortisation of prepaid lease payment	338	55	393

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

11.0 Notes to the financial statements of GMB Group (continued)

11.19 SEGMENT REPORTING (CONTINUED)

	<u>Audited</u>		
	<u>Natural Gas & LPG RM'000</u>	<u>Others RM'000</u>	<u>Total RM'000</u>
<u>31 December 2010</u>			
<u>Revenue:</u>			
Total segment revenue - external	1,807,475	0	1,807,475
<u>Results:</u>			
Profit/(loss) before taxation	388,428	(52)	388,376
Interest income	(7,928)	0	(7,928)
Depreciation and amortisation	41,188	55	41,243
Earnings before interest, taxation, depreciation and amortisation (segment results)	421,688	3	421,691
<u>Other information:</u>			
Segment/Total assets	1,611,501	4,525	1,616,026
Segment liabilities	(254,976)	(6)	(254,982)
Unallocated liabilities - taxation			(193,494)
Total liabilities			(448,476)
<u>Other disclosure:</u>			
Capital expenditure	74,018	0	74,018
Depreciation	40,840	0	40,840
Amortisation of prepaid lease payment	348	55	403

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

11.0 Notes to the financial statements of GMB Group (continued)

11.19 SEGMENT REPORTING (CONTINUED)

	Natural		Audited
	Gas & LPG RM'000	Others RM'000	Total RM'000
<u>31 December 2011</u>			
<u>Revenue:</u>			
Total segment revenue - external	2,000,170	0	2,000,170
<u>Results:</u>			
Profit/(loss) before taxation	294,784	(54)	294,730
Interest income	(9,987)	0	(9,987)
Depreciation and amortisation	44,742	54	44,796
Earnings before interest, taxation; depreciation and amortisation (segment results)	329,539	0	329,539
<u>Other information:</u>			
Segment assets	1,466,597	4,471	1,471,068
Unallocated assets – taxation			3,358
Total assets			1,474,426
Segment liabilities	(275,451)	(6)	(275,457)
Unallocated liabilities - taxation			(189,515)
Total liabilities			(464,972)
<u>Other disclosure:</u>			
Capital expenditure	35,384	0	35,384
Depreciation	44,394	0	44,394
Amortisation of prepaid lease payment	348	54	402

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

11.0 Notes to the financial statements of GMB Group (continued)

11.20 SIGNIFICANT RELATED PARTY DISCLOSURES

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

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

<u>Related parties</u>	<u>Relationship</u>	<u>Country of incorporation</u>
Indra Cita Sdn Bhd	Ultimate controlling party	Malaysia
MMC Corporation Berhad	Immediate holding Company	Malaysia
MMC Engineering Services Sdn Bhd	} Subsidiary of immediate holding company	Malaysia
Recycle Energy Sdn Bhd *		Malaysia
Petroleum Nasional Berhad (PETRONAS) ^	Holding company of a shareholder with significant influence over the Group	Malaysia
Petronas Dagangan Berhad	Fellow subsidiary of a shareholder with significant influence over the Group	Malaysia
Petronas Gas Berhad	A shareholder with significant influence over the Group	Malaysia
Central Sugar Refinery Sdn Bhd	A subsidiary of Tradewinds (Malaysia) Berhad, a related company to ultimate controlling party	Malaysia
Tradewinds International Insurance Brokers Sdn. Bhd	A subsidiary of Tradewinds Corporation Berhad, a related company to ultimate controlling party	Malaysia

* A related company up to 24 May 2011 (the date it ceased to be a subsidiary of immediate holding company).

^ PETRONAS owned 1 special share in the Company. The rights of this special share states that any variation to the matters within the Memorandum and Articles of Association shall be effective only with written consent of the holder of the Special Share.

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

11.0 Notes to the financial statements of GMB Group (continued)

11.20 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

The following transactions were carried out with related parties:

(a) Sales and purchases of goods and services

	<u>Audited</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
Non trade expenses payable to MMC Corporation Berhad **	76	100	59
Construction of pipeline by MMC Engineering Services Sdn Bhd **	220	7	0
Gas sales to:			
Recycle Energy Sdn Bhd ("RESB") ***	4,095	1,072	146 ^
Central Sugar Refinery Sdn Bhd ***	30,155	33,678	35,007
Purchase of LPG from Petronas Dagangan Berhad **	11,168	15,372	18,484
Tolling fee income from PETRONAS **	10,982	12,956	14,332
Purchase of natural gas from PETRONAS ***	1,303,684	1,304,406	1,606,509
Rental expense payable to Petronas Gas Berhad **	24	24	24
Insurance brokerage fee payable to Tradewinds International Insurance Brokers Sdn. Bhd. **	100	100	70

^ RESB was disposed of by MMC Corporation Berhad on 24 May 2011. Transaction with RESB disclosed in the financial statements taken place up to the date of disposal.

** 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.

13. ACCOUNTANTS' REPORT (Cont'd)



The Board of Directors
Gas Malaysia Berhad
PwC/YWY/TEC/py/0004C
7 May 2012

11.0 Notes to the financial statements of GMB Group (continued)

11.20 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

The following transactions were carried out with related parties (continued):

(b) Key management compensation

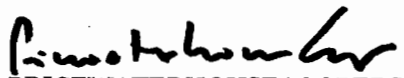
	<u>Audited</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
	RM'000	RM'000	RM'000
- Salaries and bonuses	3,227	3,569	3,092
- Directors' fees	240	443	471
- Defined contribution plan	388	426	399
- Other benefits	107	68	529
	<u>3,962</u>	<u>4,506</u>	<u>4,491</u>


Key management compensation includes remuneration of Directors (executive and non-executive) and senior management (Senior General Manager and General Managers) of the Group.

11.21 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 22 August 2011, the shareholders of the Company applied to list all the issued and paid up ordinary shares of the Company on the Main Market of Bursa Malaysia Securities Berhad.

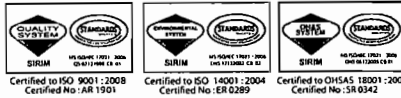
Yours faithfully,


PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants


YEE WAI YIN
(No. 2081/08/12 (J))
Chartered Accountant

Kuala Lumpur

14. DIRECTORS' REPORT



Gas Malaysia Berhad (240409-T)
5, Jalan Serendah 26/17,
Seksyen 26, Peti Surat 7901,
40732 Shah Alam, Selangor, Malaysia
tel 603 5192 3000 fax 603 5192 6766

Registered office:

5, Jalan Serendah 26/17
Seksyen 26, Peti Surat 7901
40732 Shah Alam
Selangor Darul Ehsan
Malaysia

14 MAY 2012

The Shareholders of **Gas Malaysia Berhad**

Dear Sir/Madam

On behalf of the Board of Directors of Gas Malaysia Berhad ("GMB"), I report after due inquiry that during the period from 31 December 2011 (being the date to which the last audited financial statements of GMB and its subsidiaries ("GMB Group") have been made up) to the date of this letter (being a date not earlier than 14 days before the issue of this Prospectus), that:

- (a) the business of GMB Group has, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen subsequent to the last audited financial statements of GMB Group which have adversely affected the trading or the value of the assets of GMB Group;
- (c) the current assets of GMB Group appear in the books at the values which are believed to be realisable in the ordinary course of business;
- (d) there are no other material contingent liabilities by reason of any guarantee or indemnity given by GMB Group;
- (e) since the last audited financial statements of GMB Group, there have been no default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums for any borrowings which the Directors are aware; and
- (f) save as disclosed in this Prospectus, there have been no material changes in the published reserves or any unusual factor affecting the profits of GMB Group since the last audited financial statements of GMB Group.

Yours faithfully

For and on behalf of the Board of Directors of
GAS MALAYSIA BERHAD

Datuk Muhamad Noor bin Hamid
Managing Director

15. STATUTORY AND OTHER GENERAL INFORMATION

15.1 Share capital

- (i) No securities will be allotted or issued on the basis of this Prospectus later than 12 months from the date of the issue of this Prospectus.
- (ii) As at LPD, there are two (2) classes of issued shares in our Company namely, ordinary shares of RM0.50 each and one (1) special rights redeemable preference share of RM0.50. All existing issued and paid-up Shares shall rank equally with one another. The Special Rights RPS shall rank in priority to all existing issued and paid-up Shares of our Company.
- (iii) Save as disclosed in Section 6.4 of this Prospectus, we have not issued or proposed to issue any shares, stocks or debentures of our Company or any of our subsidiaries as fully or partly paid-up in cash or otherwise, from the dates of incorporation of our Company or our subsidiaries, as the case may be, up to the date of this Prospectus.
- (iv) Save for the Offer Shares reserved for subscription by our Eligible Directors and Employees as disclosed in Section 4.3.2(i) of this Prospectus, none of our Group's Director or employee has been or is entitled to be given or has exercised any option to subscribe for any share, stock or debenture of our Group nor has any option to subscribe for securities been granted or exercised by any Directors or employees since incorporation.
- (v) Save for the Offer Shares reserved for subscription by our Eligible Directors and Employees as disclosed in Section 4.3.2(i) of this Prospectus, there is currently no scheme involving the directors and employees of our Group in the share capital of our Company or any of our subsidiaries.
- (vi) Save for our Promoters as disclosed in Section 9.3 of this Prospectus, there is no other persons who are able to, directly and indirectly, jointly or severally, exercise control over our Company.
- (vii) None of our Company's capital is under any option, or agreed conditionally or unconditionally to be put under option as at the date of this Prospectus.
- (viii) Our Company does not have any outstanding convertible debt security as at LPD.

15.2 Articles of Association

The following provisions are extracted from our Company's Articles of Association ("Articles"). The words, terms and expression appearing in the following provisions shall bear the same meanings used in the Articles unless they are otherwise defined here or the context otherwise requires:

"Act" means the Companies Act, 1965 and any statutory modification, amendment or re-enactment thereof for the time being in force and includes all subsidiary legislation made thereunder.

"Alternate Director" means a substitute Director, nominated in writing to the Company and duly registered with the Registrar of Companies.

"Articles" means the Company's Articles of Association as originally framed or as from time to time amended or altered by Special Resolution.

"Auditors" means the statutory external auditors of the Company.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

“Board” or “Board of Directors” means the board of directors for the time being of the Company.

“Central Depositories Act” means the Securities Industry (Central Depositories) Act 1991 and any statutory modification, amendment or re-enactment thereof for the time being in force and includes all subsidiary legislation made thereunder.

“Central Depository” means Bursa Malaysia Depository Sdn. Bhd. (Company No. 165570-W) and its successors-in-title.

“Company” means GAS MALAYSIA BERHAD (Company No. 240409-T).

“Depositor” or “depositor” means a holder of securities account established by the Central Depository.

“Deposited Security” or “deposited security” means a security standing to the credit of a securities account and includes securities in a securities account that is in suspense.

“Directors” means the Directors for the time being of the Company, and, unless otherwise stated, includes their duly appointed Alternate Directors.

“Exchange” means Bursa Malaysia Securities Berhad (Company No. 635998-W) or such other name as it may assume from time to time.

“In Writing” and “Written” include printing, lithography and other modes of representing or reproducing words in visible form.

“Listing Requirements” means Main Market Listing Requirements of the Exchange including any amendments to the Listing Requirements that may be made from time to time and such practice notes or circulars as may be issued by the Exchange from time to time.

“Market Day” means a day on which there is official trading in securities on the Exchange.

“Member” means any person/persons for the time being holding shares in the Company and whose name appears in the Register (except the Special Shareholder, the Central Depository or its nominee company) and depositors whose names appear in the Record of Depositors.

“Memorandum” means the memorandum of association of the Company.

“Minister” means the Minister of Finance or the minister for the time being charged with the responsibility for finance.

“Month” means calendar month.

“Office” means the registered office for the time being of the Company.

“PETRONAS” means Petroliaam Nasional Berhad or its successor in title.

“Person” shall include any individual, firm, corporation, government body or agency.

“Record of Depositors” means a record provided by the Central Depository to the Company or its Registrar under Chapter 24.0 of the Rules.

“Register” means the Register of Members to be kept pursuant to the Act and includes where appropriate the Record of Depositors.

“Registrar” or “Registrar of Companies” means such person, firm or company which for the time being maintains in Malaysia the Register.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

"Rules" means the Rules of the Central Depository including any amendments that may be made from time to time.

"Securities Account" or "securities account" means an account established by the Central Depository for the Depositor for the recording of deposit or withdrawal of securities and for dealing in such securities by the Depositor as permitted under the Central Depositories Act and/or the Rules.

"Share" or "share" as regards the Company means and includes a preferred or deferred as well as an ordinary share and also stock and any security which carries any power of voting with respect to the management of the Company but shall not include the Special Rights RPS.

"Special Resolution" has the meaning assigned thereto by Section 152 of the Act.

"Special Rights RPS" means the one (1) redeemable preference share of RM0.50 par with special rights as provided in the Articles and which is to be held by or transferred only to a Special Shareholder. The Special Rights RPS shall not be listed on the Exchange.

"Special Shareholder" means Petroliam Nasional Berhad (PETRONAS) and where the Special Rights RPS is transferred by PETRONAS to a wholly-owned entity of the Government of Malaysia, the "Special Shareholder" shall mean such entity to whom the Special Rights RPS is transferred to.

15.2.1 Transfer of Shares

(i) **Article 33**

Subject to the restrictions imposed by these Articles, the Listing Requirements and the provisions of any written law and all rules and regulations made thereunder including the Central Depositories Act and the Rules (with respect to the transfer of Deposited Security), Shares shall be transferable, but every transfer must be in writing and in such form prescribed and approved by the Exchange, or such form as may from time to time be prescribed under the Act or approved by the Exchange or such authorities of the stock exchange on which the Company's Shares are listed.

(ii) **Article 34**

All transfer of Deposited Security shall be effected in accordance with the Rules. The instrument shall be executed by or on behalf of the transferor and transferee; the transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Register in respect thereof.

(iii) **Article 35**

The transfer of any listed security or class of listed security of the Company shall be by way of book entry by the Central Depository in accordance with the rules of the Central Depository and notwithstanding Sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act, and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed securities.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**(iv) Article 36**

- (1) Subject to the restrictions imposed by these Articles and the provisions of any other law, there shall be no restrictions on the transfer of fully paid securities. No shares shall be in any circumstances be knowingly transferred to any infant, bankrupt or person of unsound mind. In case of Deposited Securities, the Central Depository may refuse to register any transfer that does not comply with the Central Depositories Act and the Rules.
- (2) Subject to the provisions of these Articles, the Directors may recognise a renunciation of any share by the allottee thereof, in favour of some other person.

(v) Article 37

At least twelve (12) clear Market Days' notice or such other period as may be from time to time specified by the Exchange, of the intention to close the Register shall be announced to the Exchange and also published in a daily newspaper circulating in Malaysia of the period of the intended suspension or closure and the purpose(s) thereof for such closure.

The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year.

At least three (3) Market Days prior notice shall be given to the Central Depository to enable the Central Depository to prepare the appropriate Record of Depositors provided that where the Record of Depositors is required in respect of corporate actions, at least seven (7) Market Days prior notice shall be given to the Central Depository.

(vi) Article 38

Neither the Company nor the Directors nor any of its officers shall incur any liability for the act of the Central Depository in registering or acting upon a transfer of shares made by a Member or any persons entitled to such shares, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers or the Central Depository be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred and although transferred, be liable to be set aside. In every such case, the person registered as Depositor, his executors, administrators and assignees alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

(vii) Article 39

- (1) Where by the exercise of reasonable diligence the Company is unable to discover the whereabouts of a Member for a period of not less than ten (10) years the Company may cause an advertisement in a newspaper circulating in the place shown in the Register or the Record of Depositors as the address of the Member stating that the Company after expiration of one (1) month from the date of the advertisement intends to transfer the shares to the Minister.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (2) If after the expiration of one (1) month from the date of the advertisement the whereabouts of the Member remains unknown, the Company may transfer the shares held by the Member to the Minister and for this purpose may execute for and on behalf of such Member, a transfer of those shares to the Minister.

15.2.2 Remuneration of Directors**(i) Article 98**

The Directors shall be paid by way of remuneration for their services such fixed sum (if any) as shall from time to time be determined by the Company in general meeting and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine provided always that:

- (1) fees payable to non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;
- (2) salaries and other emoluments payable to Executive Directors pursuant to a contract of service need not be determined by the Company in a general meeting but such salaries and emoluments may not include a commission on or percentage of turnover;
- (3) fees payable to Directors shall not be increased except pursuant to an ordinary resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting;
- (4) any fee paid to an Alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter; and
- (5) the Directors (or their respective alternate directors) may also be paid all expenses for travelling within or outside Malaysia, hotel, and other reasonable expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.

(ii) Article 99

If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Directors so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board be either in addition to or in substitution for any other remuneration he may be entitled to receive, and the same shall be charged as part of the ordinary working expenses of the Company.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

(iii) Article 100

There shall be no shareholding qualification for Directors.

