

PETRONAS GAS BERHAD

(Company No:101671-H)
(Incorporated in Malaysia)

THIRTY SIXTH ANNUAL GENERAL MEETING

Minutes of the Thirty Sixth Annual General Meeting of PETRONAS Gas Berhad held at Sapphire Ballroom, Level 1, Mandarin Oriental Kuala Lumpur, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia on Tuesday, 30 April 2019 at 10.00 a.m.

PRESENT

Directors:

YBhg Datuk Mohd Anuar Taib (Chairman)
Encik Kamalbahrin Ahmad
Cik Habibah Abdul
Puan Farina Farikhullah Khan
YBhg Dato' Ab. Halim Mohyiddin
YBhg Dato' Abdul Razak Abdul Majid
Puan Emeliana Dallan Rice-Oxley
Cik Wan Shamilah Wan Muhammad Saidi

Members and Proxies:

As per attendance list

IN ATTENDANCE

Puan Syuhaida Ab Rashid (Secretary)
Encik Yeap Kok Leong (Secretary)

BY INVITATION

Puan Shariza Sharis Mohd Yusof (Chief Financial Officer)
Encik Eric Kang Siew Meng (Corporate Secretarial Advisor)

1.0 WELCOMING ADDRESS BY THE CHAIRMAN

The Chairman welcomed all present to the Thirty Sixth Annual General Meeting of the Company.

2.0 NOTICE

The Notice of the Meeting dated 29 March 2019 was taken as read as it was sent and received by Members together with the Annual Report for the Year Ended 31 December 2018 and has also been published on the Company's website.

3.0 QUORUM

Upon confirming the presence of the requisite quorum by the Secretary, the Chairman called the Meeting to order at 10.00 a.m.

NOTED that the Chairman started the Meeting by introducing himself, the directors, the company secretaries and the Chief Financial Officer to the attendees.

ALSO NOTED that the Chairman informed that the voting at the 36th AGM would be conducted on a poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia by way of electronic voting ("e-voting").

FURTHER NOTED that the total number of shareholders and proxies present at the Meeting as informed by Puan Syuhaida Ab Rashid, the Company Secretary was 1,696 which represents a total of 174,988,936 shares. The Chairman had been appointed by the shareholders as proxy representing 1,366,699,946 shares, which represents 69.07% of the total voting rights at this AGM.

The Meeting was also informed that all ordinary resolutions would require a simple majority vote whilst the special resolution requires a majority of not less than 75% of the members who are entitled to vote and do vote in person or by proxy.

4.0 PRESENTATION BY THE MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

Before proceeding with the business of the Meeting, the Chairman invited Encik Kamalbahrin Ahmad, the Managing Director/Chief Executive Officer ("MD/CEO") of the Company to present to the Members the performance of the Company for the year ended 31 December 2018 covering the Company's financial performance, operational performance as well as key activities and achievements for the period.

After the said presentation, the Chairman proceeded with the business of the Meeting.

5.0 TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

NOTED that the Audited Financial Statements (AFS) and Reports of the Directors and Auditors for the period ended 31 December 2018 which were circulated to

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all members of the Company within the prescribed period was tabled to the Meeting. The Chairman invited for any questions from the Members with regard to the AFS.

The Chairman informed that the Company had received a list of questionnaires from the Minority Shareholder Watch Group ("MSWG") on 25 April 2019 and had accordingly responded to the MSWG on their enquiries prior to the Meeting which was displayed on the LED display screens located at the foyer outside the Meeting hall and that the same had been made available on the Company's website.

The Company Secretary proceeded to read out the MSWG's questions where the MD/CEO responded to the questions accordingly for the benefit of the Members present.

The Chairman declared that the AFS for the financial year ended 31 December 2018 together with the Reports of the Directors and Auditors were received and duly tabled at the 36th AGM in accordance with Sections 244(2) and 340(1)(a) of the Companies Act (CA) 2016. The Chairman explained that the AFS for the FY2018 were for discussion only under Agenda 1, as it did not require shareholders' approval. Hence, it would not be put for voting.

