

# Financial Statements

Directors' Report	<b>62</b>
Statement by Directors	<b>65</b>
Statutory Declaration	<b>65</b>
Report of the Auditors to the Members	<b>66</b>
Balance Sheet	<b>67</b>
Income Statement	<b>68</b>
Statement of Changes in Equity	<b>69</b>
Cash Flow Statement	<b>70</b>
Notes to the Financial Statements	<b>71</b>

# Directors' Report

for the year ended 31 March 2004

The directors have pleasure in submitting their report and the audited financial statements of the Company for the year ended 31 March 2004.

## PRINCIPAL ACTIVITIES

The principal activities of the Company in the course of the financial year remained unchanged and consist of separating natural gas into its components and storing, transporting and distributing such components thereof for a fee and the sale of industrial utilities.

## RESULTS

	RM'000
Net profit for the year	641,930
Unappropriated profits brought forward	3,017,432
Profits available for appropriation	3,659,362
Dividends	(593,619)
Unappropriated profits carried forward	3,065,743

## DIVIDENDS

The amounts paid by way of dividends by the Company since the end of the previous financial year are as follows:-

- (i) as proposed in last year's report, a final dividend of 10% – tax exempt amounting to RM197,873,192 and a special dividend of 10% – tax exempt amounting to RM197,873,192 in respect of the financial year ended 31 March 2003 were paid on 14 August 2003; and
- (ii) an interim dividend of 10% – tax exempt amounting to RM197,873,192 in respect of the financial year ended 31 March 2004 was paid on 16 December 2003.

The directors proposed a final dividend of 5% – tax exempt and 5% less 28% tax amounting to RM170,170,945 in respect of the year ended 31 March 2004.

## RESERVES AND PROVISIONS

There were no material movements to or from reserves and provisions during the year other than as disclosed in the financial statements.

## DIRECTORS OF THE COMPANY

Directors who served since the date of the last report are:-

Tan Sri Dato Sri Mohd Hassan bin Marican  
Wan Zulkiflee bin Wan Ariffin (*appointed on 1.6.2003*)  
Dato' Sadasivan s/o N.N. Pillay  
Dato' Chew Kong Seng  
Datuk Mohd Zain bin Abdul Majid  
Muri bin Muhammad  
Abdul Rahim bin Haji Hashim  
Mohammed Azhar bin Osman Khairuddin  
Abd. Hamid bin Ibrahim

# Directors' Report

for the year ended 31 March 2004

In accordance with Article 93 of the Company's Articles of Association, Datuk Mohd Zain bin Abdul Majid, Mohammed Azhar bin Osman Khairuddin and Abd. Hamid bin Ibrahim retire by rotation from the Board at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

## DIRECTORS' INTERESTS

The directors in office at the end of the year who have interests in the shares of the Company and of its related corporation as recorded in the Register of Directors' Shareholdings are as follows:-

Name	Number of shares in the Company			
	Balance at 1.4.2003/ Date of appointment	Bought	Sold	Balance at 31.3.2004
Tan Sri Dato Sri Mohd Hassan bin Marican	5,000	—	—	5,000
Wan Zulkiflee bin Wan Ariffin	2,000	—	—	2,000
Muri bin Muhammad	7,000	—	—	7,000
Mohammed Azhar bin Osman Khairuddin	5,000	—	—	5,000
Abd. Hamid bin Ibrahim	5,000	—	—	5,000

Name	Number of shares in PETRONAS Dagangan Berhad			
	Balance at 1.4.2003	Bought	Sold	Balance at 31.3.2004
Tan Sri Dato Sri Mohd Hassan bin Marican	1,000	—	—	1,000
Muri bin Muhammad	5,000	—	—	5,000
Abdul Rahim bin Haji Hashim	1,000	—	—	1,000
Mohammed Azhar bin Osman Khairuddin	1,000	—	—	1,000
Abd. Hamid bin Ibrahim	1,000	—	—	1,000

None of the other directors holding office at 31 March 2004 had any interest in the ordinary shares of the Company and of its related corporations during the year.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the financial statements), by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## ISSUE OF SHARES

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

# Directors' Report

for the year ended 31 March 2004

## OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the year.

## OTHER STATUTORY INFORMATION

Before the financial statements of the Company were made out, the directors took reasonable steps to ascertain that:-

- (i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- (ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the directors of the Company are not aware of any circumstances:-

- (i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Company inadequate to any substantial extent, or
- (ii) that would render the value attributed to the current assets in the Company's financial statements misleading, or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or
- (iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Company misleading.