15.2.3 Voting and borrowing powers of Directors, including voting powers on proposals, arrangements or contracts in which they are interested**(i) Article 108**

- (1) The Directors may from time to time at their discretion raise or borrow such sum of moneys or obtain credit facilities as they think proper for the purpose of the Company. The Directors may raise or secure payment or repayment of such moneys or facilities upon such terms and conditions as they think fit and in particular by the issue of Debenture or Debenture Stock or other securities (whether at par or at a discount or premium) or otherwise, charge upon all or any part of property of the Company including uncalled capital or by means of charges, mortgages, hypothecation and bonds as the Directors shall think fit PROVIDED always that the Directors shall not borrow any money or mortgage or hypothecate or charge any of the Company's or the subsidiaries' undertaking, property, or any uncalled capital or issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.
- (2) For the purposes of this Article "Share Capital and Consolidated Reserves" means at any material time the amount standing to the credit of the share capital account of the Company plus the aggregate amount standing to the credit of the consolidated capital and revenue reserves (including any share premium account or capital redemption reserve fund) plus or minus the amount standing to the credit or debit (as the case may be) of the consolidated profit and loss accounts all as shown in the latest published group accounts but adjusted as may be necessary and appropriate to take account of any subsidiary not consolidated in such accounts and any increase in or reduction of the issued and paid up Share Capital of the Company since the date to which the consolidated balance sheet incorporated in such accounts shall have been made up and any distributions (other than normal preference dividends and interim dividends paid in each case out of profits earned since such date) in cash or specie made, recommended or declared from such reserves or profit and loss accounts since such date; excluding any sums set aside for taxation; deducting any amount for goodwill or any other intangible asset (not being an amount representing part of the cost of a bona fide commercial acquisition of shares or other property) shown as an asset in such balance sheet (as adjusted); deducting any amounts attributable to minority interests; and after making such other adjustment (if any) as the Directors may consider appropriate. For the purposes of the foregoing, share capital allotted shall be treated as issued notwithstanding that the issue thereof has not been completed by the registration of the allottees or their nominees. The certificate of the auditors as to the amount of the Share Capital and Consolidated Reserves at any time shall be conclusive and binding upon all concerned.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (3) Moneys received on deposit or current account by the Group in the ordinary course of business shall not be taken into account in calculating the amount for the time being remaining undischarged of moneys borrowed or raised by any of such companies for the purposes of paragraph (1) of this Article.
- (4) The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary companies (if any) so as to secure that the aggregate amount for the time being remaining undischarged of moneys borrowed by the Group (excluding amounts outstanding on inter-group accounts) shall not exceed the limit imposed by Article 108(1) without the previous sanction provided for in this Article. For the purposes of this Article the nominal amount of any loan capital issued by the Company or any subsidiary and for the time being outstanding shall (together with any premium payable thereon on redemption) be deemed to be and shall be taken into account as moneys borrowed notwithstanding that the same may have been issued in whole or in part for a consideration other than cash.
- (5) The nominal amount of any share issued by any company and the principal amount of any moneys borrowed otherwise than by the Group (together in each case with any premium) the repayment whereof is guaranteed by the Company or any subsidiary company shall be deemed to be and shall be taken into account as moneys borrowed by the guarantor company.
- (6) No person dealing with the Group shall be concerned to see or enquire whether the limit hereinbefore provided is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffective unless at the time when the debt was incurred or security given, the lender or the recipient of the security has expressed notice that the said limit had been or was thereby exceeded.
- (7) Moneys borrowed for the purpose of repaying (with or without premium) the whole or any part of any outstanding indebtedness and applied to that purpose within four (4) months from the borrowing shall, pending such application, be deemed not to be borrowed money.

(ii) **Article 109**

The Directors shall not without the prior approval of the Company in general meeting:

- (1) carry into effect any proposal or execute any transaction for the acquisition of an undertaking or property of a substantial value, or the disposal of a substantial portion of or a controlling interest in the Company's main undertaking or property;
- (2) exercise any power of the Company to issue shares unless otherwise permitted under the Act; or

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (3) subject to Sections 132E and 132F of the Act, enter into any arrangement or transaction with a Director of the Company or its holding company or with a person connected with such a Director to acquire from or dispose to such a Director or person any non-cash assets of the requisite value.

(iii) **Article 110**

A Director may act by himself or his firm in a professional capacity for the Company, except as auditor, and he or his firm shall be entitled to remuneration for professional services as if he was not a Director, provided that such remuneration shall be at normal commercial terms.

(iv) **Article 111**

- (1) Subject always to Sections 131, 132E and 132F of the Act, a Director may hold any office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser, lender, agent, broker or otherwise nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- (2) The nature of the interest of the Director must be declared by him at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement, then at the next meeting of the Board held after he became so interested, and in case where the Director becomes interested in a contract or arrangement after it is made, then at the first meeting of the Board held after he becomes so interested. A general notice in writing given to the Board by any Director to the effect that he is a member of any specified company or firm, and is to be regarded as interested in any contract which may thereafter be made with the company or firm shall (if such Director shall give the same at a meeting of the Board or shall take reasonable steps to secure that the same is brought up and read at the next meeting of the Board after it is given) be deemed a sufficient declaration of interest in relation to any contract so made.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

(v) Article 112

A Director who is in any way, whether directly or indirectly, interested in a contract or arrangement entered into or proposed to be entered into by the Company, unless the interest is one that need not be disclosed to the Directors of the Company, shall be counted only to make the quorum at the Board meeting but shall not participate in any discussion while the contract, arrangement, proposed contract or proposed arrangement is being considered at the Board meeting and shall not vote on the contract, arrangement, proposed contract or proposed arrangement, and if he shall do so his vote shall not be counted.

(vi) Article 113

A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:

- (1) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
- (2) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (3) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- (4) any proposal concerning any other company in which he is interested directly or indirectly and whether as an officer or Member or otherwise howsoever, but is not the holder of or beneficially interested in one per centum (1%) or more of the issued shares of any class of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interested being deemed for the purpose of this Article to be a material interest in all circumstances);
or
- (5) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the relevant authorities for taxation purposes.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

(vii) Article 114

Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any other company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such case, each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

(viii) Article 115

If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.

15.2.4 Changes in capital and variation of class rights**(i) Article 5**

- (1) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class provided that, if any such separate general meeting shall be adjourned by reason of there being no quorum present, and at the adjourned meeting, a quorum shall not be present within half an hour from the time appointed for such adjourned meeting, those holders of the shares of the class in question who are present in person or by proxy shall be a quorum. Any holder of shares of the class present in person or by proxy may demand a poll. To every such Special Resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply.
- (2) The repayment of preference capital other than redeemable preference, or any other alteration of preference shareholders rights may only be made pursuant to a Special Resolution of the preference shareholders concerned, provided always that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths of the preference shares concerned within two months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (3) The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

(ii) **Article 60**

The Company may from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such sum and to be divided into shares of such amount and to carry such rights or to be subject to such conditions and restrictions in regard to dividend, return of capital or otherwise as the resolution shall prescribe.

(iii) **Article 61**

- (1) Except so far as otherwise provided by the conditions of issue, any capital raised by the creation of the new shares shall be subject to the same provisions with reference to allotment, payments of calls, lien, transfer, transmission, forfeiture and otherwise as the shares of the same class in the original share capital.
- (2) Subject to any direction to the contrary that may be given by the Company in general meetings, all new Shares or other convertible securities shall, before issue, be offered to such Members as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing Shares or securities to which they are entitled. The offer shall be made by notice specifying the number of Shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Shares or securities offered, the Directors may dispose of those Shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new Share or security which (by reason of the ratio which the new Shares or securities bear to Shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Article.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

(iv) Article 62

The Company may by ordinary resolution:

- (1) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (2) sub-divide its existing shares, or any of them into shares of smaller amount than is fixed by the Memorandum of Association subject, nevertheless, to the provisions of Section 62(1)(d) of the Act, so that in the sub-division the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived. Any resolution whereby any share sub divided may determine that as between the resulting shares, one (1) or more of such shares may, by the resolution by which such subdivision is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such shares; and
- (3) cancel any shares, which at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

(v) Article 63

Subject to obtaining the consent in writing from the Special Shareholder pursuant to Article 9, the Company may by Special Resolution reduce its share capital and any capital redemption reserve fund or any share premium account in any manner authorised and subject to any conditions prescribed by the Act.

15.2.5 Special rights of the holder of the Special Rights RPS**(i) Article 7**

The Special Rights RPS shall be held and registered in the name of the Special Shareholder and have the following special rights.

(ii) Article 8

- (1) The Special Shareholder, as the holder of the Special Rights 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 and to attend and speak at all general meetings or any other meeting of any class of Members of the Company but the Special Rights RPS Share 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 these Articles and/or the Listing Requirements.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (2) Save as otherwise specifically provided for under these Articles, the Special Shareholder, as holder of a preference share, shall have the right to vote at any meeting convened in each of the following circumstances as provided for under the Listing Requirements:
- (a) when the dividend or part of the dividend on the share is in arrears for more than six (6) months, if applicable;
 - (b) on a proposal to reduce the Company's share capital;
 - (c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
 - (d) on a proposal that affects rights attached to the Special Rights RPS;
 - (e) on a proposal to wind up the Company; and
 - (f) during the winding-up of the Company.

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

- (3) The Special Shareholder shall have no right to appoint or nominate any Directors.
- (4) The Special Rights RPS shall confer no rights to dividend.
- (5) The Special Rights RPS is not transferable and is to be held by PETRONAS. Notwithstanding this, the Special Rights RPS may be transferred to an entity wholly-owned by the Government of Malaysia.
- (6) The Special Shareholder may, subject to the provisions of the Act, require the Company to redeem the Special Rights RPS at par at any time by serving written notice upon the Company and delivering the relevant share certificate.
- (7) 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 Special Rights RPS in priority to any other member. Save as otherwise provided in these Articles, the Special Rights RPS shall confer no other rights to participate in the capital or profits of the Company.
- (8) In these Articles, the provisions relating to the general meetings, votes of members, 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.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**(iii) Article 9**

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

- (1) The amendment, or removal, or alteration of the effect of all or any of the following Articles;
 - (a) The definitions of "Special Rights RPS" and "Special Shareholder" in Article 1;
 - (b) The rights of the Special Rights RPS and Special Shareholder under this Article;
- (2) The voluntary winding-up, liquidation or dissolution of the Company;
- (3) The creation of a new category of shares in the Company;
- (4) Any proposal to reduce the share capital of the Company;
- (5) 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 Requirements;
- (6) Any acquisition of assets by the Company where any of the percentage ratios of such transaction is 25% or more, such percentage ratios are to be calculated in accordance with the definition of "percentage ratios" as defined in the Listing Requirements;
- (7) The change in nature of business and principal activities of the Company; and
- (8) The suspension of the whole of the Company's operations.

15.3 Limitations of rights to hold securities and/or exercise voting rights

As the Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of the Shares must deposit his Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer his Shares to the Minister of Finance, Inc. and such Shares may not be traded on Bursa Securities.

Dealing in Shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository ("Depositor") by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of the Shares shall be deemed to be a shareholder of our Company and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

15. STATUTORY AND OTHER GENERAL INFORMATION *(Cont'd)*

15.4 General information

- (i) Save as disclosed in Section 4.9 of this Prospectus, there have been no commissions, discounts, brokerages or other special terms granted or paid by our Group within the two (2) years immediately preceding the date of this Prospectus in connection with the issue or sale of any of our Shares or debentures, for subscribing or agreeing to subscribe or procuring or agreeing to procure subscription for any Shares or debenture of our Group and no Director/Promoter is or are entitled to receive any such payment or any other benefits.
- (ii) During the last financial year up to the date of this Prospectus, there were no:
 - (a) public take-over offers by third parties in respect of our Company's Shares; and
 - (b) public take-over offers by our Company in respect of other company's shares.
- (iii) Expenses incidental to our listing of and quotation for our entire issued and paid-up ordinary shares on the Main Market of Bursa Securities amounting to about RM4.1 million will be borne by us.
- (iv) The nature of our business and the names of all corporations which are, by virtue of Section 6 of the Companies Act, deemed to be related to us are set out in Section 6 of this Prospectus.
- (v) The manner in which copies of this Prospectus together with the Application Forms may be obtained and the details of the procedures for application is set out in Section 16 of this Prospectus.
- (vi) The times of the opening and closing of the application for the Retail Offering are set out in Sections 4.1, 4.2 and 16 of this Prospectus.
- (vii) The amount payable in full upon application is RM2.20 per Offer Share.
- (viii) Neither our Company nor our subsidiaries have established any place of business outside Malaysia.
- (ix) Apart from the listing on the Main Market of Bursa Securities, we are not listed and we do not intend to seek listing on any other stock exchange as at the date of this Prospectus.

15.5 Material contract

Save as disclosed below, neither our Company nor our subsidiaries have entered into any material contracts, not being contracts entered into in the ordinary course of our Group's business, during the two (2) years preceding the date of this Prospectus:

- (i) Underwriting Agreement dated 11 May 2012 between our Company, the Offerors and the Joint Underwriters whereby the Joint Underwriters agreed to underwrite 30,525,000 Offer Shares under the Retail Offering at an underwriting commission of 1.45% of the amount equal to the Final Retail Price multiplied by the number of Offer Shares underwritten, such commission to be paid by the Offerors to the Joint Underwriters.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

15.6 Material litigation

As at LPD, neither our Company nor our subsidiaries are engaged in any material litigation or arbitration, either as plaintiff or defendant, and our Board is not aware of any legal proceedings pending or threatened, or of any fact likely to give rise to any legal proceeding which may have a material adverse effect on the business or financial position of our Group.

15.7 Letters of consent

- (i) The consents of our Principal Adviser, Joint Underwriters, Sole Bookrunner, Placement Manager, Legal Adviser, Principal Banker, Share Registrar and Issuing House for the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issuance of this Prospectus and have not subsequently been withdrawn.
- (ii) The consent of our Reporting Accountants for the inclusion of its name, Accountants' Report, and Reporting Accountants' Letter and the Proforma Consolidated Balance Sheets as at 31 December 2011 in the form and context in which they are contained in this Prospectus has been given before the issuance of this Prospectus and has not subsequently been withdrawn.
- (iii) The consent of Frost & Sullivan Malaysia Sdn Bhd for the inclusion of its name and its Independent Market Research Report and all references in the manner, form and context in which they are contained in this Prospectus has been given before the issuance of this Prospectus and has not subsequently been withdrawn.

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15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

15.8 Documents available for inspection

Copies of the following documents may be inspected at our principal place of business at 5, Jalan Serendah 26/17, Seksyen 26, Peti Surat 7901, 40732 Shah Alam, Selangor Darul Ehsan, Malaysia during normal business hours (except public holidays) for a period of 12 months from the date of this Prospectus:

- (i) our Memorandum and Articles of Association;
- (ii) the Existing Gas Supply Agreement and the New Gas Supply Agreement (as redacted pursuant to the SC's approval obtained on 29 September 2011 and 25 April 2012);
- (iii) the audited consolidated financial statements of our Company for the three (3) FYE 31 December 2009 to 31 December 2011;
- (iv) the audited financial statements of our subsidiaries for the past three (3) FYE 31 December 2009 to 31 December 2011;
- (v) the Independent Market Research Report prepared by Frost & Sullivan Malaysia Sdn Bhd as included in Section 8 of this Prospectus;
- (vi) the Reporting Accountants' Letter and the Proforma Consolidated Balance Sheets as included in Section 12.5 of this Prospectus;
- (vii) the Accountants' Report and Directors' Report referred to in Sections 13 and 14 of this Prospectus respectively;
- (viii) the letters of consent referred to in Section 15.7 of this Prospectus; and
- (ix) the service agreement and material contract referred to in Sections 9.6 and 15.5 of this Prospectus.

15.9 Responsibility statements

This Prospectus has been seen and approved by our Directors, our Promoters and Offerors. They, collectively and individually, accept full responsibility for the accuracy of the information contained in this Prospectus. They confirm, after having made all reasonable enquiries that, to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in this Prospectus false or misleading.

Maybank IB, as our Principal Adviser, Joint Underwriter, Sole Bookrunner and Placement Manager, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE

16.1 Opening and closing of applications

Applications for our Offer Shares will be accepted and closed at the time and date stated as below:

OPENING OF THE APPLICATION: 10.00 A.M., 18 May 2012

CLOSING OF THE APPLICATION: 5.00 P.M., 25 May 2012

Applications under the Retail Offering will open at 10.00 a.m. on 18 May 2012 and will remain open until 5.00 p.m. on 25 May 2012, or such other date or dates as our Directors, the Offerors and the Joint Underwriters in their absolute discretion may decide.

In the event that the closing date and time of the Retail Offering is extended, the Price Determination Date and dates for the balloting and allotment of the Offer Shares, and the Listing may be extended accordingly. Any extension of the abovementioned dates will be announced by way of advertisement in Bahasa Malaysia and English daily newspaper widely circulated throughout Malaysia.

Late applications will not be accepted.

16.2 Methods of application and category of investors

16.2.1 Application for the Retail Offering

Applications for the Retail Offering may be made using either of the following:

Type of application form	Category of investor
PINK Application Form	Eligible Directors and Employees
WHITE Application Form or Electronic Share Application ⁽¹⁾ or Internet Share Application ⁽²⁾	Malaysian Public

Notes:

⁽¹⁾ The following processing fee per Electronic Share Application will be charged by the respective Participating Financial Institutions:

- Affin Bank Berhad – No fee will be charged for application by their account holders;
- AmBank (M) Berhad – RM1.00 for each transaction;
- CIMB Bank Berhad – RM2.50 for each transaction;
- HSBC Bank Malaysia Berhad – RM2.50 for each transaction;
- Malayan Banking Berhad – RM1.00 for each transaction;
- Public Bank Berhad – RM2.00 for each transaction;
- RHB Bank Berhad – RM2.50 for each transaction; or
- Standard Chartered Bank Malaysia Berhad (at selected branches only) – RM2.50 for each transaction.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (2) *The following processing fee per Internet Share Application will be charged by the respective Internet Participating Financial Institution:*
- (i) *Affin Bank Berhad (www.affinOnline.com) – No fee will be charged for application by their account holders;*
 - (ii) *CIMB Investment Bank Berhad (www.eipocimb.com) – RM2.00 per Internet Share Application via CIMB Bank Berhad or via Malayan Banking Berhad;*
 - (iii) *CIMB Bank Berhad (www.cimbclicks.com.my) – RM2.00 for applicants with CDS accounts held with CIMB and RM2.50 for applicants with CDS accounts with other ADAs;*
 - (iv) *Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00 per Internet Share Application;*
 - (v) *Public Bank Berhad (www.pbebank.com) – RM2.00 per Internet Share Application; and*
 - (vi) *RHB Bank Berhad (www.rhb.com.my) – RM2.50 per Internet Share Application.*

You must have a CDS account before you can submit your application either by way of Application Forms or Electronic Share Application as well as Internet Share Application.

16.2.2 Application for the Institutional Offering

Bumiputera institutional and selected investors approved by the MITI who have been allocated the Offer Shares under the Institutional Offering will be contacted directly by the MITI and should follow the instructions as communicated through the MITI. Institutional investors and selected investors being allotted the Offer Shares pursuant to the Institutional Offering will be contacted directly by the Sole Bookrunner and should follow the instructions as communicated by the Sole Bookrunner.