The Chairman invited the Members present to put forth any questions on the AFS or any other questions as wished to be raised by the Members.

The following summarises the matters raised and comments made by the Members and/or proxies at the meeting which was responded by the Chairman and the officers of the Company:-

(A) FINANCIAL STATEMENTS

1. Impairment of Steam Turbine Generator and Sludge Dryer Package at Utilities Kertih

- The assets impaired were built to deliver specific utility requirements of customers where the cost of the assets is being recovered from the customers via a long term agreements for supply of utility product and services with each customer which enable the Company to recover the cost of investments in the event of early termination.

- The Company has undertaken various efforts in finding alternative use for the assets including performing various technical assessment to serve as a standby unit to the Company's existing asset and securing new customers with the same requirements.

2. New Finance Act 2018

- Under the new Finance Act 2018, there are several tax benefits which are now subject to a 7-year limit in terms of utilisation. Any accumulated unutilised tax benefits starting year of assessment YA2018 can no longer be used after 7 years.
- For PGB Group, the only affected tax benefits were Investment Tax Allowance for Service Sector and unutilised business losses at the Company's joint venture, Kimanis Power Sdn. Bhd. (KPSB).
- As KPSB is unable to utilise the tax benefits within the 7-year time limit, KPSB has derecognised deferred tax assets amounting to RM207.2 million in 2018. The impact to PGB Group was RM124.3 million (being 60% shares of the KPSB).

(B) COMPANY'S BUSINESS SEGMENTS AND OPERATIONS

1. The Company's major customers

The Company's major customers are PETRONAS and its related companies, representing 93% of the PGB Group total revenue.

2. Growth Project

- One of the Company's growth focus is to increase the utilisation of facilities and opportunities including:
 - i. Expanding existing pipeline infrastructure to reach new customer such as emerging new industrial areas;

- ii. Providing utilities services to emerging industrial and commercial areas;
- iii. Implementation of Third Party Access which would provide platform to encourage new customers to utilise Company's facilities as well as invest in new infrastructure, for both regulated and non-regulated services.

3. Tariff movement in pilot period 2019

- o Gas transportation tariff is lower by 14%. This is mainly due to the value of assets which has reduced from last assessed in year 2014.
- o For regasification services, the tariffs for RGTP is lower due to lower final project cost while the tariff for RGTSU remains broadly comparable. This is expected to have a 5-10% impact on regasification gross profit.

(C) CORPORATE GOVERNANCE

1. The Company received commendable remarks from the Members with regards to the Company's initiative to sustain its award-winning Annual Report.
2. Members sought clarifications with regards to the rationale for adoption of new Constitution and Encik Eric Kang the appointed Corporate Secretarial Advisor, was invited to clarify the queries raised by the Members.
 - i. The new constitution is to ensure that the provisions are in-line with the changes in Companies Act 2016, Main Market Listing Requirements (MMLR); and the requirements of the Malaysian Code on Corporate Governance 2017 (MCCG), where necessary.
 - ii. It would be a more straightforward approach to adopt a new Constitution that encompasses all the required provisions of the Companies Act 2016 rather than amending clause by clause of the existing Constitution.

3. Members also sought clarification on Article 63 (b) (i) and Article 73 of the Constitution with regards to the notice of meeting and proceedings at meetings of members. Encik Eric Kang clarified that Article 63 (b) (i) allows shorter notice period of at least fourteen days for any special resolution. Whilst Article 73 states on the number of quorum present at any general meeting, Quorum is constituted from members including proxy or Corporate Representative.
4. On the question posed that why none of PGB directors hold more shares in PGB despite good price offered in market, the Chairman explained that this is to avoid any potential conflict of interest should there be any future business dealings in the Company.

