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GAS MALAYSIA'S REVENUE SOARS TO RM5.35 BILLION IN 2017

KUALA LUMPUR, 10 May 2018 — On a much healthier economic landscape and supported by more robust growth in the manufacturing sector, Gas Malaysia Berhad (“Gas Malaysia” or “the Group”), a member of MMC Group, secured stronger demand for natural gas. Successively, the Group delivered strong financial and operational performance for the year ended 31 December 2017.

Given the implementation of two natural gas tariff revisions in 2017 and driven by increased gas consumption, Gas Malaysia registered stellar revenue of RM5.35 billion compared to RM4.05 billion in 2016. This translated into a commendable 32.1% growth in revenue for the Group. Profit after Zakat, Tax and Minority Interest came in at RM194.64 million, which was 17.9% increase from RM165.14 million achieved in the preceding year.

Volume of gas sold grew by 11.9% to 183.90 million MMBtu compared to 164.26 million MMBtu in the previous year. In line with this, Gas Malaysia's total customer base, which is represented by the industrial, commercial and residential sectors, grew to 38,883. For the period under review, timely completion of extensive Natural Gas Distribution System (“NGDS”) network has made it possible to commission gas supply to 49 new industrial customers, followed by 489 new commercial customers and 3,182 new residential customers.

Commenting on the increased customer base, Chief Executive Officer Encik Ahmad Hashimi Abdul Manap said, “Supply driven, we have been aggressive with the construction of our gas infrastructure for the last few years, extending the NGDS network by another 57 kilometres this year, bringing the total length of gas pipeline in operation to 2,243 kilometres.”

Gas Malaysia has yet again maintained 99% service reliability, ensuring safe and stable delivery of natural gas to our valued customers.

The Group’s industrial customers represent a diverse range of industries that include rubber products, food, beverage & tobacco (“F&B”), chemical products, fabricated and basic metals and glass products, among others. While volume growth from the rubber, F&B, chemical, fabricated and basic metal sectors has been integral and anchored the volume contribution, the glass sector in particular showed a major uptick in 2017, contributing about 8% to total volume of gas sold.

Encik Ahmad Hashimi further elaborated on the Group’s new businesses. “Gas Malaysia has enhanced its commercial potential by diversifying into the non-regulated sphere of the gas distribution business. To date, Gas Malaysia Energy Advance Sdn Bhd, Gas Malaysia Virtual Pipeline Sdn Bhd (also formerly known as Gas Malaysia IEV Sdn Bhd) and Sime Darby Gas Malaysia BioCNG Sdn Bhd have all commenced operations and are targeted to further expand their customer base, ensuring sustainable growth for the Group in the near future.”

At the recently held Annual General Meeting (“AGM”), Encik Ahmad Hashimi said that to deliver on our financial commitment and return equitable value to our shareholders, the Board had proposed a final cash dividend of 5.00 sen per share. The shareholders have recently approved the proposal on the final dividend at the AGM today. Combined with the first two interim dividends of 4.00 sen each, this brings the total dividend payment per share to 13.00 sen.

Speaking on the Third Party Access framework (“TPA”), Encik Ahmad Hashimi said, “Gas Malaysia will continue to demonstrate its resilience amidst the increasingly competitive operating environment. In 2017, we initiated functional separation of Gas Malaysia’s businesses by incorporating two companies for licence application purposes. The ensuing years will reflect on our ability to adjust to the structural changes brought about by the TPA. We are taking the necessary actions to ensure capacity building for each of the new business, adapting our skills and experience to function as efficiently and competitively under the TPA,” he elaborated.

With regards to CAPEX, Gas Malaysia has in plan more than RM500 million for the next 3 years to continue to expand its gas distribution infrastructure further to reach out wider customer base.

“With a clear business strategy, we remained focused and committed towards achieving our business objectives and delivering optimum value to our shareholders,” he concluded.

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About Gas Malaysia Berhad

Gas Malaysia Berhad, a member of MMC Corporation Berhad, was established on 16 May 1992 to sell, market and distribute natural gas as well as to construct, operate and maintain the NGDS within Peninsular Malaysia. On 15 December 2000, Gas Malaysia was granted the licence to supply and sell reticulated Liquefied Petroleum Gas (“LPG”). Gas Malaysia currently operates and maintains over 2,200 kilometres of pipeline across Peninsular Malaysia, supplying natural gas and LPG to over 800 industrial customers, more than 2,300 commercial customers and over 35,000 residential customers.

In line with the vision to be an innovative energy solutions provider, Gas Malaysia constantly aims to stay ahead in the gas industry. To unlock its commercial potential further, it diversifies into the non-regulated sphere of the gas distribution business. Via its joint-venture entities, Gas Malaysia has made progress in three new ventures – Combined Heat and Power, Virtual Pipeline and Bio Compressed Natural Gas – all of which are aimed at expanding the customer base further and strengthening the future growth for the Group.

For more information, please visit <http://www.gasmalaysia.com/>

About MMC Corporation Berhad

MMC Corporation Berhad (MMC) has evolved over the years to be the Malaysia's leading utilities and infrastructure group with diversified businesses under three core divisions; energy & utilities, ports & logistics and engineering & constructions.

As an active player with a diversified portfolio of businesses in utilities and infrastructure, MMC Corporation has and will continue to make significant contributions to the development of human and intellectual capital as well as to the environment and the local community.

Enquiries

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