16.3 Procedures for application

Application must be made in relation with and subject to the terms of this Prospectus and our Memorandum and Articles of Association. You agree to be bound by our Memorandum and Articles of Association.

16.3.1 Application by the Eligible Directors and Employees

Applications for the Offer Shares by the Eligible Directors and Employees must be made on the PINK Application Form provided separately together with a letter detailing their respective allocation and NOT by way of other Application Forms or by way of Electronic Share Application or Internet Share Application. The applications must follow the notes and instructions in the said document and where relevant, in this Prospectus. The amount payable in full upon application is RM2.20 per Offer Share.

You are not precluded from making additional applications under the Malaysian Public category using the WHITE Application Forms.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**16.3.2 Application by the Malaysian Public**

Applications by the Malaysian Public must be made on the WHITE Application Forms provided or by way of Electronic Share Application or Internet Share Application. A corporation or institution cannot apply for shares by way of Electronic Share Application or Internet Share Application. The amount payable in full upon application is RM2.20 per Offer Share.

Applicants using the WHITE Application Forms are not allowed to submit multiple applications in the same category of application. Further, applicants who have submitted their applications using WHITE Application Forms are not allowed to make additional applications using the Electronic Share Applications and Internet Share Applications.

16.4 Procedures for applications using Application Forms

Each application under the Retail Offering using the Application Forms must be made on the correct Application Form for the relevant category of investors issued together with this Prospectus and must be completed in accordance with notes and instructions printed therein in the respective category of Application Form. The Application Forms together with the notes and instructions contained therein shall constitute an integral part of this Prospectus. Applications which do not conform **STRICTLY** to the terms of this Prospectus or the respective category of Application Form or which are illegible may not be accepted at the absolute discretion of our Directors and the Offerors.

FULL INSTRUCTIONS FOR THE APPLICATION FOR THE OFFER SHARES AND THE PROCEDURES TO BE FOLLOWED ARE SET OUT IN THE APPLICATION FORMS. ALL APPLICANTS ARE ADVISED TO READ THE APPLICATION FORMS AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

Malaysian Public should follow the following procedures in making their applications:

Step 1 : Obtain application documents

Obtain the relevant Application Form together with the Official "A" and "B" envelopes and a copy of this Prospectus.

The WHITE Application Form can be obtained subject to availability from the following parties:

- (i) Maybank IB;
- (ii) Participating organisations of Bursa Securities;
- (iii) Members of the Association of Banks in Malaysia;
- (iv) Members of the Malaysian Investment Banking Association; and
- (v) Issuing House.

Step 2 : Read the Prospectus

In accordance with Section 232(2) of the CMSA, the Application Forms are accompanied by this Prospectus. You are advised to read and understand this Prospectus before making your application.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Step 3 : Complete the relevant Application Form

Complete the relevant Application Form legibly and **STRICTLY** in accordance with the notes and instructions printed on it and in this Prospectus.

(i) Personal particulars

You must ensure that your personal particulars submitted in your application are identical with the records maintained by the Bursa Depository. You are required to inform the Bursa Depository promptly of any changes to your personal particulars.

For individuals who are not members of the armed forces or police, your name and national registration identity card ("NRIC") numbers must be the same as:

- your NRIC;
- your "Resit Pengenalán Sementara (JPN KP 09)" issued pursuant to Peraturan 5(5), Peraturan-Peraturan Pendaftaran Negara 1990; or
- any valid temporary identity document issued by the National Registration Department from time to time.

If you are a member of the armed forces or police, your name and your armed forces or police personnel number, as the case may be, must be exactly as that stated in your authority cards.

For corporations/institutions, the name and certificate of incorporation number must be the same as that stated in the certificate of incorporation or the certificate of change of name, where applicable.

For non-Malaysian applicants (in the case of PINK and WHITE Forms), the name and passport numbers must be exactly as that stated in their passports.

Our Company and the Offerors together with the Issuing House will not issue any acknowledgement of the receipt of your Application Forms or application monies.

(ii) CDS account number

You must state your CDS account number in the space provided in the Application Form. Invalid or nominee or third party CDS accounts will **not** be accepted.

(iii) Details of payment

You must state the details of your payments in the appropriate boxes provided in the Application Form.

(iv) Number of Offer Shares applied for

Applications must be for at least 100 Offer Shares or multiples of 100 Offer Shares for applicants using the PINK and WHITE Application Forms.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**Step 4 : Prepare appropriate form of payment (applicable to Malaysian Public)**

Applicants must prepare the correct form of payment in RM for the FULL amount payable for the Offer Shares based on the Retail Price, which is RM2.20 per Offer Share.

Your completed Application Form must be accompanied by remittance in RM for the full amount payable by any of the following:

- (i) Banker's draft or cashier's order purchased within Malaysia only and drawn on a bank in Kuala Lumpur (differentiated by a special red band for Bumiputera applicants);
- (ii) Money order or postal order (for applicants from Sabah and Sarawak only);
- (iii) Guaranteed Giro Order ("GGO") from Bank Simpanan Nasional Malaysia Berhad (differentiated by a special red band for Bumiputera applicants); or
- (iv) ATM statement obtained only from any of the following:
 - Affin Bank Berhad;
 - Alliance Bank Malaysia Berhad;
 - AmBank (M) Berhad;
 - CIMB Bank Berhad;
 - Hong Leong Bank Berhad;
 - Malayan Banking Berhad; or
 - RHB Bank Berhad,

and must be made out in favour of "**MIH SHARE ISSUE ACCOUNT NUMBER 525**" and crossed "**ACCOUNT PAYEE ONLY**" (excluding ATM statements) and endorsed on the reverse side with your name and address.

We will not accept applications with excess or insufficient remittances or inappropriate forms of payment.

Step 5 : Finalise application

Insert the relevant Application Form together with payment and a legible photocopy of your identification document (NRIC/valid temporary identity document issued by the National Registration Department/"Resit Pengenalan Sementara (JPN KP 09)"/authority card for armed forces or police personnel/certificate of incorporation or certificate of change of name for corporate or institutional applicant (where applicable) into Official "A" envelope and seal it.

The name and address written outside of the Official "A" and "B" envelopes must be identical to your name and address as per your NRIC/valid temporary identity document issued by the National Registration Department/"Resit Pengenalan Sementara (JPN KP 09)"/authority card for armed forces or police personnel/certificate of incorporation or the certificate of change of name for corporate or institutional applicant (where applicable).

Affix a 80 sen stamp on Official "A" envelope and insert Official "A" envelope into Official "B" envelope.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Step 6 : Submit application

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents can be submitted using one of the following methods:

- (i) Despatched by **ORDINARY POST** in the official envelopes provided, to the following address:

Malaysian Issuing House Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

P.O. Box 8269
Pejabat Pos Kelana Jaya
46785 Petaling Jaya
Malaysia

- (ii) **DELIVERED BY HAND AND DEPOSITED** in the Drop-In Boxes provided at the front portion of Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

so as to arrive not later than 5.00 p.m. on 25 May 2012, or such later date or dates as our Directors, the Offerors and the Joint Underwriters may mutually decide at their absolute discretion.

16.5 Procedures for applications using Electronic Share Applications

Only Malaysian individuals may apply for our Offer Shares using Electronic Share Application in respect of the Offer Shares made available for application by the Malaysian Public.

Please read carefully and follow the terms of this Prospectus, the procedures, terms and conditions for Electronic Share Application and the procedures set forth on the ATM screens of the relevant Participating Financial Institutions before making an Electronic Share Application.

16.5.1 Steps for Electronic Share Application through a Participating Financial Institution's ATM

- (i) You must have an account with a Participating Financial Institution (as detailed in Section 16.5.2 below) and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for Offer Shares at an ATM belonging to other Participating Financial Institutions;
- (ii) You must have a CDS account;
- (iii) You are advised to read and understand this Prospectus before making the application; and

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iv) You may apply for the Offer Shares via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. You shall submit at least the following information through the ATM, where the instructions on the ATM screen, require you to do so:
- Personal Identification Number (PIN);
 - MIH Share Issue Account Number 525;
 - CDS account number;
 - Number of Offer Shares applied for and/or the RM amount to be debited from the account; and
 - Confirmation of several mandatory statements as set out in Section 16.5.3 of this Prospectus.

16.5.2 Participating Financial Institutions

Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches:

- Affin Bank Berhad;
- AmBank (M) Berhad;
- CIMB Bank Berhad;
- HSBC Bank Malaysia Berhad;
- Malayan Banking Berhad;
- Public Bank Berhad;
- RHB Bank Berhad; or
- Standard Chartered Bank Malaysia Berhad (at selected branches only).

16.5.3 Terms and conditions of Electronic Share Applications

The procedures for Electronic Share Applications at ATMs of the Participating Financial Institutions are set forth on the ATM screens of the relevant Participating Financial Institutions ("Steps"), similar to the steps set out in Section 16.5.1 of this Prospectus. You must complete all the steps and follow the instructions set out on the ATM screen to complete an Electronic Share Application. You are advised to read carefully and understand the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Applications set out below before making an Electronic Share Application. Any reference to "applicant/you" in the terms and conditions for Electronic Share Applications and the Steps shall mean the applicant who applies for the Offer Shares through an ATM of any of the Participating Financial Institutions.

You must have a CDS account to be eligible to use the Electronic Share Application.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Upon the completion of your Electronic Share Application transaction, you will receive a computer-generated transaction slip ("Transaction Record"), confirming the details of your Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by our Company, the Offerors or the Issuing House. The Transaction Record is for your own retention and should not be submitted with any Application Form.

Upon the closing of the Retail Offering on 25 May 2012 at 5.00 p.m. ("Closing Date and Time"), the Participating Financial Institutions shall submit a magnetic tape containing its respective customers' applications for the Offer Shares to the Issuing House as soon as practicable but not later than 12.00 p.m. of the second (2nd) business day after the Closing Date and Time.

You are allowed to make only one (1) application and shall not make any other application under the Retail Offering to the Malaysian Public, whether at the ATMs of any Participating Financial Institution or using the WHITE Application Forms.

YOU MUST ENSURE THAT YOU USE YOUR OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. IF YOU OPERATE A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION, YOU MUST ENSURE THAT YOU ENTER YOUR OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR OWN NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE ABOVE.

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below:

- (i) The Electronic Share Application shall be made in relation with and subject to the terms of this Prospectus and the Memorandum and Articles of Association of our Company.
- (ii) You are required to confirm the following statements (by pressing predesignated keys (or buttons) on the ATM keyboard) and undertake that the following information given is true and correct:
 - (a) You have attained 18 years of age as at the Closing Date and Time;
 - (b) You are a Malaysian citizen residing in Malaysia;
 - (c) You have read the relevant Prospectus and understood and agreed with the terms and conditions of the application;
 - (d) This is the ONLY application that you are submitting; and
 - (e) You hereby give consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to the Issuing House and other relevant authorities.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

The application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the Steps required by the Participating Financial Institutions. By doing so, you shall be deemed to have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 97 of the Banking and Financial Institutions Act, 1989 and Section 45 of the SICDA to the disclosure by the relevant Participating Financial Institutions or Bursa Depository, as the case may be, of any of your particulars to the Issuing House, or any relevant regulatory bodies.

- (iii) You confirm that you are not applying for Offer Shares as a nominee of any other person and that the Electronic Share Application that you make is made by you as the beneficial owner. You shall only make one (1) Electronic Share Application and shall not make any other application for the Offer Shares, whether at the ATMs of any Participating Financial Institutions, on the prescribed Application Forms or via Internet Share Application.
- (iv) You must have sufficient funds in your bank account with the relevant Participating Financial Institution at the time you make your Electronic Share Application, failing which your Electronic Share Application will not be completed. Any Electronic Share Application, which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made, will be rejected.
- (v) You irrevocably agree and undertake to subscribe for or purchase and to accept the number of Offer Shares applied for as stated on the Transaction Record or any lesser number of Offer Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that our Company and the Offerors decide to allot or allocate any lesser number of such shares or not to allot or allocate any shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation (by your action of pressing the predesignated keys (or buttons) on the ATM keyboard) of the number of Offer Shares applied for shall signify, and shall be treated as, your acceptance of the number of Offer Shares that may be allotted or allocated to you and to be bound by our Memorandum and Articles of Association.
- (vi) We reserve the right not to accept any Electronic Share Application or accept any Electronic Share Application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the Offer Shares to a reasonable number of applicants with a view to establishing an adequate market for the Offer Shares.
- (vii) If you are successful in your application, our Directors and the Offerors reserve the right to require you to appear in person at the registered office of the Issuing House within 14 days of the date of the notice issued to you to ascertain your application is genuine and valid. Our Directors and the Offerors shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

- (viii) Where your Electronic Share Application is not successful or successful in part only, the relevant Participating Financial Institution will be informed of the non-successful or partially successful applications. If your Electronic Share Application is not successful, the relevant Participating Financial Institution will credit the full amount of the application monies without interest into your bank account with that Participating Financial Institution within two (2) Market Days after the receipt of confirmation from the Issuing House. The Issuing House shall inform the Participating Financial Institutions of the non-successful or partially successful applications within two (2) Market Days after the balloting date. You may check your account on the fifth Market Day from the balloting day.

If your Electronic Share Application is accepted in part only, the relevant Participating Financial Institution will credit the balance of the application monies without interest into your bank account with the Participating Financial Institution within two (2) Market Days after the receipt of confirmation from the Issuing House. A number of applications will, however, be held in reserve to replace any successfully balloted applications which are subsequently rejected. For such applications which are subsequently rejected, the application monies without interest will be refunded to applicants by the Issuing House by crediting into your account with the Participating Financial Institution not later than 10 Market Days from the day of the final ballot of the applicant list.

Should you encounter any problems in your application, you may refer to the Participating Financial Institutions.

You request and authorise us:

- (a) To credit the Offer Shares allocated to you into your CDS account; and
- (b) To issue share certificate(s) representing such shares allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (x) You acknowledge that your Electronic Share Application is subject to the risks of electrical, electronic, technical, transmission, communications and computer-related faults and breakdowns, fires and other events which are beyond our Company's control, the Offerors, Issuing House, Bursa Depository or the Participating Financial Institution, irrevocably agrees that if:
- (a) Our Company, the Offerors or the Issuing House does not receive your Electronic Share Application; or
- (b) The data relating to the Electronic Share Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to us or Issuing House,

you shall be deemed not to have made an Electronic Share Application and you shall not make any claim whatsoever against our Company, the Offerors, Issuing House or the Participating Financial Institution for the Offer Shares applied for or for any compensation, loss or damage.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (xi) All of your particulars in the records of the relevant Participating Financial Institution at the time you make your Electronic Share Application shall be deemed to be true and correct, and we, Issuing House and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (xii) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, the Electronic Share Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to the registered address last maintained with Bursa Depository.
- (xiii) By making and completing an Electronic Share Application, you agree that:
 - (a) In consideration of our Company and the Offerors agreeing to allow and accept the application for shares via the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;
 - (b) Our Company, the Offerors, the Participating Financial Institutions, Bursa Depository and Issuing House shall not be liable for any delays, failures or inaccuracies in the processing of data relating to the Electronic Share Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our/their control;
 - (c) Notwithstanding the receipt of any payment by or on behalf of the Offerors, the acceptance of your offer to purchase the Offer Shares for which the Electronic Share Application has been successfully completed shall be constituted by the issue of notices of allotment in respect of the said Offer Shares;
 - (d) You irrevocably authorises Bursa Depository to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the transfer of the Offer Shares allocated to you; and
 - (e) You agree that in relation to any legal action, proceedings or disputes arising from the use of Electronic Share Application and/or any terms herein, our mutual rights, obligations and liabilities shall be construed and determined under the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies of Malaysia and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (xiv) The Issuing House, on the authority of our Directors and the Offerors reserves the right to reject applications which do not conform to these instructions.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

16.6 Procedures for applications using Internet Share Applications

Only Malaysian individuals may use the Internet Share Application to apply for the Offer Shares made available for application by the Malaysian Public.

16.6.1 Steps for Internet Share Application through Internet Participating Financial Institution

Please read carefully and follow the terms of this Prospectus, the procedures, terms and conditions for Internet Share Application and the procedures set out on the internet financial services website of the Internet Participating Financial Institution before making an Internet Share Application.

Step 1 : Set up of account

Before making an application using Internet Share Application, you must have all of the following:

- (i) An existing account with access to internet financial services facilities with the following Internet Participating Financial Institutions:
- Affin Bank Berhad at www.affinOnline.com;
 - CIMB Investment Bank Berhad at www.eipocimb.com;
 - CIMB Bank Berhad at www.cimbclicks.com.my;
 - Malayan Banking Berhad at www.maybank2u.com.my;
 - Public Bank Berhad at www.pbebank.com; or
 - RHB Bank Berhad at www.rhb.com.my.

You need to have your user identification and PIN/password for the internet financial services facility; and

- (ii) An individual CDS account registered in your name (and not in a nominee's name) and in the case of a joint account an individual CDS account registered in your name which is to be used for the purpose of the application if you are making the application instead of a CDS account registered in the joint account holder's name.

Step 2 : Read the Prospectus

You are advised to read and understand this Prospectus before making your application.

Step 3 : Apply through internet

The exact steps for Internet Share Application for the Offer Shares are set forth on the internet financial services websites of the Internet Participating Financial Institutions.

We have set out possible steps for an application of the Offer Shares via Internet Share Application below for illustrative purposes only.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

PLEASE NOTE THAT THE ACTUAL STEPS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS MAY DIFFER FROM THE STEPS OUTLINED BELOW.