6.0 RE-ELECTION OF DIRECTOR PURSUANT TO ARTICLE 93 OF THE CONSTITUTION OF THE COMPANY

NOTED the Agenda item no. 2 on re-election of Director who is retiring pursuant to Article 93 of the Constitution of the Company where the Meeting was informed that Datuk Mohd Anuar Taib and Cik Habibah Abdul are subject to re-election and who being eligible offered themselves for re-election.

Datuk Mohd Anuar Taib handed over the Chairmanship to Dato' Abdul Halim Mohyiddin being the Chairman of the Company's Nomination and Remuneration Committee to chair the Meeting for this item.

The profile of Datuk Mohd Anuar Taib and Cik Habibah Abdul were on pages 92 and 94 of the Annual Report. The Board had approved the recommendation of its Nomination and Remuneration Committee ("NRC") that Datuk Mohd Anuar Taib and Cik Habibah Abdul were eligible to stand for re-election.

The following motions were then put to the Meeting for consideration:-

1. **Resolution 1 -THAT** Datuk Mohd Anuar Taib retiring in accordance with Article 93 of the Constitution of the Company, be and is hereby re-elected as Director of the Company;
2. **Resolution 2 -THAT** Habibah Abdul retiring in accordance with Article 93 of the Constitution of the Company, be and is hereby re-elected as Director of the Company.

7.0 RE-ELECTION OF DIRECTORS IN ACCORDANCE WITH ARTICLE 96 OF THE CONSTITUTION OF THE COMPANY

NOTED the Agenda item no. 3 on re-election of Directors who were retiring pursuant to Article 96 of the Constitution of the Company.

It was informed that the following Directors were subject to re-election and who were eligible for re-election:-

1. Dato' Abdul Razak Abdul Majid
2. Puan Farina Farikhullah Khan

The profile of the Directors standing for re-election were provided on pages 97 and 95 of the Annual Report respectively. The Board had approved the recommendation of its NRC that these Directors were eligible to stand for re-election.

The following motions were then put to the Meeting for consideration:-

1. **Resolution 3 -THAT** Dato' Abdul Razak Abdul Majid retiring in accordance with Article 96 of the Constitution of the Company, be and is hereby re-elected as Director of the Company; and
2. **Resolution 4 -THAT** Farina Farikhullah Khan retiring in accordance with Article 96 of the Constitution of the Company, be and is hereby re-elected as Director of the Company.

8.0 PROPOSED PAYMENT OF DIRECTORS' FEES AND ALLOWANCES TO THE NON-EXECUTIVE DIRECTORS OF UP TO RM2,500,000 WITH EFFECT FROM 1 MAY 2019 UNTIL THE NEXT ANNUAL GENERAL MEETING

NOTED the Meeting proceeded with agenda item no. 4 on payment of Directors' fees and allowances of up to Ringgit Malaysia Two Million and Five Hundred Thousand (RM2,500,000.00) with effect from 1 May 2019 until the next AGM of the Company payable to Non-Executive Directors.

The Meeting was informed that the Directors' fees and allowances for the Non-Executive Directors for the period from 1 May 2019 until the conclusion of the next AGM ("FYE2019/2020") were calculated based on the number of scheduled Board's and Board Committees' meetings and on the assumption that all the Non-Executive Directors would remained in office until the next AGM. The passing of resolution 5 was to facilitate payment of the Directors' fees and allowances for FYE2019/2020.

The following motion was then put to the Meeting for consideration:-

Resolution 5 - **THAT** the payment of Directors' fees and allowances of up to Ringgit Malaysia Two Million and Five Hundred Thousand (RM2,500,000.00) with effect from 1 May 2019 until the next Annual General Meeting of the Company payable to Non-Executive Directors be and is hereby approved."

9.0 RE-APPOINTMENT OF KPMG PLT AS AUDITORS OF THE COMPANY

NOTED the Meeting then proceeded to consider the re-appointment of KPMG PLT as Auditors of the Company.