- (i) Connect to the internet financial services website of the Internet Participating Financial Institution with which you have an account;
- (ii) Log in to the internet financial services facility by entering your user identification and PIN/password;
- (iii) Navigate to the section of the website on applications in respect of IPO;
- (iv) Select the counter in respect of the Offer Shares to launch the Electronic Prospectus and the terms and conditions of the Internet Share Application;
- (v) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions;
- (vi) At the next screen, complete the online application form;
- (vii) Check that the information contained in the online application form, such as the share counter, NRIC number, CDS account number, number of Offer Shares applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form;
- (viii) After selecting the designated hyperlink on the screen, you will have to confirm and undertake that the following mandatory statements are true and correct:
 - (a) You are at least 18 years of age as at the Closing Date and Time;
 - (b) You are a Malaysian citizen residing in Malaysia;
 - (c) You have, prior to making the Internet Share Application, received and/or have had access to a printed/electronic copy of this Prospectus, the contents of which you have read and understood;
 - (d) You agree to all the terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus, before making the Internet Share Application;
 - (e) The Internet Share Application is the only application that you are submitting for the Offer Shares;
 - (f) You authorise the Internet Participating Financial Institution whom you have an account to deduct the full amount payable for the Offer Shares from your account with the said financial institution ("Authorised Financial Institution");

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (g) You give express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 99 of the Banking and Financial Institutions Act, 1989 and Section 45 of the SICDA) for the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of information pertaining to you, the Internet Share Application made by you or your account with the Internet Participating Financial Institution, to the Issuing House and the Authorised Financial Institution, the SC and any other relevant authority;
- (h) You are not applying for the Offer Shares as a nominee of any other person and the application is made in your own name, as beneficial owner and subject to the risks referred to in this Prospectus; and
- (i) You authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, Bursa Securities or other relevant parties in connection with the Offer Shares, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with the Offer Shares. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services;
- (ix) Upon submission of the online application form, you will be linked to the website of the Authorised Financial Institution to effect the online payment for the Offer Shares;
- (x) You must pay for the Offer Shares through the website of the Authorised Financial Institution, failing which the Internet Share Application is not completed, despite the display of the Confirmation Screen. "Confirmation Screen" refers to the screen which appears or is displayed on the internet financial services website, which confirms that the Internet Share Application has been completed and states the details of your Internet Share Application, including the number of Offer Shares applied for, which can be printed out by you for your own retention;
- (xi) As soon as the transaction is completed, a message from the Authorised Financial Institution pertaining to the payment status will appear on the screen of the website through which the online payment for the Offer Shares is being made. Subsequently, the Internet Participating Financial Institution shall confirm that the Internet Share Application has been completed, via the Confirmation Screen on its website; and
- (xii) You are advised to print out the Confirmation Screen for your reference and retention.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

16.6.2 Terms and conditions of Internet Share Application

The terms and conditions outlined below supplement the additional terms and conditions for Internet Share Application contained in the internet financial services website of the Internet Participating Financial Institution. Please refer to the internet financial services website of the Internet Participating Financial Institution for the exact terms, conditions and instructions.

The Internet Share Application shall be made on, and subject to, the terms and conditions stated below as well as terms and conditions appearing on the internet financial services website of the Internet Participating Financial Institution:

- (i) Your application will not be successfully completed and cannot be recorded as a completed application unless you have completed all relevant application steps and procedures for the Internet Share Application which would result in the internet financial services website displaying the Confirmation Screen. You are required to complete the Internet Share Application by the Closing Date and Time mentioned in Section 16.5.3 of this Prospectus.
- (ii) You irrevocably agree and undertake to subscribe for or purchase and to accept the number of Offer Shares applied for as stated on the Confirmation Screen or any lesser amount that may be allotted or allocated to you. Your confirmation by clicking the designated hyperlink on the relevant screen of the website shall be treated as your acceptance of the number of Offer Shares allocated to you.
- (iii) You request and authorise us:
 - (a) To credit the Offer Shares allotted to you into your CDS account; and
 - (b) To issue share certificate(s) representing those Offer Shares allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send them to the Bursa Depository.
- (iv) You, acknowledge that your Internet Share Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond our control, Issuing House, Bursa Depository, the Internet Participating Financial Institution and/or the Authorised Financial Institution, irrevocably agree that if:
 - (a) Our Company, the Offerors, Issuing House and/or the Internet Participating Financial Institution and/or the Authorised Financial Institution do/does not receive your Internet Share Application and/or payment; or
 - (b) Any data relating to the Internet Share Application or the tape or any other devices containing such data is wholly or partially lost, corrupted, destroyed or otherwise not accessible for any reason,

you shall be deemed not to have made an Internet Share Application and you shall have no claim whatsoever against our Company, the Offerors, Issuing House or the Internet Participating Financial Institution and the Authorised Financial Institution for the Offer Shares applied for or any compensation, loss or damage arising from it.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (v) You irrevocably authorise the Bursa Depository to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the transfer of the Offer Shares allocated to you.
- (vi) You agree that in the event of legal disputes arising from the use of Internet Share Application, our mutual rights, obligations and liabilities shall be determined under the laws of Malaysia and be bound by the decisions of the Courts of Malaysia.
- (vii) You shall hold the Internet Participating Financial Institution harmless from any damages, claims or losses whatsoever, as a consequence of or arising from any rejection of the Internet Share Application by our Company, the Offerors, Issuing House and/or the Internet Participating Financial Institution for reasons of multiple application, suspected multiple application, inaccurate and/or incomplete details provided by you, or any other cause beyond the control of the Internet Participating Financial Institution.
- (viii) You are not entitled to exercise any remedy of rescission for misrepresentation at any time after we have accepted your Internet Share Application.
- (ix) You have relied solely on the information contained in this Prospectus in making the Internet Share Application. Our Company, the Offerors, Adviser and Joint Underwriters and any other person involved in the IPO shall not be liable for any information not contained in this Prospectus which may have been relied by you in making the Internet Share Application.

16.7 Other terms and conditions

- (i) You are required to pay the Retail Price of RM2.20 for each Offer Share you have applied for.
- (ii) You can submit only one (1) application for the Offer Shares offered to the Malaysian Public. For example, if you submit an application using a WHITE Application Form, you cannot submit an Electronic Share Application or Internet Share Application.

However, if you have made an application using the PINK Application Form, you may still apply for the Offer Shares offered to the Malaysian Public using the WHITE Application Form, Electronic Share Application or Internet Share Application.

The Issuing House, acting under the authority of our Directors and the Offerors has the discretion to reject applications that appear to be multiple applications under each category of applicants.

We wish to caution you that if you submit more than one (1) application in your own name or by using the name of others, with or without their consent, you will be committing an offence under Section 179 of the CMSA and may be punished with a minimum fine of RM1,000,000 and a jail term of up to 10 years under Section 182 of the CMSA.

- (iii) Each application under the PINK and WHITE Application Forms, Electronic Share Application and Internet Share Application must be for at least 100 Offer Shares or multiples of 100 Offer Shares.
- (iv) Your application must be made in connection with and subject to this Prospectus and our Memorandum and Articles of Association. You agree to be bound by our Memorandum and Articles of Association should you be allotted any Shares.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (v) Your submission of an application does not necessarily mean that your application will be successful. Any submission of application is irrevocable.
- (vi) Our Company, the Offerors or the Issuing House will not issue any acknowledgement of the receipt of your application or application monies.
- (vii) You must ensure that your personal particulars submitted in your application and/or your personal particulars as recorded by the Internet Participating Financial Institution are correct, accurate and identical with the records maintained by the Bursa Depository. Otherwise, your application is liable to be rejected. You should promptly notify the Bursa Depository of any change in your address as the notification letter of successful allocation will be sent to your registered/correspondence address last maintained with the Bursa Depository.
- (viii) No application shall be deemed to have been accepted by reason of the remittances having been presented for payment.

The acceptance of the application to purchase the Offer Shares shall be constituted by the issue of notice of allotment for the Offer Shares to you.

- (ix) Submission of your CDS account number in your application includes your authority/consent in accordance with Malaysian laws and the rules and regulations of the Bursa Depository and the Participating Financial Institution, as the case may be, to disclose information pertaining to your CDS account and other relevant information to our Company, the Offerors, Issuing House and any relevant authorities, as the case may be.

You agree to accept our decision as final should we decide not to allot any Offer Shares to you.

16.8 Authority of our Directors, the Offerors and Issuing House

If you are successful in your application, our Directors and the Offerors reserve the right to require you to appear in person at the registered office of the Issuing House within 14 days of the date of the notice issued to you to ascertain that your application is genuine and valid. Our Directors and the Offerors are not responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

Applicants will be selected in a manner to be determined by our Directors and the Offerors. Due consideration will be given to the desirability of allocating our Offer Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

The Issuing House, on the authority of our Directors and the Offerors, reserves the right to:

- (i) Reject applications which do not conform to the instructions in this Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable) or are illegible, incomplete or inaccurate;
- (ii) Reject or accept any application, in whole or in part, on a non-discriminatory basis without assigning any reason therefor; and
- (iii) Bank in all application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded (where applicable) without interest by registered post.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

16.9 Over/Under-subscription

In the event of over-subscription of the Offer Shares, the Issuing House will conduct a ballot in the manner approved by our Directors and the Offerors to determine the acceptance of applications in a fair and equitable manner. In determining the manner of balloting, our Directors and the Offerors will consider the desirability of distributing the Offer Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing an adequate market in the trading of the Shares.

Pursuant to the Listing Requirements, our Company needs to have a minimum of 25% of the Shares for which Listing is sought to be held by at least 1,000 public shareholders holding not less than 100 Shares each upon completion of the Offer For Sale and at the time of Listing. In the event that the above requirement is not met, our Company may not be allowed to proceed with the Listing. In the event thereof, monies paid in respect of all applications will be returned in full without interest.

In the event of an under-subscription, subject to the clawback and reallocation as set out in Section 4.3.3 of this Prospectus, all the Offer Shares not applied for under the Retail Offering will be subscribed by our Joint Underwriters pursuant to the Underwriting Agreement.

Where your successfully balloted application under White Application Form is subsequently rejected, the full amount of your application monies, will be refunded without interest to you within 10 Market Days from the date of the final ballot of the application list to your address registered with the Bursa Depository.

Where your successfully balloted application under Electronic Share Application or Internet Share Application is subsequently rejected, the full amount of your application monies, will be refunded without interest to you by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institution respectively.

16.10 Unsuccessful/Partially successful applicants

If you are unsuccessful/partially successful in your application, we will return your application monies without interest in the following manner:

16.10.1 Applications using Application Forms

- (i) The application monies or the balance of it, as the case may be, will be refunded to you by ordinary post (for fully unsuccessful applications) or by registered post to your last address maintained by you with the Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot.
- (ii) If your application was rejected because you did not provide a CDS account number, your application monies will be sent to your address as stated in the NRIC or "Resit Pengenalan Sementara" (JPN KP 09) or any valid temporary identity document issued by the National Registration Department from time to time at your own risk.
- (iii) The Issuing House reserves the right to bank in all application monies from unsuccessful applicants. These monies will be refunded within 10 Market Days from the date of the final ballot by registered post to your last address maintained by you with the Bursa Depository or as per item (ii) above, as the case may be at your own risk.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

16.10.2 Applications using Electronic Share Application and Internet Share Application

- (i) The Issuing House shall inform the Participating Financial Institutions of the non-successful or partially successful applications within two (2) Market Days after the balloting date. The application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution within two (2) Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the fifth (5th) Market Day from the balloting day.
- (iii) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected will be refunded without interest by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institution not later than 10 Market Days from the date of the final ballot. For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Participating Financial Institution will credit the application monies (or any part thereof) into your account, without interest within two (2) Market Days after receiving confirmation from the Issuing House.

16.11 Successful applicants

If you are successful in your application:

- (i) The Offer Shares allotted to you will be credited into your CDS account. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as the Shares are listed on Bursa Securities.
- (ii) Notices of allotment will be despatched, to you at the address last maintained by you with the Bursa Depository, at your own risk, before the Listing. This is the only acknowledgement of acceptance of the application.
- (iii) In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded without any interest thereon. The refund in the form of cheques will be despatched by ordinary post to the address maintained with Bursa Depository for application made via White Application Form or by crediting into your account with the Participating Financial Institution for application made via the Electronic Share Application or by crediting into your account with the Internet Participating Financial Institution for application made via Internet Share Application, within 10 Market Days from the date of final ballot of application, at your own risk.

16.12 CDS Accounts

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, Bursa Securities has prescribed our Shares as prescribed securities. Therefore, the Shares offered through this Prospectus will be deposited directly with Bursa Depository. Any dealings in our Shares will be carried out in accordance with the aforesaid Act and Rules of Bursa Depository.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Following the above, in accordance with Section 29 of the Securities Industry (Central Depositories) Act, 1991, all dealings in our Shares will be by book entries through CDS accounts. No share certificate will be issued to successful applicants but notices of allotment shall be despatched.

If you make an application by way of Application Forms, you must have a CDS account. You should state your CDS account number in the space provided on the Application Form and shall be deemed to have authorised Bursa Depository to disclose information pertaining to your CDS account. You should open a CDS account at an ADA prior to making an application for our Shares.

In the case of an application by way of Electronic Share Application, you must have a CDS account. You must furnish your CDS account number to the Participating Financial Institution by way of keying in your CDS account number when the instructions on the ATM screen at which you enter your Electronic Share Application require you to do so.

If you make an application by way of Internet Share Application, you must have a CDS account. In certain cases, you can only make an Internet Share Application if you have a CDS account opened with the Internet Participating Financial Institutions. Subsequently, your CDS account number would automatically appear in the electronic online application form.

Failure to comply with these specific instructions or inaccuracy in the CDS account number arising from the use of invalid, third party or nominee accounts, may result in the application being rejected. If you are successful in your application but fail to state your CDS account number, the Issuing House, on the authority of our Directors and the Offerors, reserves the right to reject your application. The Issuing House, on the authority of our Directors and the Offerors also reserves the right to reject any incomplete and inaccurate application. Applications may also be rejected if your particulars provided in the application forms, or your records with the Participating Financial Institutions (in the case of Electronic Share Application) or Internet Participating Financial Institutions (in the case of Internet Share Application) differ from those in Bursa Depository's records, such as your identity card number, name and nationality.

16.13 Enquiries

You may directly contact the relevant parties should you have any queries in respect of the applications as follows:

Mode of application	Parties to direct the enquiries
Application Forms	Issuing House at telephone no. +603 7841 8000 or +603 7841 8289
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution and Authorised Financial Institution

Applicants may also check the status of their application on the Issuing House's website at www.mih.com.my, or by calling their respective ADA at the telephone number as stated in Section 17 of this Prospectus or Issuing House at the telephone number as stated above between five (5) to 10 Market Days (during office hours only) after the balloting date.

17. LIST OF ADAs

Name	Address and telephone number	Broker code
KUALA LUMPUR		
A.A. ANTHONY SECURITIES SDN BHD	N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Telephone no.: +603 6201 1155	078-004
AFFIN INVESTMENT BANK BERHAD	Ground Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Telephone no. : +603 2143 8668	028-001
ALLIANCE INVESTMENT BANK BERHAD	17th Floor, Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Telephone no.: +603 2697 6333	076-001
AMINVESTMENT BANK BERHAD	15th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Telephone no.: +603 2078 2788	086-001
BIMB SECURITIES SDN BHD	32nd Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Telephone no.: +603 2691 8887	024-001
CIMB INVESTMENT BANK BERHAD	9th Floor, Commerce Square Jalan Semantan, Damansara Heights 50490 Kuala Lumpur Telephone no.: +603 2084 9999	065-001
ECM LIBRA INVESTMENT BANK BERHAD	1st Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Telephone no.: +603 2178 1133	052-009
ECM LIBRA INVESTMENT BANK BERHAD	Bangunan ECM Libra 8, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Telephone no.: +603 2089 1888	052-001
HONG LEONG INVESTMENT BANK BERHAD	Level 8, Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Telephone no.: +603 2168 1168	066-001
HWANGDBS INVESTMENT BANK BERHAD	2nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Telephone no.: +603 7710 6688	068-009

17. LIST OF ADAs (Cont'd)

Name	Address and telephone number	Broker code
KUALA LUMPUR (Cont'd)		
HWANGDBS INVESTMENT BANK BERHAD	7th, 22nd, 23rd & 23A Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Telephone no.: +603 2711 6888	068-014
HWANGDBS INVESTMENT BANK BERHAD	No. 57-10, Level 10 The Boulevard, Mid Valley City Lingkaran Syed Putra 59000 Kuala Lumpur Telephone no.: +603 2287 2273	068-017
INTER-PACIFIC SECURITIES SDN BHD	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Telephone no.: +603 2117 1888	054-001
INTER-PACIFIC SECURITIES SDN BHD	Ground Floor, 7-0-8 Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Telephone no.: +603 7984 7796	054-003
INTER-PACIFIC SECURITIES SDN BHD	Stesyen Minyak SHELL Jalan 1/116B, Off Jalan Kuchai Lama Kuchai Entrepreneur Park 58200 Kuala Lumpur Telephone no.: +603 7981 8811	054-005
JUPITER SECURITIES SDN BHD	7th-9th Floor, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Telephone no.: +603 2034 1888	055-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD	11th-14th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Telephone no.: +603 2168 8800	053-001
KENANGA INVESTMENT BANK BERHAD	8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Telephone no.: +603 2164 9080	073-001
MAYBANK INVESTMENT BANK BERHAD	5-13 Floor, Maybanlife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Telephone no.: +603 2297 8888	098-001
M & A SECURITIES SDN BHD	Level 1-2, No. 45 & 47 The Boulevard, Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Telephone no.: +603 2282 1820	057-002

17. LIST OF ADAs (Cont'd)

Name	Address and telephone number	Broker code
KUALA LUMPUR (Cont'd)		
MERCURY SECURITIES SDN BHD	L-7-2, No. 2 Jalan Solaris Solaris Mont' Kiara 50480 Kuala Lumpur Telephone no.: +603 6203 7227	093-002
MIDF AMANAH INVESTMENT BANK BERHAD	11th & 12th Floor, Menara MIDF 82 Jalan Raja Chulan 50200 Kuala Lumpur Telephone no.: +603 2173 8888	026-001
MIMB INVESTMENT BANK BERHAD	Level 18, Menara EON Bank 288, Jalan Raja Laut 50350 Kuala Lumpur Telephone no.: +603 2691 0200	061-001
OSK INVESTMENT BANK BERHAD	20th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Telephone no.: +603 2333 8333	056-001
OSK INVESTMENT BANK BERHAD	No. 62 & 64, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Telephone no.: +603 6257 5869	056-028
OSK INVESTMENT BANK BERHAD	Ground Floor No. M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Telephone no.: +603 4280 4798	056-054
OSK INVESTMENT BANK BERHAD	Ground, 1st, 2nd & 3rd Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Telephone no.: +603 9058 7222	056-058
PM SECURITIES SDN BHD	Ground, Mezzanine, 1st & 10th Floor Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Telephone no.: +603 2146 3000	064-001
PUBLIC INVESTMENT BANK BERHAD	27th Floor, Public Bank Building No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Telephone no.: +603 2031 3011	051-001
RHB INVESTMENT BANK BERHAD	Level 9, Tower One RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Telephone no.: +603 9287 3888	087-001

17. LIST OF ADAs (Cont'd)

Name	Address and telephone number	Broker code
KUALA LUMPUR (Cont'd)		
TA SECURITIES HOLDINGS BERHAD	Floor 13-16, 23, 28-30, 34 & 35 Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Telephone no.: +603 2072 1277	058-003
SELANGOR DARUL EHSAN		
AFFIN INVESTMENT BANK BERHAD	2nd, 3rd & 4th Floor Wisma Amsteel Securities No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Telephone no.: +603 3343 9999	028-002
AFFIN INVESTMENT BANK BERHAD	Lot 229, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7729 8016	028-003
AMINVESTMENT BANK BERHAD	4th Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7710 6613	086-003
CIMB INVESTMENT BANK BERHAD	Ground Floor Tropicana City Office Tower No. 3, Jalan SS 20/27 47400 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7717 3388	065-009
ECM LIBRA INVESTMENT BANK BERHAD	35 (Ground & 1 st Floor) Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Telephone no.: +603 3348 8080	052-015
HONG LEONG INVESTMENT BANK BERHAD	Level 10 1 First Avenue Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7724 6888	066-002
HWANGDBS INVESTMENT BANK BERHAD	16th, 18th-20th Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Telephone no.: +603 5513 3288	068-002

17. LIST OF ADAs (Cont'd)

Name	Address and telephone number	Broker code
SELANGOR DARUL EHSAN (Cont'd)		
HWANGDBS INVESTMENT BANK BERHAD	East Wing & Centre Link Floor 3A, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Telephone no.: +603 5635 6688	068-010
JF APEX SECURITIES BERHAD	6th Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Telephone no.: +603 8736 1118	079-001
JF APEX SECURITIES BERHAD	15th & 16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7620 1118	079-002
KENANGA INVESTMENT BANK BERHAD	Ground – Fifth Floor East Wing, Quattro West No. 4, Lorong Persiaran Barat 46200 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7862 6200	073-005
KENANGA INVESTMENT BANK BERHAD	1st Floor, Wisma UEP Pusat Perniagaan USJ 10 Jalan USJ 10/1A 47620 Subang Jaya Selangor Darul Ehsan Telephone no.: +603 8024 1682	073-006
KENANGA INVESTMENT BANK BERHAD	Suite 7.02, Level 7, Menara ING Intan Millenium Square No. 68, Jalan Batai Laut 4 Taman Intan 41300 Klang Selangor Darul Ehsan Telephone no.: +603 3005 7550	073-007
KENANGA INVESTMENT BANK BERHAD	Lot 240, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7725 9095	073-016
OSK INVESTMENT BANK BERHAD	24, 24M, 24A, 26M, 28M, 28A & 30 Jalan SS 2/63 47300 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7873 6366	056-011

17. LIST OF ADAs (Cont'd)

Name	Address and telephone number	Broker code
SELANGOR DARUL EHSAN (Cont'd)		
OSK INVESTMENT BANK BERHAD	No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Telephone no.: +603 8736 3378	056-045
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Telephone no.: +603 6092 8916	056-047
OSK INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1½, Jalan Meru 41050 Klang Selangor Darul Ehsan Telephone no.: +603 3343 9180	056-048
OSK INVESTMENT BANK BERHAD	3rd Floor, 1A-D Jalan USJ 10/1A Pusat Perniagaan USJ 10 47610 UEP Subang Jaya Selangor Darul Ehsan Telephone no.: +603 8023 6518	056-063
OSK INVESTMENT BANK BERHAD	11-1, Jalan PJU 5/12 Dataran Sunway Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 6148 3361	056-065
OSK INVESTMENT BANK BERHAD	Ground Floor and First Floor No. 13, Jalan Kenari 3 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Telephone no.: +603 8070 6899	056-066
PM SECURITIES SDN BHD	No. 157 & 159, Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Telephone no.: +603 8070 0773	064-003
PM SECURITIES SDN BHD	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Telephone no.: +603 3341 5300	064-007

17. LIST OF ADAs (Cont'd)

Name	Address and telephone number	Broker code
SELANGOR DARUL EHSAN (Cont'd)		
SJ SECURITIES SDN BHD	Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Section 22 40200 Shah Alam Selangor Darul Ehsan Telephone no.: +603 5192 0202	096-001
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Telephone no.: +603 8025 1880	058-005
TA SECURITIES HOLDINGS BERHAD	Damansara Utama Branch 2nd Floor, Wisma TA 47400 Petaling Jaya Selangor Darul Ehsan Telephone no.: +603 7729 5713	058-007
MELAKA		
CIMB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No : +606 2898 800	065-006
ECM LIBRA INVESTMENT BANK BERHAD	71A & 73A, Jalan Merdeka Taman Melaka Raya 75000 Melaka Telephone no.: +606 2881 720	052-008
ECM LIBRA INVESTMENT BANK BERHAD	22A & 22A – 1 and 26 & 26 – 1 Jalan MP 10 Taman Merdeka Permai 75350 Batu Berendam Melaka Telephone no.: +606 3372 550	052-016
MALACCA SECURITIES SDN BHD	No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang, P. O. Box 248 75250 Melaka Telephone no.: +606 3371 533	012-001
MERCURY SECURITIES SDN BHD	No. 81-B & 83-B, Jalan Merdeka Taman Melaka Raya 75000 Melaka Telephone no.: +606 2921 898	093-003
OSK INVESTMENT BANK BERHAD	579, 580 & 581 Taman Melaka Raya 75000 Melaka Telephone no.: +606 2825 211	056-003

17. LIST OF ADAs (Cont'd)

Name	Address and telephone number	Broker code
MELAKA (Cont'd)		
PM SECURITIES SDN BHD	No. 11 & 13, Jalan PM2 Plaza Mahkota 75000 Melaka Telephone no.: +606 2866 008	064-006
RHB INVESTMENT BANK BERHAD	No. 19, 21 & 23 Jalan Merdeka Taman Melaka Raya 75000 Melaka Telephone no.: +606 2833 622	087-002
PERLIS INDRA KAYANGAN		
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Podium Block KWSP Building 01000 Kangar Perlis Indra Kayangan Telephone no.: +604 9765 200	076-003
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 39, Taman Suriani Persiaran Jubli Emas 01000 Kangar Perlis Indra Kayangan Telephone no.: +604 9793 888	056-061
PERAK DARUL RIDZUAN		
A.A. ANTHONY SECURITIES SDN BHD	29G, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Telephone no : +605 6232 328	078-009
CIMB INVESTMENT BANK BERHAD	Ground Floor, No. 8, 8A-C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Daraul Ridzuan Telephone no.: +605 2082 688	065-010
ECM LIBRA INVESTMENT BANK BERHAD	No. 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2422 828	052-002
ECM LIBRA INVESTMENT BANK BERHAD	No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Telephone no.: +605 6222 828	052-006
ECM LIBRA INVESTMENT BANK BERHAD	Ground Floor No. 25 & 25A Jalan Jaya 2, Medan Jaya 32000 Sitiawan Perak Darul Ridzuan Telephone no.: +605 6939 828	052-014

17. LIST OF ADAs (Cont'd)

Name	Address and telephone number	Broker code
PERAK DARUL RIDZUAN (Cont'd)		
HWANGDBS INVESTMENT BANK BERHAD	Ground, Level 1, 2 & 3 21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Telephone no.: +605 8066 688	068-003
HWANGDBS INVESTMENT BANK BERHAD	Ground & 1st Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2559 988	068-015
HONG LEONG INVESTMENT BANK BERHAD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2530 888	066-003
MAYBANK INVESTMENT BANK BERHAD	B-G-04 (Ground Floor), Level 1 & 2 No.42 Persiaran Greentown 1 Pusat Perdagangan Greentown 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2453 400	098-002
M & A SECURITIES SDN BHD	M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Telephone no.: +605 2419 800	057-001
OSK INVESTMENT BANK BERHAD	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Telephone no.: +605 2415 100	056-002
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 17, Jalan Intan 2, Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Telephone no.: +605 6236 498	056-014
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Telephone no.: +605 6921 228	056-016
OSK INVESTMENT BANK BERHAD	Ground Floor, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Telephone no.: +605 8088 229	056-034

17. LIST OF ADAs (Cont'd)

Name	Address and telephone number	Broker code
PERAK DARUL RIDZUAN (Cont'd)		
OSK INVESTMENT BANK BERHAD	72, Ground Floor Jalan Idris 31900 Kampar Perak Darul Ridzuan Telephone no.: +605 4651 261	056-044
OSK INVESTMENT BANK BERHAD	Ground Floor No. 2, Jalan Wawasan 4 Taman Wawasan 34200 Parit Buntar Perak Darul Ridzuan Telephone no.: +605 7170 888	056-052
TA SECURITIES HOLDINGS BERHAD	Ground, 1st & 2nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Telephone no.: +605 2531 313	058-001
PULAU PINANG		
A.A. ANTHONY SECURITIES SDN BHD	1st, 2nd & 3rd Floor Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Telephone no.: +604 2299 318	078-002
A.A. ANTHONY SECURITIES SDN BHD	Ground & 1st Floor No. 2, Jalan Pemiagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Telephone no.: +604 5541 388	078-003
ALLIANCE INVESTMENT BANK BERHAD	Suite 2.1 & 2.4, Level 2 Wisma Great Eastern No. 25, Lebu Light 10200 Penang Telephone no.: +604 2611 688	076-015
AMINVESTMENT BANK BERHAD	Mezzanine Floor & Level 3 No. 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2261 818	086-004
AMINVESTMENT BANK BERHAD	Level 3 No. 15, Lebu Pantai 10300 Pulau Pinang Telephone no.: +604 2618 688	086-007
CIMB INVESTMENT BANK BERHAD	Ground Floor Suite 1.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2385 900	065-003

17. LIST OF ADAs (Cont'd)

Name	Address and telephone number	Broker code
PULAU PINANG (Cont'd)		
ECM LIBRA INVESTMENT BANK BERHAD	7th, 8th & 16th Floor Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2283 355	052-003
HWANGDBS INVESTMENT BANK BERHAD	Level 2, 3, 4, 7 & 8, Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Telephone no.: +604 2636 996	068-001
HWANGDBS INVESTMENT BANK BERHAD	No. 2 & 4 Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Telephone no.: +604 5372 882	068-006
INTER-PACIFIC SECURITIES SDN BHD	Ground, Mezzanine & 8th Floor Bangunan Mayban Trust No. 3, Penang Street 10200 Pulau Pinang Telephone no.: +604 2690 888	054-002
KENANGA INVESTMENT BANK BERHAD	Lot 1.02, Level 1, Menara KWSP 38, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2106 666	073-013
MERCURY SECURITIES SDN BHD	Ground, 1st, 2nd & 3rd Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Pulau Pinang Telephone no.: +604 3322 123	093-001
MERCURY SECURITIES SDN BHD	2nd Floor, Standard Chartered Bank Chambers 2 Lebuhr Pantai 10300 Pulau Pinang Telephone no.: +604 2639 118	093-004
OSK INVESTMENT BANK BERHAD	64, Bishop Street 20E, 20F & 20G, Penang Street 10200 Pulau Pinang Telephone no.: +604 2634 222	056-004
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Prai Pulau Pinang Telephone no.: +604 3900 022	056-005
OSK INVESTMENT BANK BERHAD	Ground & Upper Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Telephone no.: +604 5402 888	056-015

17. LIST OF ADAs (Cont'd)

Name	Address and telephone number	Broker code
PULAU PINANG (Cont'd)		
OSK INVESTMENT BANK BERHAD	834, Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Telephone no.: +604 5831 888	056-032
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15-G-5, 15-G-6, 15-1-5 & 15-1-6 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Telephone no.: +604 6404 888	056-042
OSK INVESTMENT BANK BERHAD	41-A, 41-B and 41-C Lintang Angsana Bandar Baru Air Itam 11500 Pulau Pinang Telephone no.: +604 8352 988	056-064
PM SECURITIES SDN BHD	Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone no.: +604 2273 000	064-004
KEDAH DARUL AMAN		
A.A. ANTHONY SECURITIES SDN BHD	Lot 4, 5 & 5A 1st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Telephone no.: +604 7322 111	078-007
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Telephone no.: +604 7317 088	076-004
HWANGDBS INVESTMENT BANK BERHAD	No. 70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Telephone no.: +604 4256 666	068-011
OSK INVESTMENT BANK BERHAD	No. 112, Jalan Pengkalan Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Telephone no.: +604 4204 888	056-017

17. LIST OF ADAs (Cont'd)

Name	Address and telephone number	Broker code
KEDAH DARUL AMAN (Cont'd)		
OSK INVESTMENT BANK BERHAD	35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Telephone no.: +604 4964 888	056-019
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Telephone no.: +604 7209 888	056-021
NEGERI SEMBILAN DARUL KHUSUS		
ECM LIBRA INVESTMENT BANK BERHAD	1C-1 & 1D-1, First Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Telephone no.: +606 7655 998	052-013
HWANGDBS INVESTMENT BANK BERHAD	Ground & 1st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Telephone no.: +606 7612 288	068-007
HWANGDBS INVESTMENT BANK BERHAD	No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Telephone no.: +606 4553 188	068-013
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Telephone no.: +606 7641 641	056-024
OSK INVESTMENT BANK BERHAD	1st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Telephone no.: +606 4421 000	056-037
OSK INVESTMENT BANK BERHAD	1st & 2nd Floor No. 168, Jalan Mewah (Pusat Perniagaan UMNO Bahagian Jempol) 72100 Bahau Negeri Sembilan Darul Khusus Telephone no.: +606 4553 014	056-040
OSK INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 346 & 347, Batu ½, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Telephone no.: +606 6461 234	056-046

17. LIST OF ADAs (Cont'd)

Name	Address and telephone number	Broker code
NEGERI SEMBILAN DARUL KHUSUS (Cont'd)		
PM SECURITIES SDN BHD	1st, 2nd & 3rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Telephone no.: +606 7623 131	064-002
JOHOR DARUL TAKZIM		
A.A. ANTHONY SECURITIES SDN BHD	Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Telephone no.: +607 3332 000	078-001
A.A. ANTHONY SECURITIES SDN BHD	42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Telephone no.: +607 6637 398	078-005
A.A. ANTHONY SECURITIES SDN BHD	No. 70, 70-01, 70-02 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Telephone no.: +607 3513 218	078-006
A.A. ANTHONY SECURITIES SDN BHD	No. 171 (Ground Floor) Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Telephone no.: +607 5121 633	078-008
ALLIANCE INVESTMENT BANK BERHAD	No. 73, Ground & 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Telephone no.: +607 7717 922	076-006
AMINVESTMENT BANK BERHAD	2nd & 3rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Telephone no.: +607 4342 282	086-002
AMINVESTMENT BANK BERHAD	18th & 31st Floor, Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Telephone no.: +607 3343 855	086-006
ECM LIBRA INVESTMENT BANK BERHAD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Telephone no.: +606 9532 222	052-004

17. LIST OF ADAs (Cont'd)

Name	Address and telephone number	Broker code
JOHOR DARUL TAKZIM (Cont'd)		
ECM LIBRA INVESTMENT BANK BERHAD	Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Telephone no.: +607 4678 885	052-005
HWANGDBS INVESTMENT BANK BERHAD	Level 7, Johor Bahru City Square (Office Tower) 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Telephone no.: +607 2222 692	068-004
INTER-PACIFIC SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Telephone no.: +607 2231 211	054-004
KENANGA INVESTMENT BANK BERHAD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Telephone no.: +607 3333 600	073-004
KENANGA INVESTMENT BANK BERHAD	No. 31, Lorong Dato' Ahmad Jalan Khalidi 84000 Muar Johor Darul Takzim Telephone no.: +606 9542 711	073-008
KENANGA INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 34 Jalan Genuang 85000 Segamat Johor Darul Takzim Telephone no.: +607 9333 515	073-009
KENANGA INVESTMENT BANK BERHAD	No. 33 & 35 (Ground & 1st Floor A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Telephone no.: +607 7771 161	073-010
KENANGA INVESTMENT BANK BERHAD	Ground Floor No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Telephone no.: +606 9782 292	073-011
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Telephone no.: +607 3316 992	093-005

17. LIST OF ADAs (Cont'd)

Name	Address and telephone number	Broker code
JOHOR DARUL TAKZIM (Cont'd)		
MIMB INVESTMENT BANK BERHAD	Suite 25.02, Level 25 Johor Bahru City Square (Office Tower) No. 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Telephone no.: +607 2227 388	061-002
MIMB INVESTMENT BANK BERHAD	1 st Floor, No. 9 Jalan Kundang Taman Bukit Pasir 83000 Batu Pahat Johor Darul Takzim Telephone no.: +607 4313 688	061-003
OSK INVESTMENT BANK BERHAD	6th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Telephone no.: +607 2788 821	056-006
OSK INVESTMENT BANK BERHAD	53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Telephone no.: +607 4380 288	056-009
OSK INVESTMENT BANK BERHAD	No. 33-1, 1st & 2nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Telephone no.: +606 9538 262	056-025
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Telephone no.: +607 5577 628	056-029
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Telephone no.: +607 9321 543	056-030
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 17, Jalan Manggis 86000 Kluang Johor Darul Takzim Telephone no.: +607 7769 655	056-031
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Telephone no.: +607 6626 288	056-035