The Chairman informed that KPMG had expressed their willingness to continue office and therefore the following motion was put to the Meeting for consideration:-

Resolution 6 - **THAT KPMG PLT** be and is hereby re-appointed as auditors of the Company to hold office until the conclusion of the next annual general meeting and that the Directors be and are hereby authorised to determine their remuneration.

10.0 ADOPTION OF A NEW CONSTITUTION OF THE COMPANY

NOTED the meeting then proceeded to consider the proposed adoption of a new Constitution of the Company.

The Chairman informed that this special resolution, if passed, shall align the Constitution of the Company with the new Companies Act 2016 (which came into force on 31 January 2017), the updated provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and prevailing statutory and regulatory requirements. The details of the proposed new Constitution are as set out in the Appendix A of the Notice of the Meeting. Therefore, the following motion was put to the Meeting for consideration:-

Special Resolution 7 - **THAT** the draft new set of the Constitution of the Company in the form and manner as set out in Appendix A of the Notice of the Meeting be and is hereby approved and adopted as the new Constitution of the Company, in substitution for, and to the exclusion of, the existing Constitution of the Company **AND THAT** the Directors be and are hereby authorised to do all such acts and things and to take such steps that are necessary to give effect to adoption of the new Constitution of the Company."

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11.0 ANY OTHER BUSINESS

NOTED the last item on the agenda for the meeting was to transact any other business of which due notices shall have been received in accordance with the Companies Act, 2016. The Meeting **FURTHER NOTED** that no notice of any other business for transacting at the meeting was received.

As such, the Meeting proceeded to take the poll on all the resolutions tabled.

12.0 TAKING OF POLL AND ANNOUNCEMENT OF RESULT

The Meeting was then briefed on the procedure of the e-polling and proceeded to take the poll on the proposed resolutions.

At 12.00 noon, the Meeting was adjourned to facilitate voting and counting of votes.

The Meeting resumed at 12.30 p.m. and the following poll results was announced:-

Resolutions	Vote in favour		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
Ordinary Resolution 1 Re-election of Datuk Mohd Anuar Taib as a Director of the Company in accordance with Article 93 of the Company's Constitution.	1,805,820,670	99.456777	9,863,208	0.543223	Carried
Ordinary Resolution 2 Re-election of Habibah Abdul as a Director of the Company in accordance with Article 93 of the	1,815,588,578	99.981304	339,500	0.018696	Carried

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Company's Constitution.					
Ordinary Resolution 3 Re-election of Dato' Abdul Razak Abdul Majid as a Director of the Company in accordance with Article 96 of the Company's Constitution.	1,806,125,222	99.480483	9,432,123	0.519517	Carried
Ordinary Resolution 4 Re-election of Farina Farikhullah Khan as a Director of the Company in accordance with Article 96 of the Company's Constitution.	1,812,501,109	99.811228	3,427,969	0.188772	Carried
Ordinary Resolution 5 Approval of the payment of Directors' Fees and Allowances of up to RM2,500,000 with effect from 1 May 2019 until the next Annual General Meeting of the Company payable to Non-Executive Directors.	1,803,234,676	99.301270	12,688,402	0.698730	Carried

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Resolutions	Vote in favour		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
Ordinary Resolution 6 Approval of the re-appointment of KPMG PLT as Auditors of the Company for the financial year ending 31 December 2019 and to authorise the Directors to fix their remuneration.	1,813,739,678	99.912523	1,588,000	0.087477	Carried
Special Resolution Approval of the proposed adoption of a new Constitution of the Company.	1,814,439,923	99.952782	857,155	0.047218	Carried

The Chairman then declared that all the resolutions set out in the Notice of the 36th AGM of the Company carried.

13.0 CLOSURE OF MEETING

There being no further business, the Chairman thanked the Members for their attendance.

The Meeting was adjourned at 12.34 p.m.

CHAIRMAN

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