17. LIST OF ADAs (Cont'd)

Name	Address and telephone number	Broker code
JOHOR DARUL TAKZIM (Cont'd)		
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Telephone no.: +606 9787 180	056-038
OSK INVESTMENT BANK BERHAD	1st Floor, No. 2 & 4 Jalan Makmur Taman Sri Aman 85300 Labis Johor Darul Takzim Telephone no.: +607 9256 881	056-039
OSK INVESTMENT BANK BERHAD	Ground & 1st & 2nd Floor Nos. 21 & 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Telephone no.: +607 3522 293	056-043
PM SECURITIES SDN BHD	No. 41, Jalan Molek 2/4 Taman Molek 81100 Johor Bahru Johor Darul Takzim Telephone no.: +607 3513 232	064-005
PM SECURITIES SDN BHD	Ground & 1st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Telephone no.: +607 4333 608	064-008
KELANTAN DARUL NAIM		
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 3953-H, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Telephone no.: +609 7430 077	056-020
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Telephone no.: +609 7432 288	058-004
PAHANG DARUL MAKMUR		
ALLIANCE INVESTMENT BANK BERHAD	A-397, A-399 & A-401 Taman Sri Kuantan III, Jalan Beserah 25300 Kuantan Pahang Darul Makmur Telephone no.: +609 5660 800	076-002

17. LIST OF ADAs (Cont'd)

Name	Address and telephone number	Broker code
PAHANG DARUL MAKMUR (Cont'd)		
CIMB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. A-27 (Aras G, 1 & 2) Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Telephone no.: +609 5057 800	065-007
ECM LIBRA INVESTMENT BANK BERHAD	A15, A17 & A19, Ground Floor Jalan Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Telephone no.: +609 5171 698	052-007
OSK INVESTMENT BANK BERHAD	B32 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Telephone no.: +609 5173 811	056-007
OSK INVESTMENT BANK BERHAD	Ground Floor 98 Jalan Pasdec 28700 Bentong Pahang Darul Makmur Telephone no.: +609 2234 943	056-022
OSK INVESTMENT BANK BERHAD	Ground Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Telephone no.: +605 4914 913	056-041
TERENGGANU DARUL IMAN		
ALLIANCE INVESTMENT BANK BERHAD	No. 1D, Ground & Mezzanine No. 1E, Ground, Mezzanine 1st & 2nd Floor, Jalan Air Jerneh 20300 Kuala Terengganu Terengganu Darul Iman Telephone no.: +609 6317 922	076-009
FA SECURITIES SDN BHD	No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Telephone no.: +609 6238 128	021-001
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Telephone no.: +609 8583 109	056-027

17. LIST OF ADAs (Cont'd)

Name	Address and telephone number	Broker code
TERENGGANU DARUL IMAN (Cont'd)		
OSK INVESTMENT BANK BERHAD	31A, Ground Floor 31A & 31B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Telephone no.: +609 6261 816	056-055
SARAWAK		
AMINVESTMENT BANK BERHAD	No. 164, 166 & 168 1st, 2nd & 3rd Floor Jalan Abell 93100 Kuching Sarawak Telephone no.: +6082 244 791	086-005
CIMB INVESTMENT BANK BERHAD	Level 1, Wisma STA 26, Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Telephone no.: +6082 358 606	065-004
CIMB INVESTMENT BANK BERHAD	No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibu Sarawak Telephone no.: +6084 367 700	065-008
HWANGDBS INVESTMENT BANK BERHAD	Lot 328, Jalan Abell 93100 Kuching Sarawak Telephone no.: +6082 236 999	068-005
HWANGDBS INVESTMENT BANK BERHAD	No. 282, 1st Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Telephone no.: +6086 330 008	068-016
KENANGA INVESTMENT BANK BERHAD	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Telephone no.: +6085 435 577	073-002
KENANGA INVESTMENT BANK BERHAD	Level 5, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Telephone no.: +6082 338 000	073-003
KENANGA INVESTMENT BANK BERHAD	No. 11-12 (Ground & 1st Floor) Lorong Kampung Datu 3 96000 Sibu Sarawak Telephone no.: +6084 313 855	073-012

17. LIST OF ADAs (Cont'd)

Name	Address and telephone number	Broker code
SARAWAK (Cont'd)		
OSK INVESTMENT BANK BERHAD	Ground, 1st & 6th Floor Wisma Chinese Chambers Lot 357, Section 47, K.T.L.D. Jalan Bukit Mata Kuching 93100 Kuching Sarawak Telephone no.: +6082 422 252	056-008
OSK INVESTMENT BANK BERHAD	Lot 1268, 1st & 2nd Floor Lot 1269, 2nd Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Telephone no.: +6085 422 788	056-012
OSK INVESTMENT BANK BERHAD	101 & 102, Pusat Pedada Jalan Pedada 96000 Sibul Sarawak Telephone no.: +6084 329 100	056-013
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 10, Jalan Bersatu 96100 Sarikei Sarawak Telephone no.: +6084 654 100	056-050
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 221, Park City Commercial Centre Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Telephone no.: +6086 311 770	056-053
TA SECURITIES HOLDINGS BERHAD	12G, H & I Jalan Kampong Datu 96000 Sibul Sarawak Telephone no.: +6084 319 998	058-002
TA SECURITIES HOLDINGS BERHAD	2nd Floor, (Bahagian Hadapan) Bangunan Binamas, Lot 138 Section 54, Jalan Pandung 93100 Kuching Sarawak Telephone no.: +6082 236 333	058-006
SABAH		
CIMB INVESTMENT BANK BERHAD	1st & 2nd Floor Central Building No.28, Jalan Sagunting 88000 Kota Kinabalu Sabah Telephone no.: +6088 328 878	065-005

17. LIST OF ADAs (Cont'd)

Name	Address and telephone number	Broker code
SABAH (Cont'd)		
ECM LIBRA INVESTMENT BANK BERHAD	Level 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Telephone no.: +6088 236 188	052-012
HWANGDBS INVESTMENT BANK BERHAD	Suite 1-9-E1, 9th Floor, CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Telephone no.: +6088 311 688	068-008
INNOSABAH SECURITIES BERHAD	11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Telephone no.: +6088 234 090	020-001
OSK INVESTMENT BANK BERHAD	5th Floor, Wisma BSN Sabah Jalan Kemajuan, Karamunsing 88000 Kota Kinabalu Sabah Telephone no.: +6088 269 788	056-010
OSK INVESTMENT BANK BERHAD	Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah, Mile 4 North Road 91000 Sandakan Sabah Telephone no.: +6089 229 286	056-057

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ANNEXURE A: LIST OF PROPERTIES

LIST OF PROPERTIES

1.0 Land and buildings owned by the Group

No.	Title particulars, address (where applicable) and description	Registered owner	Existing use/Tenure of land (years)	Date of issuance of certificate of fitness ("CF")	Land area/Built up area (approximate)	Restriction in interest and encumbrances ¹	Conditions ²	Net book value as at 31 December 2011 (RM)
(A) BUILDINGS								
1.	GRN 26774 Lot 85 Seksyen 087A Bandar Kuala Lumpur Daerah Kuala Lumpur Negeri Wilayah Persekutuan KL Address: No. 20, Jalan Gurney 54100 Kuala Lumpur, Malaysia. Description: A four-storey stand alone building	GMB	Existing use: Kuala Lumpur Regional Office Tenure of land: Freehold	29 August 2007	Land area: 8,331 square feet Built up area: 11,106 square feet	Nil	The proprietor shall within two years from the date of registration of this grant or within such further term as may be approved by the Ruler in Council, build upon the land hereby alienated a building of a type and to a plan to be approved by the President, Municipal Council, Kuala Lumpur and shall thereafter maintain the same in good order and condition to the satisfaction of the Ruler in Council and except with the express permission of the said Ruler, the land shall be used for no other purpose.	4,345,314.51

¹ Based on the land title.² Based on the land title.

ANNEXURE A: LIST OF PROPERTIES (Cont'd)

No.	Title particulars, address (where applicable) and description	Registered owner	Existing use/Tenure of land (years)	Date of issuance of certificate of fitness ("CF")	Land area/Built up area (approximate)	Restriction in interest and encumbrances ¹	Conditions ²	Net book value as at 31 December 2011 (RM)
2.	PN 89023 Lot 52547 Pekan Hicom Daerah Petaling Negeri Selangor Address: No.5, Jalan Serendah 26/17, Seksyen 26, 40000 Shah Alam, Selangor Description: A two-storey building with compound	PTSB	Existing use: Headquarters, warehouse and regulating station Tenure of land: 99 years leasehold expiring on 15 January 2094	3 September 1998	Land area: 229,702 square feet Built up area: 58,383.76 square feet	The land shall not be sold, leased, charged or transferred in any manner whatsoever except with the approval of the State Authority.	Industrial	11,951,526.65
3.	PN 33555 Lot 41387 Bandar Baru Bangi Daerah Ulu Langat Negeri Selangor	GMB	Existing use: Office Tenure of land: 99 years leasehold expiring on 17 May 2097	3 October 2000	Land area: 1,916 square feet Built up area: 3,800 square feet	The alienated land shall not be transferred, leased or charged except with the approval of the State Authority.	Commercial building	313,332.29

ANNEXURE A: LIST OF PROPERTIES (Cont'd)

No.	Title particulars, address (where applicable) and description	Registered owner	Existing use/Tenure of land (years)	Date of issuance of certificate of fitness ("CF")	Land area/Built up area (approximate)	Restriction in interest and encumbrances ¹	Conditions ²	Net book value as at 31 December 2011 (RM)
4.	<p>Address: No. 30, Jalan 4/12B, Seksyen 4 Tambahan, 43560 Bandar Baru Bangi, Selangor</p> <p>Description: An intermediate double-storey shop lot</p>	GMB	<p>Existing use: Office</p> <p>Tenure of land: 99 years leasehold expiring on 29 November 2100</p>	2 March 1999	<p>Land area: 3,800 square feet</p> <p>Built up area: 10,870 square feet</p>	The alienated land shall not be transferred, leased or charged except with the approval of the State Authority.	Commercial building	1,979,318.10

ANNEXURE A: LIST OF PROPERTIES (Cont'd)

No.	Title particulars, address (where applicable) and description	Registered owner	Existing use/Tenure of land (years)	Date of issuance of certificate of fitness ("CF")	Land area/Built up area (approximate)	Restriction in interest and encumbrances ¹	Conditions ²	Net book value as at 31 December 2011 (RM)
5.	PN 7115 Lot 8938 Mukim Sungai Karang Daerah Kuantan Negeri Pahang Address: Lot 104, Geberg Industrial Area, 26080 Kuantan, Pahang Darul Makmur Description: A single-storey stand alone building with compound	GMB	Existing use: Office warehouse and odouriser station Tenure of land: 66 years leasehold expiring on 1 June 2064	30 September 1999	Land area: 130,663 square feet Built up area: 12,653.76 square feet	The land shall not be transferred, leased, charged except with the prior written approval from the State Authority.	The land shall be used as industrial site.	2,379,892.90
6.	GRN 391724 Lot 30873 Mukim Kluang Daerah Kluang Negeri Johor	GMB	Existing use: Office Tenure of land: Freehold	29 July 1994	Land area: 1,647 square feet Built up area: 3,095 square feet	Nil	(i) The land shall be used for two-storey shop for business and residence purposes, built in accordance with the plan approved by the relevant local authority. (ii) Any dirtiness and pollution caused by this activity shall be channelled /removed to places determined by the relevant authority.	111,911.53

ANNEXURE A: LIST OF PROPERTIES (Cont'd)

No.	Title particulars, address (where applicable) and description	Registered owner	Existing use/tenure of land (years)	Date of issuance of certificate of fitness ("CF")	Land area/Built up area (approximate)	Restriction in interest and encumbrances ¹	Conditions ²	Net book value as at 31 December 2011 (RM)
	Address: No.9, Jalan 53B, Taman Kluang Barat, 86000 Kluang, Johor Darul Takzim Description: An end lot double-storey shop lot						(iii) Any policy and condition set and enforced by the relevant authority from time to time shall be complied with.	
7.	GRN 108992 Lot 4228 Pekan Senawang Daerah Seremban Negeri Sembilan Address: No.34, Jalan Bunga Raya 9, Pusat Perniagaan Senawang, Taman Tasik Jaya, 70400 Seremban, Negeri Sembilan	GMB	Existing use: Office Tenure of land: Freehold	12 July 1997	Land area: 1,647 square feet Built up area: 2,728 square feet	Nil	The land shall be used for commercial building only.	189,591.08

ANNEXURE A: LIST OF PROPERTIES (Cont'd)

No.	Title particulars, address (where applicable) and description	Registered owner	Existing use/Tenure of land (years)	Date of issuance of certificate of fitness ("CF")	Land area/Built up area (approximate)	Restriction in interest and encumbrances ¹	Conditions ²	Net book value as at 31 December 2011 (RM)
8.	Description: An intermediate double-storey shop lot PN 40261 Lot 3696 Mukim Kelemak Daerah Alor Gajah Negeri Melaka Address: 1510, Taman Mewah, Kawasan Perindustrian Alor Gajah, Kelemak, Melaka Description: An intermediate double-storey shop lot	GMB	Existing use: Office Tenure of land: 99 years leasehold expiring on 24 September 2091	14 December 1998	Land area: 1,539 square feet Built up area: 3,085 square feet	The land shall not be transferred or leased except with the approval of the State Authority. Bumiputera is exempted from this restriction in interest.	For commercial building only.	165,073.47

ANNEXURE A: LIST OF PROPERTIES (Cont'd)

No.	Title particulars, address (where applicable) and location	Registered owner	Existing use/Tenure of land (years)	Date of issuance of certificate of fitness ("CF") ³	Land area (approximate)	Restriction in interest and encumbrances ¹	Conditions ²	Net book value as at 31 December 2011 (RM)
(B) STATIONS								
9.	PN 58138 Lot 45315 Mukim Kluang Daerah Kluang Negeri Johor Location: Jalan Mahsuri 2, Kluang	GMB	Existing use: District station land Tenure of land: 99 years leasehold expiring on 21 May 2101	NA	Land area: 2,121 square feet	The alienated land shall not be sold, leased, pledged, charged or transferred in any manner whatsoever including by way of entering into any agreement for the purpose of disposing of/selling the land without the approval of the State Authority.	(i) The land shall be used as the site for permanent "Natural Gas Station" built in accordance with the plan approved by the relevant local authority. (ii) Any policy and condition set and enforced by the relevant authority from time to time shall be complied with.	15,113.77

ANNEXURE A: LIST OF PROPERTIES (Cont'd)

No.	Title particulars, address (where applicable) and location	Registered owner	Existing use/Tenure of land (years)	Date of issuance of certificate of fitness ("CF") ³	Land area (approximate)	Restriction in interest and encumbrances ¹	Conditions ²	Net book value as at 31 December 2011 (RM)
10.	HSD 48668 PTD 60340 Mukim Kluang Daerah Kluang Negeri Johor Location: Jalan Teknologi Utama, Kawasan Perindustrian Mengkilob	GMB	Existing use: District station land Tenure of land: 99 years leasehold expiring on 12 May 2103	N/A	Land area: 634 square feet	The alienated land shall not be sold, leased, pledged, charged or transferred in any manner whatsoever including by way of entering into any agreement for the purpose of disposing of/selling the land without the approval of the State Authority.	(i) The land shall be used as the site for permanent "Natural Gas Station" built in accordance with the plan approved by the relevant local authority. (ii) Any policy and condition set and enforced by the relevant authority from time to time shall be complied with.	19,855.20
11.	HSD 272752 PTD 148061 Mukim Plentong Daerah Johor Bahru Negeri Johor Location: Jalan Keluli 3, Kawasan Perindustrian Pasir Gudang	GMB	Existing use: District station land Tenure of land: 99 years leasehold expiring on 16 February 2097	N/A	Land area: 1,808.34 square feet	The alienated land shall not be sold, leased, pledged, charged or transferred in any manner whatsoever including by way of entering into any agreement for the purpose of disposing of/selling the land without the approval of the State Authority.	(i) The land shall be used as the site for permanent gas station built in accordance with the plan approved by the relevant local authority. (ii) Any policy and condition set and enforced by the relevant authority from time to time shall be complied with.	34,874.80

ANNEXURE A: LIST OF PROPERTIES (Cont'd)

No.	Title particulars, address (where applicable) and location	Registered owner	Existing use/Tenure of land (years)	Date of issuance of certificate of fitness ("CF") ³	Land area (approximate)	Restriction in interest and encumbrances ¹	Conditions ²	Net book value as at 31 December 2011 (RM)
12.	HSD 272753 PTD 128156 Mukim Plentong Daerah Johor Bahru Negeri Johor Location: Jalan Pekelling, Kawasan Perindustrian Pasir Gudang	GMB	Existing use: District station land Tenure of land: 99 years leasehold expiring on 16 February 2097	N/A	Land area: 1,808 square feet	The alienated land shall not be sold, leased, pledged, charged or transferred in any manner whatsoever including by way of entering into any agreement for the purpose of disposing of/selling the land without the approval of the State Authority.	(i) The land shall be used as the site for permanent gas station built in accordance with the plan approved by the relevant local authority. (ii) Any policy and condition set and enforced by the relevant authority from time to time shall be complied with.	35,561.74
13.	PN 54934 Lot 88400 Mukim Senai Daerah Kulaijaya Negeri Johor Location: Jalan Siber 14, Kulaijaya	GMB	Existing use: District station land Tenure of land: 60 years leasehold expiring on 10 June 2067	N/A	Land area: 1,808 square feet	The alienated land shall not be sold, leased, pledged, charged or transferred in any manner whatsoever including by way of entering into any agreement for the purpose of disposing of/selling the land without the approval of the State Authority.	(i) The land shall be used as "Medium" industry area for "Natural Gas Station" and uses related thereto, built in accordance with the plan approved by the relevant local authority. (ii) Any dirtiness and pollution caused by this activity shall be channelled /removed to places determined by the relevant authority. (iii) Any policy and condition set and enforced by the relevant authority from time to time shall be complied with.	64,948.59

ANNEXURE A: LIST OF PROPERTIES (Cont'd)

No.	Title particulars, address (where applicable) and location	Registered owner	Existing use/Tenure of land (years)	Date of issuance of certificate of fitness ("CF") ³	Land area (approximate)	Restriction in interest and encumbrances ¹	Conditions ²	Net book value as at 31 December 2011 (RM)
14.	HSD 10305 Lot 1000 Mukim Tebrau Daerah Johor Bahru Negeri Johor Location: Jalan Coli Musa, Tebrau	GMB	Existing use: District station land Tenure of land: 99 years leasehold expiring on 18 March 2072	N/A	Land area: 6,534 square feet	The alienated land shall not be sold, pledged, charged, leased or transferred in any manner whatsoever including by way of entering into any agreement for the purpose of disposing of/selling the land without the approval of the State Authority.	(i) The land shall be used for a permanent dwelling house, built in accordance with the plan approved by the relevant local authority. (ii) Any dirtiness and pollution caused by this activity shall be channelled /removed to places determined by the relevant authority. (iii) Any policy and condition set and enforced by the relevant authority from time to time shall be complied with.	171,875.38
15.	PN 3272 Lot 6462 Mukim 11 Daerah Seberang Perai Tengah Negeri Pulau Pinang Location: Seberang Perai Tengah	GMB	Existing use: District station land Tenure of land: 60 years leasehold expiring on 7 October 2061	N/A	Land area: 1,658 square feet	(i) The alienated land shall not be transferred, pledged, leased or sub-leased, rented or dealt with in any manner whatsoever without the written approval of the State Authority.	(i) Build a factory building or factory buildings on the alienated land, within two (2) years from the date of first transfer being registered or within the specified time frame approved by the State Authority, in accordance to the land approved by the local authority and shall maintain the building or buildings being established to the satisfaction of the local authority. (Note: For items no(s), 15 to 18, GMB has written to the Seberang Perai Tengah Land Office to apply for	202,800.27 (being the total net book value as at 31 December 2011 for items no. 15, 16, 17, 18 and 32)

ANNEXURE A: LIST OF PROPERTIES (Cont'd)

No.	Title particulars, address (where applicable) and location	Registered owner	Existing use/Tenure of land (years)	Date of issuance of certificate of fitness ("CF") ³	Land area (approximate)	Restriction in interest and encumbrances ¹	Conditions ²	Net book value as at 31 December 2011 (RM)
						<p>(ii) The alienated land shall not be sub-divided.</p> <p>(iii) The alienated land and any building thereon shall not be used for any purpose other than those approved by the Perbadanan Pembangunan Pulau Pinang and State Authority.</p>	<p>consent to amend the express condition in land title to include the use of the relevant land for the purpose of erecting gas station and the Seberang Perai Tengah Land Office has replied to GMB that the Land Office has taken note of the inconsistency that the express condition in the issue document of title does not specifically reflect GMB's current use of the land. However, it is the Land Office's view that there is no implication even if GMB does not vary the express condition in view that the current use of the land is for industrial purposes.)</p> <p>(ii) Cleaning, dispose of or cause the cleaning or dispose of industrial "effluents" in the form or manner satisfactory to the relevant authorities.</p>	

ANNEXURE A: LIST OF PROPERTIES (Cont'd)

No.	Title particulars, address (where applicable) and location	Registered owner	Existing use/Tenure of land (years)	Date of issuance of certificate of fitness ("CF") ³	Land area (approximate)	Restriction in interest and encumbrances ¹	Conditions ²	Net book value as at 31 December 2011 (RM)
							<p>(iii) Pay and settle all tax, rates of revenue payments and other fees assessed at the time in respect of the alienated land or any part related thereto imposed by Seberang Perai Municipal Council /Pulau Pinang Municipal Council.</p> <p>(iv) Ensure that 30% of the employees of each management level being employed for the business of the alienated land shall consist of Bumiputera.</p> <p>(v) Comply with all the terms and conditions contained in the sale and purchase agreement executed between the registered owner and Perbadanan Pembangunan Pulau Pinang.</p>	

ANNEXURE A: LIST OF PROPERTIES (Cont'd)

No.	Title particulars, address (where applicable) and location	Registered owner	Existing use/Tenure of land (years)	Date of issuance of certificate of fitness ("CF") ³	Land area (approximate)	Restriction in interest and encumbrances ¹	Conditions ²	Net book value as at 31 December 2011 (RM)
16.	PN 6545 Lot 5810 Mukim 01 Daerah Seberang Perai Tengah Negeri Pulau Pinang Location: Seberang Perai	GMB	Existing use: District station land Tenure of land: 60 years leasehold expiring on 15 October 2061	N/A	Land area: 2,433 square feet	Same as item no. 15 above.	Same as item no. 15 above.	Kindly refer to item no. 15 above.
17.	PN 6546 Lot 6461 Mukim 11 Daerah Seberang Perai Tengah Negeri Pulau Pinang Location: Seberang Perai Tengah	GMB	Existing use: District station land Tenure of land: 60 years leasehold expiring on 29 October 2061	N/A	Land area: 4,693 square feet	Same as item no. 15 above.	Same as item no. 15 above.	Kindly refer to item no. 15 above.

ANNEXURE A: LIST OF PROPERTIES (Cont'd)

No.	Title particulars, address (where applicable) and location	Registered owner	Existing use/Tenure of land (years)	Date of issuance of certificate of fitness ("CF") ³	Land area (approximate)	Restriction in interest and encumbrances ¹	Conditions ²	Net book value as at 31 December 2011 (RM)
18.	HSD 34458 PT 4101 Mukim 01 Daerah Seberang Perai Tengah Negeri Pulau Pinang Location: Seberang Perai Tengah	GMB	Existing use: District station land Tenure of land: 60 years leasehold expiring on 29 October 2061	N/A	Land area: 1,615 square feet	Same as item no. 15 above.	Same as item no. 15 above.	Kindly refer to item no. 15 above.
19.	GRN 110529 Lot 32544 Pekan Senawang Daerah Seremban Negeri Sembilan Location: Persiaran Bunga Tanjung	GMB	Existing use: District station land Tenure of land: Freehold	N/A	Land area: 1,808 square feet	Nil	The land shall be used for commercial building only.	24,046.40

ANNEXURE A: LIST OF PROPERTIES (Cont'd)

No.	Title particulars, address (where applicable) and location	Registered owner	Existing use/Tenure of land (years)	Date of issuance of certificate of fitness ("CF") ³	Land area (approximate)	Restriction in interest and encumbrances ¹	Conditions ²	Net book value as at 31 December 2011 (RM)
20.	PM 972 Lot 5845 Mukim Kelemak Daerah Alor Gajah Negeri Melaka Location: Jalan Perindustrian Alor Gajah, Kawasan Perindustrian Kelemak	GMB	Existing use: District station land Tenure of land: 99 years leasehold expiring on 8 January 2102	N/A	Land area: 1,830 square feet	The land shall not be transferred or leased except with the written approval of the State Authority. This restriction is not applicable to first Purchaser.	For the use of gas station site only.	24,396.24
21.	PN 20347 Lot 1007 Mukim Bertam Daerah Melaka Tengah Negeri Melaka Location: Jalan TTC 4, Cheng Industries, Melaka	GMB	Existing use: District station land Tenure of land: 99 years of leasehold expiring on 14 August 2096	N/A	Land area: 5,995 square feet	The land is not allowed to be transferred or leased in any manner whatsoever except after obtaining the written approval of the State Authority. This restriction is not applicable to the first transfer or lease.	For industrial use only.	161,817.96

ANNEXURE A: LIST OF PROPERTIES (Cont'd)

No.	Title particulars, address (where applicable) and location	Registered owner	Existing use/Tenure of land (years)	Date of issuance of certificate of fitness ("CF") ³	Land area (approximate)	Restriction in interest and encumbrances ¹	Conditions ²	Net book value as at 31 December 2011 (RM)
22.	PN 14293 Lot 4649 Mukim Bukit Rambai Daerah Melaka Tengah Negeri Melaka Location: Jalan PBR 6, Bukit Rambai	GMB	Existing use: District station land Tenure of land: 99 years of leasehold expiring on 11 June 2091	N/A	Land area: 5,102 square feet	The land shall not be transferred, rented or leased except with the approval of the State Authority. This restriction is not applicable to LLN (Lembaga Letrik Negara)/TNB (Tenaga Nasional Berhad)	For industrial use only.	99,022.82
23.	HSD 50286 PT 1903 Bandar Kulim Daerah Kulim Negeri Kedah Location: Jalan Mahang, Mukim Padang China	GMB	Existing use: District station land Tenure of land: Freehold	N/A	Land area: 12,583 square feet	(i) The land contained in this title shall be transferred to the Perbadanan Kemajuan Negeri Kedah to the first purchaser. (ii) Further transfer within 10 years is prohibited unless with the approval of the Executive Committee of Government.	The land contained in this title shall be used for the purpose of heavy industry site only.	110,064.02

ANNEXURE A: LIST OF PROPERTIES (Cont'd)

No.	Title particulars, address (where applicable) and location	Registered owner	Existing use/Tenure of land (years)	Date of issuance of certificate of fitness ("CF") ³	Land area (approximate)	Restriction in interest and encumbrances ¹	Conditions ²	Net book value as at 31 December 2011 (RM)
24.	PN 8779 Lot 6702 Mukim Teluk Kalung Daerah Kemaman Negeri Terengganu Location: Telok Kalong Industrial Area	GMB	Existing use: City station and odouriser station land Tenure of land: 60 years of leasehold expiring on 18 August 2067	N/A	Land area: 36,167 square feet	(i) Shall not be transferred, charged or lease except with the approval of the State Authority. (ii) Shall not be subdivided.	(i) Shall be used for gas district station and only building related thereto can be built. (ii) The gas district station and other related buildings shall, within the period of two (2) years from the date of transfer or within the extended period as approved by Terengganu's Land and Mines Office, be established and completed in accordance to the plan approved by the local authority.	139,728.10
25. ⁴	HSD 267411 PT 2231 Seksyen 16 Bandar Shah Alam Daerah Petaling Negeri Selangor Location: Jalan Dawai 16/2, Shah Alam	Perbadanan Kemajuan Negeri Selangor ("PKNS")	Existing use: District station land Tenure of land: 99 Years leasehold expiring on 29 December 2109	N/A	Land area: 2,439 square feet	The land can be transferred, leased or charged after obtaining the approval of the State Authority.	Business (gas district station)	89,807.55

⁴ The land was purchased by GMB pursuant to the perjanjian jual beli tapak industri dated 18 June 2002 between PKNS and GMB. The sale and purchase of the land had been completed. As at LPD, the registration of the transfer in the name of GMB is pending the presentation of the memorandum of transfer at the relevant land office/registry.

ANNEXURE A: LIST OF PROPERTIES (Cont'd)

No.	Title particulars, address (where applicable) and location	Registered owner	Existing use/Tenure of land (years)	Date of issuance of certificate of fitness ("CF") ³	Land area (approximate)	Restriction in interest and encumbrances ¹	Conditions ²	Net book value as at 31 December 2011 (RM)
26. ⁵	HSM 20411 PT 54631 Mukim Ceras Daerah Hulu Langat Negeri Selangor Location: Jalan CJ 1/1, Kawasan Perindustrian Cheras Jaya, Balakong	PKNS	Existing use: District station land Tenure of land: 99 Years leasehold expiring on 1 December 2108	N/A	Land area: 7,137 square feet	The land shall not be sold, leased, charged or transferred in any manner whatsoever except with the approval of the State Authority. Subject to any express terms conditions and restrictions imposed by the appropriate Government authority on the issue document of title of the said Lot upon its issuance, GMB shall not at any time prior to the issuance of the issue document of title to the said Lot sell, transfer, assign, charge or part with possession whether partly or wholly or pledge or in any other manner	The land shall be used for the construction of industrial building only.	71,162.67

⁵ The land was purchased by GMB pursuant to the sale and purchase agreement dated 12 March 2004 between PKNS and GMB. The sale and purchase of the land had been completed. As at LPD, the registration of the transfer in the name of GMB is pending the presentation of the memorandum of transfer at the relevant land office/registry.

ANNEXURE A: LIST OF PROPERTIES (Cont'd)

No.	Title particulars, address (where applicable) and location	Registered owner	Existing use/Tenure of land (years)	Date of issuance of certificate of fitness ("CF") ³	Land area (approximate)	Restriction in interest and encumbrances ¹	Conditions ²	Net book value as at 31 December 2011 (RM)
						<p>render as or by way of security of whatsoever nature or for any purpose, the agreement or any right interest or obligation thereunder, the said Lot or any part thereof or any right title and interest therein without first obtaining the consent in writing of PKNS and such consent to be given or refused or withheld shall be at the absolute discretion of the PKNS whose decision shall be final.⁶</p>		

⁶ Based on the sale and purchase agreement dated 12 March 2004 between PKNS and GMB.

ANNEXURE A: LIST OF PROPERTIES (Cont'd)

No.	Title particulars, address (where applicable) and location	Registered owner	Existing use/Tenure of land (years)	Date of issuance of certificate of fitness ("CF") ³	Land area (approximate)	Restriction in interest and encumbrances ¹	Conditions ²	Net book value as at 31 December 2011 (RM)
27.	HSM 4502 PT 17267 Mukim Bukit Katil Daerah Melaka Tengah Negeri Melaka Location: Jalan Usaha 3, Bukit Katil	GMB	Existing use: District station land Tenure of land: 99 years of leasehold expiring on 8 December 2104	N/A	Land area: 452 square feet	The land shall not be transferred or leased except with the approval of the State Authority.	For gas station site only.	16,680.65

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ANNEXURE A: LIST OF PROPERTIES (Cont'd)

No.	Title particulars, address (where applicable) and location	Registered owner	Existing use/Tenure of land (years)	Date of issuance of certificate of fitness ("CF")	Land area (approximate)	Restriction in interest and encumbrances ¹	Conditions ²	Net book value as at 31 December 2011 (RM)
(C) VACANT LAND								
28.	PN 37269 Lot 6265 Mukim Sungai Tiram Daerah Johor Bahru Negeri Johor Location: Sungai Tiram	GMB	Existing use: Vacant land Tenure of land: 60 years leasehold expiring on 29 August 2063	N/A	Land area: 1,198,023 square feet	The alienated land shall not be sold, leased, or transferred in any manner whatsoever including by way of entering into any agreement for the purpose of disposing of/selling the land without the approval of the State Authority.	(i) The land shall be used for light industry area for the purpose of "Warehouse" and other uses related thereto, built in accordance with the plan approved by the relevant local authority. (ii) Any dirtiness and pollution caused by this activity shall be channelled /removed to places determined by the relevant authority. (iii) Any policy and condition set and enforced by the relevant authority from time to time shall be complied with.	10,332,415.33
29. ⁷	Lot 102, in Pusat Komersial Gebeng, Gebeng, Kuantan, Pahang Darul Makmur	Perbadanan Kemajuan Negeri Pahang	Existing use: Vacant land earmarked for district station	N/A	Land area: 3,303 square feet	N/A	N/A	62,892.52

⁷ The land was purchased by GMB pursuant to the sale and purchase agreement dated 27 February 2002 between Pasdec Land Sdn Bhd and GMB and deed of assignment dated 16 May 2002 between Pasdec Land Sdn Bhd and GMB. The sale and purchase of the land has been completed. As at LPD, the separate title to the land is not issued yet.

ANNEXURE A: LIST OF PROPERTIES (Cont'd)

No.	Title particulars, address (where applicable) and location	Registered owner	Existing use/Tenure of land (years)	Date of issuance of certificate of fitness ("CF")	Land area (approximate)	Restriction in interest and encumbrances ¹	Conditions ²	Net book value as at 31 December 2011 (RM)
	Location: Gebeng, Kuantan		Tenure of land: 99 years leasehold					
30.	HSD 302885 PTD 156624 Mukim Plentong Daerah Johor Bahru Negeri Johor Location: Plentong, Johor	GMB	Existing use: Vacant land earmarked for district station Tenure of land: 99 years leasehold expiring on 25 April 2099	N/A	Land area: 1,276 square feet	The alienated land shall not be sold, leased, pledged, charged or transferred in any manner whatsoever including by way of entering into any agreement for the purpose of disposing of/selling the land without the approval of the State Authority.	(i) The land shall be used as the site for gas pipes built in accordance with the plan approved by the relevant local authority. (ii) Any dirtiness and pollution caused by this activity shall be channelled /removed to places determined by the relevant authority. (iii) Any policy and condition set and enforced by the relevant authority from time to time shall be complied with.	40,892.61
31.	PN 5928 Lot 5809 Mukim 01 Daerah Seberang Perai Tengah Negeri Pulau Pinang	GMB	Existing use: Vacant land earmarked for district station	N/A	Land area: 1,615 square feet	Same as item no. 15 above.	Same as item no. 15 above.	Kindly refer to item no. 15 above.

ANNEXURE A: LIST OF PROPERTIES (Cont'd)

No.	Title particulars, address (where applicable) and location	Registered owner	Existing use/Tenure of land (years)	Date of issuance of certificate of fitness ("CF")	Land area (approximate)	Restriction in interest and encumbrances ¹	Conditions ²	Net book value as at 31 December 2011 (RM)
	Location: Seberang Perai Tengah		Tenure of land: 60 years leasehold expiring on 29 October 2061					
32.	HSD 34510 PT 1654 Mukim 06 Daerah Seberang Perai Tengah Negeri Pulau Pinang Location: Seberang Perai Tengah	GMB	Existing use: Vacant land earmarked for district station Tenure of land: 60 years leasehold expiring on 29 October 2061	N/A	Land area: 3,369 square feet	Same as item no. 15 above.	Same as item no. 15 above.	50,342.22

ANNEXURE A: LIST OF PROPERTIES (Cont'd)

No.	Title particulars, address (where applicable) and location	Registered owner	Existing use/Tenure of land (years)	Date of issuance of certificate of fitness ("CF")	Land area (approximate)	Restriction in interest and encumbrances ¹	Conditions ²	Net book value as at 31 December 2011 (RM)
(D) RIGHT OF WAY								
33.	HSM 3267 PTD 90226 Mukim Senai Daerah Kulajaya Negeri Johor Location: Kulajaya	GMB	Existing use: Right of way Tenure of land: 99 years leasehold expiring on 17 April 2107	N/A	Land area: 1,083 square feet	The alienated land shall not be sold, pledged, charged, leased or transferred in any manner whatsoever including by way of entering into any agreement for the purpose of disposing of/selling the land without the approval of the State Authority.	(i) The land shall be used for gas pipelines and related facilities. (ii) Any policy and condition set and enforced by the relevant party from time to time shall be complied with.	20,028.17

GMB is of the view that, in respect of the properties owned by GMB, GMB is not in breach of any conditions relating to the use of land and the express conditions pertaining to use of land endorsed on the land titles (such express conditions shall hereinafter be referred to as "Conditions") and there is no material non-compliance with current statutory requirements, land rules or building regulations, where applicable, save and except for items number 14, 19 and 23 under Section 1.0 - Land and buildings owned by the Group of Annexure A: List of Properties ("Affected Properties").

ANNEXURE A: LIST OF PROPERTIES (Cont'd)

In respect of the Affected Properties, GMB is of the view that it may not be in compliance with the Conditions by virtue of GMB having constructed gas district stations thereon when the Conditions stipulate the respective land to be used for:

- (i) Item 14 - permanent dwelling house;
- (ii) Item 19 – commercial building; and
- (iii) Item 23 – heavy industry site.

Accordingly, in respect of the Affected Properties, GMB has written to the relevant land offices in December 2011 to apply for consent to amend the express condition in land title to include the use of the relevant land for the purpose of erecting gas stations and is in the midst of fulfilling the relevant requirements imposed by the relevant land offices to complete the applications.

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ANNEXURE A: LIST OF PROPERTIES (Cont'd)

2.0 Land leased by the Group

2.1 Buildings

(A) Tenancy agreement

No.	Location and description	Landlord / Tenant	Tenancy period	Material conditions	Consideration
1.	No. 27 (Ground floor/first floor/second floor) Jalan Todak 4 Pusat Bandar Seberang Jaya 13700 Perai Pulau Pinang Description: A three-storey intermediate shop lot where GMB is renting the entire shop lot	Ooi Na Teh (480412-02-5411) / GMB	1 December 2011 to 30 November 2012 (Option for renewal of one (1) years)	Nil	Monthly rental: RM5,700 Security deposit: RM17,100 Utility deposit: RM1,500
2.	Lot No. SH-1 Type B1 (Ground floor) Precinct 9 Putrajaya Description: A double-storey end lot shop where GMB is renting the ground floor	Jojie Samuel AL M.C. Samuel (640602-01-5249) / GMB	1 January 2011 to 31 December 2012 (Option for renewal of two (2) years)	The tenant covenants with the landlord not to assign, underlet, sublet or to part with the actual or legal possession or any part of the demised premises for any term whatsoever without the written consent or otherwise of the landlord first had and obtained.	Monthly rental: RM4,800 Security deposit: RM9,600 Utility deposit: RM4,800

ANNEXURE A: LIST OF PROPERTIES (Cont'd)

No.	Location description and	Landlord / Tenant	Tenancy period	Material conditions	Consideration
3.	No. 3, Lorong Lewata 5 Taman Muhibah Jejawi, 02600 Perlis Description: A single-storey semi-detached house where GMB is renting the entire house	Chan So Mui (640619-02-5160) / GMB	1 December 2010 to 30 November 2012 (Option for renewal of one (1) year)	Nil	Monthly rental: RM550 Security deposit: RM1,100 Utility deposit: RM200
4.	No. 9, Jalan Persiaran PM 7 Pusat Perniagaan Sri Manjung Perak Darul Ridzuan Description: A shop lot where GMB is renting the ground floor	Lee Hee Gan (660824-08-5427) / GMB	1 February 2011 to 31 January 2014 (Option for renewal of three (3) years with further renewal of three (3) years)	The tenant hereby covenants with the landlord not to assign, underlet, sublet or to part with the actual or legal possession or any part of the demised premises for any term whatsoever without the written consent or otherwise of the landlord first had and obtained.	Monthly rental: RM1,210 Security deposit: RM3,630

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ANNEXURE A: LIST OF PROPERTIES (Cont'd)

2.1 Buildings (Cont'd)

(B) Lease agreement

No.	Location, description and existing use	Lessor / Tenant	Lease period	Land area	Material conditions	Registration of lease (Form 15A pursuant to Section 221 of the National Land Code, 1965)	Consideration
1.	H.S. (D) 221664 PTD 115555 Mukim Pleritong Daerah Johor Bahru Negeri Johor Address: PLO 343, Jalan Emas Tiga, Kawasan Perindustrian Pasir Gudang, 81700 Pasir Gudang, Johor Darul Takzim Description: Single-storey stand- alone building Existing use: Office and warehouse	Johor Corporation / GMB	30 years lease from 12 January 1994 to 11 January 2024	1.2141 hectare (3.0 acres)	GMB shall not assign, underlet or part with or share possession or occupation, sublease and/or charge the whole or part of the said land for all or any part of the term of this lease without the prior consent in writing of the Johor Corporation which shall not be unreasonably withheld. The landowner subsequent to Johor Corporation shall not transfer, pledge, lease or dispose of in any manner whatsoever including by way of entering into any agreement for the purpose of disposing of/selling the land without the approval of the State Authority. The land shall be used for the factory for Medium Enterprise purpose and other uses related thereto, built in accordance with the plan approved by the relevant Local Authority.	Form 15A dated 15 May 1999	RM1,571,045.00

ANNEXURE A: LIST OF PROPERTIES (Cont'd)

No.	Location, description and existing use	Lessor / Tenant	Lease period	Land area	Material conditions	Registration of lease (Form 15A pursuant to Section 221 of the National Land Code, 1965)	Consideration
					<p>The said land shall be used by GMB for industrial purpose.</p> <p>The said land shall be used for the setting up of a "Warehouse" and for any other production related thereof.</p>		

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ANNEXURE A: LIST OF PROPERTIES (Cont'd)

2.2 Line pipe yard (for the purpose of gas line pipe storage)

(A) Tenancy agreement

No.	Location, description and existing use	Landlord / Tenant	Tenancy period	Land area	Material conditions	Consideration
1.	2 parcels of freehold agriculture land held under GM 1423, Lot No. 702 and GM 236, Lot 703 both situated near Mukim Semenyih, Tempat of Batu 22 ¾, Jalan Balau, District of Hulu Langat, State of Selangor Darul Ehsan Postal address: Lots No. 702 & 703, Batu 2 ½, Jalan Broga, 42500 Semenyih, Selangor Darul Ehsan Description: Vacant land Existing use: Storage for gas pipes	Air-Tech Industries Sdn Bhd (84566-X) / GMB	1 May 2011 to 30 April 2014	Approximately 132,810.08 square feet and 119,585.26 square feet, respectively	The tenant undertakes not to assign or sublet or to part with the possession of the demised premises or any part thereof without written consent of the landlord.	Monthly rental: RM9,800 Security Deposit: RM19,600

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP AS AT THE LPD

LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP AS AT THE LPD

No.	Licensee/ contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Saillant conditions	Status of compliance
1.	GMB	Granted by the Director General of Gas Supply ("Director General"), with the approval of the Minister	N/A	<p>Licence under Section 11 of the GSA to:</p> <p>(a) use, work or operate or permit to be used, worked or operated the natural gas distribution system to be constructed by or for the licensee and to supply to or for the use of any other person natural gas from the distribution system in Peninsular Malaysia and authorises the licensee to do all or any of the acts specified in the licence;</p> <p>(b) authorise the licensee to lay, place, carry or maintain any installation for the purpose of natural gas supply on, along, through, under or across any land, in Peninsular Malaysia, in accordance with and subject to the provisions of the GSA and any other written law in Malaysia.</p>	1 September 1998	1 September 2028	<p>The licensee shall plan and design its distribution system to a standard not less than that set out in the regulations for distribution design or such other standards as the licensee may, with the concurrence of the Director General, adopt from time to time.</p> <p>In addition to the above, the licensee is subject to various obligations to prepare and furnish to the Director General for his concurrence within the time frames as stipulated under the licence, code(s) of practice setting out, amongst others:</p> <p>(a) standards for the operation, maintenance and safety of the distribution system;</p> <p>(b) standards for maintaining the distribution system's security and quality; and</p> <p>(c) standards of performance in respect of customer service.</p> <p>The licensee shall at all times take cognisance of the Federal Government's economic policies, including the extent of Malaysian equity participation particularly to various Bumiputera.</p> <p>The Director General and any person or persons duly authorised by the Director General may at any time enter any premises of the licensee to carry out such inspections, checks and survey of the distribution system and records kept by the licensee pertaining to it, to ensure compliance with the conditions of this licence.</p> <p>The licensee shall, at monthly intervals, submit to the Director General all information relating to the performances including breakdowns and interruptions, schedule of maintenance and overhaul program.</p> <p>The licensee shall ensure that all the times during the period of this licence, its sole business shall be the distribution of gas.</p> <p>The licensee shall not undertake any other business without the prior written approval of the Minister.</p>	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP AS AT THE LPD (Cont'd)

No.	Licensee/ contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
							<p>The memorandum and articles of association of the licensee shall be approved by the Government and no alteration to it shall be made without prior notification in writing to the Minister.</p> <p>The authorised and paid up capital of the licensee company shall be determined by its shareholders and approved by the Government and no alteration to it shall be made without prior notification in writing to the Minister.</p> <p>As at the date of the licence, the shareholders and the shareholding structure in the licensee company shall be as mentioned in the memorandum and articles of association.</p> <p>The licensee undertakes to the Government that the present shareholders and shareholding structure as set out in the memorandum and articles of association shall at all times remain the same. Any changes shall have the prior written approval of the Minister. Notwithstanding that and subject to the prior approval of the Minister and the approval of all relevant authorities, the licensee may apply for its shares to be listed and quoted on the official list of the Kuala Lumpur Stock Exchange ("KLSE").</p> <p>The licensee shall give the Director General not less than two (2) months prior written notice of its intention to acquire any relevant asset or to relinquish control over any relevant asset, with a value in excess of RM5 million, together with such further information as the Director General may request, relating to such asset or the circumstances of such intended acquisition, disposal or relinquishment of control.</p> <p>The Director General may, upon service of written notice to the licensee, suspend this Licence upon the occurrence of the following events :</p> <p>(a) the licensee has failed to comply with or is in breach of any conditions of this licence, and has failed or neglected to remedy the breach after the licensee has been requested to do so by the Director General; or</p> <p>(b) the licensee has failed to comply with any directive or order or notice given pursuant to the conditions of this licence by the Director General.</p>	

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP AS AT THE LPD (Cont'd)

No.	Licensee/ contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
							<p>The licensee shall not assign, transfer, sublet or otherwise dispose of its rights, duties, liabilities, obligations and privileges or part of it under the terms and conditions of this licence except with the prior written approval of the Minister.</p> <p>The creation of any charge, mortgages, pledges, lien or other securities over land used for the distribution system is prohibited without the express consent of the Minister.</p> <p>The Director General may, with the approval of the Minister, add to, vary or revoke any of the terms and conditions in this licence whenever it appears necessary or expedient for the purpose of extending the grant of the licence or meeting the technical, safety and efficiency requirements applied generally to the gas supply industry in Malaysia.</p>	

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ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP AS AT THE LPD (Cont'd)

No.	Licensee/ contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
2.	GMB	Granted by the Director General, with the approval of the Minister	N/A	<p>Licence under Section 11 of the GSA to:</p> <p>(a) use, work or operate or permit to be used, worked or operated the liquefied petroleum gas distribution system to be constructed by or for the licensee and to supply to or for the use of any other person liquefied petroleum from the distribution system in Peninsular Malaysia and authorises the Licensee to do all or any of the acts specified in the licence;</p> <p>(b) authorise the licensee to lay, place, carry or maintain any installation for the purpose of liquefied petroleum gas supply on, along, through, under or across any land, in Peninsular Malaysia, in accordance with and subject to the provisions of the GSA and any other written law in Malaysia.</p>	15 December 2000	15 December 2020	<p>The licensee shall plan and design its distribution system to a standard not less than that set out in the regulations for distribution design or such other standards as the licensee may, with the concurrence of the Director General, adopt from time to time.</p> <p>In addition to the above, the licensee is subject to various obligations to prepare and furnish to the Director General for his concurrence within the time frames as stipulated under the licence, code(s) of practice setting out, amongst others:</p> <p>(a) standards for the operation, maintenance and safety of the distribution system;</p> <p>(b) standards for maintaining the distribution system's security and quality; and</p> <p>(c) standards of performance in respect of customer service.</p> <p>The licensee shall at all times take cognisance of the Federal Government's economic policies, including the extent of Malaysian equity participation particularly to various Bumiputera.</p> <p>The Director General and any person or persons duly authorised by the Director General may at any time enter any premises of the licensee to carry out such inspections, checks and survey of the distribution system and records kept by the licensee pertaining to it, to ensure compliance with the conditions of this licence.</p> <p>The licensee shall, at monthly intervals, submit to the Director General all information relating to the performances including breakdowns and interruptions, schedule of maintenance and overhaul program.</p> <p>The licensee shall ensure that all the times during the period of this licence, its sole business shall be the distribution of gas.</p> <p>The licensee shall not undertake any other business without the prior written approval of the Minister.</p> <p>The memorandum and articles of association of the licensee shall be approved by the Government and no alteration to it shall be made without prior notification in writing to the Minister.</p>	Complied

ANNEXURE B: LIST OF MAJOR LICENCES AND PERMITS HELD BY OUR GROUP AS AT THE LPD (Cont'd)

No.	Licensee/ contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
							<p>The authorised and paid up capital of the licensee company shall be determined by its shareholders and approved by the Government and no alteration to it shall be made without prior notification in writing to the Minister.</p> <p>As at the date of the licence, the shareholders and the shareholding structure in the licensee company shall be as mentioned in the memorandum and articles of association.</p> <p>The licensee undertakes to the Government that the present shareholders and shareholding structure as set out in the memorandum and articles of association shall at all times remain the same. Any changes shall have the prior written approval of the Minister. Notwithstanding that and subject to the prior approval of the Minister and the approval of all relevant authorities, the licensee may apply for its shares to be listed and quoted on the official list of the KLSE.</p> <p>The licensee shall give the Director General not less than two (2) months prior written notice of its intention to acquire any relevant asset or to relinquish control over any relevant asset, with a value in excess of RM5 million, together with such further information as the Director General may request, relating to such asset or the circumstances of such intended acquisition, disposal or relinquishment of control.</p> <p>The Director General may, upon service of written notice to the licensee, suspend this Licence upon the occurrence of the following events :</p> <p>(a) the licensee has failed to comply with or is in breach of any conditions of this licence, and has failed or neglected to remedy the breach after the licensee has been requested to do so by the Director General; or</p> <p>(b) the licensee has failed to comply with any directive or order or notice given pursuant to the conditions of this licence by the Director General.</p> <p>The licensee shall not assign, transfer, sublet or otherwise dispose of its rights, duties, liabilities, obligations and privileges or part of it under the terms and Conditions of this licence except with the prior written approval of the Minister.</p>	

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No.	Licensee/ contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
3.	GM(LPG)	Granted by the Ministry of Domestic Trade and Consumer Affairs (currently known as the Ministry of Domestic Trade, Co-operatives and Consumerism ("MDTCC"))	PDA 1973 No. 034960 Renewed PDA Approval No.: 16173	Permit under Section 6 (3) of the Petroleum Development Act 1974 ("PDA") to undertake the marketing and distribution by way of wholesale or retail of PETRONAS LPG within Peninsular Malaysia ("PDA Approval") Note: GM(LPG) has obtained a renewal of the PDA Approval ("Renewed PDA Approval").	19 September 2008 Renewed PDA Approval: 11 August 2011	18 September 2011 Renewed PDA Approval: 18 September 2014	The creation of any charge, mortgages, pledges, lien or other securities over land used for the distribution system is prohibited without the express consent of the Minister. The Director General may, with the approval of the Minister, add to, vary or revoke any of the terms and conditions in this licence whenever it appears necessary or expedient for the purpose of extending the grant of the licence or meeting the technical, safety and efficiency requirements applied generally to the gas supply industry in Malaysia. The licence shall not be transferred without the approval of the MDTCC. The prior approval of MDTCC is required for any amendment or change to the licensee's structure in terms of equity, board, business address, ownership etc. The application for the renewal of the PDA is to be submitted three (3) months before its expiry. To comply with the conditions of the licence as stipulated from time to time by MDTCC and to comply with all the laws of Malaysia and not to undertake any activities in contravention of the said laws. Our PDA Approval shall be cancelled if there is a breach of any of the above conditions or any provisions of the PDA or any of the regulations thereunder or any applicable laws in Malaysia. Not to undertake any legal action or claim for any damages from any party if the PDA Approval is not renewed or extended on account of our own default or negligence.	Complied

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No.	Licensee/ contractor	Approving authority	Permit/ Licence/ Registration number	Description of licences	Date of grant/ renewal	Expiry date	Salient conditions	Status of compliance
4.	GM(LPG)	Granted by the Ministry of Domestic Trade, Co-operatives, and Consumerism	Licence No. GB44420	Licence issued pursuant to Regulation 4 of the Control of Supplies Regulations, 1974 for GM(LPG) to deal by wholesale or retail in LPG ("MDTCC Licence")	12 August 2011	11 August 2014	<p>The MDTCC Licence is not transferable.</p> <p>The licensee shall not stop or reduce the supply of LPG to its distributors or retailers without the written consent of the MDTCC.</p> <p>The licensee must ensure that:</p> <p>(a) the supply of LPG to its distributors or retailers is not below the volume that is normally supplied;</p> <p>(b) the supply of LPG to its distributors or retailers is not stopped;</p> <p>(c) the supply of LPG to its distributors or retailers is sufficient for daily sales;</p> <p>(d) the request for supply from the licensee's distributors or retailers are met on time;</p> <p>(e) the Controller of Supplies is informed of any stoppage of supply to the licensee's distributors or retailers.</p> <p>The licensee must refer and obtain the approval of the MDTCC before increasing the price of LPG at all levels.</p> <p>The licensee must comply with the directions given by the Controller of Supplies or the officers authorised by the Controller of Supplies pursuant to the Control of Supplies Act, 1961, in respect of the supply of Petroleum Gas.</p> <p>The application for the renewal of the MDTCC Licence is to be submitted one (1) month before its expiry.</p>	Complied