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

- (i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- (ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

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

In the opinion of the directors, the results of the operations of the Company for the financial year ended 31 March 2004 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

## AUDITORS

The auditors, Messrs KPMG Desa Megat & Co., have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the directors:



**TAN SRI DATO SRI MOHD HASSAN BIN MARICAN**



**WAN ZULKIFLEE BIN WAN ARIFFIN**

Kuala Lumpur,  
19 May 2004

## Statement by Directors

In the opinion of the directors, the financial statements set out on pages 67 to 88, are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Company at 31 March 2004 and of the results of its operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the directors:



**TAN SRI DATO SRI MOHD HASSAN BIN MARICAN**



**WAN ZULKIFLEE BIN WAN ARIFFIN**

Kuala Lumpur,  
19 May 2004

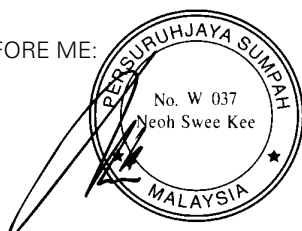
## Statutory Declaration

I, BASHARUDDIN BIN SAAD (MIA Number: 3475), the officer primarily responsible for the financial management of PETRONAS GAS BERHAD, do solemnly and sincerely declare that the financial statements of the Company set out on pages 67 to 88, are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed  
**BASHARUDDIN BIN SAAD** in Kuala Lumpur  
on 19 May 2004.



BEFORE ME:



# Report of the Auditors to the Members

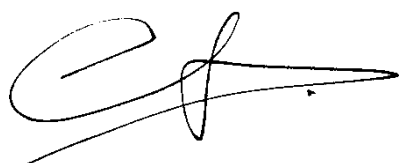
We have audited the financial statements set out on pages 67 to 88. The preparation of the financial statements is the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
  - (i) the state of affairs of the Company at 31 March 2004 and of its results and cash flows for the year ended on that date; and
  - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company have been properly kept in accordance with the provisions of the said Act.

  
**KPMG DESA MEGAT & CO.**  
Firm Number: AF 0759  
Chartered Accountants



**MOHAMED RASLAN ABDUL RAHMAN**

Partner

Approval Number: 1825/05/05(J/PH)

Kuala Lumpur,  
19 May 2004

# Balance Sheet

at 31 March 2004

	Note	2004 RM'000	2003 RM'000
<b>PROPERTY, PLANT AND EQUIPMENT</b>	2	<b>8,884,174</b>	9,208,361
<b>CURRENT ASSETS</b>			
TRADE AND OTHER INVENTORIES	3	<b>143,285</b>	124,424
TRADE AND OTHER RECEIVABLES	4	<b>195,730</b>	209,545
CASH AND CASH EQUIVALENTS	7	<b>191,015</b>	394,450
		<b>530,030</b>	728,419
<b>CURRENT LIABILITIES</b>			
TRADE AND OTHER PAYABLES	8	<b>158,962</b>	190,398
BORROWINGS	9	<b>850,000</b>	200,000
TAXATION		—	773
		<b>1,008,962</b>	391,171
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<b>(478,932)</b>	337,248
		<b>8,405,242</b>	9,545,609
<b>Financed by:-</b>			
<b>CAPITAL AND RESERVES</b>			
SHARE CAPITAL	11	<b>1,978,732</b>	1,978,732
RESERVES	12	<b>4,252,215</b>	4,203,904
		<b>6,230,947</b>	6,182,636
<b>LONG TERM AND DEFERRED LIABILITIES</b>			
BORROWINGS	9	<b>766,295</b>	2,016,295
DEFERRED TAXATION	13	<b>1,408,000</b>	1,346,678
		<b>8,405,242</b>	9,545,609

The financial statements were approved and authorised for issue by the Board of Directors on 19 May 2004.

The notes set out on pages 71 to 88 form an integral part of, and should be read in conjunction with, these financial statements.

# Income Statement

for the year ended 31 March 2004

	Note	2004 RM'000	2003 RM'000
<b>Revenue</b>	14	<b>2,230,206</b>	2,235,684
<b>Operating profit</b>	14	<b>821,642</b>	875,390
Finance costs	16	<b>(80,763)</b>	(96,302)
<b>Profit before taxation</b>		<b>740,879</b>	779,088
Tax expenses	17	<b>(98,949)</b>	(122,287)
<b>Net profit for the year</b>		<b>641,930</b>	656,801
<b>Dividends per ordinary share – gross</b>	18	<b>20.0 sen</b>	30.0 sen
<b>Basic earnings per ordinary share</b>	19	<b>32.4 sen</b>	33.2 sen

The notes set out on pages 71 to 88 form an integral part of, and should be read in conjunction with, these financial statements.



# Statement of Changes in Equity

for the year ended 31 March 2004

			<i>Non- distributable</i>	<i>Distributable</i>	
	<b>Note</b>	<b>Share capital RM'000</b>	<b>Share premium RM'000</b>	<b>Retained profits RM'000</b>	<b>Total RM'000</b>
<b>At 1 April 2002</b>		1,978,732	1,186,472	2,700,973	5,866,177
Net profit for the year		–	–	656,801	656,801
Dividends					
– 2002 final	18	–	–	(142,469)	(142,469)
– 2003 interim	18	–	–	(197,873)	(197,873)
<b>At 31 March 2003</b>		1,978,732	1,186,472	3,017,432	6,182,636
Net profit for the year		–	–	641,930	641,930
Dividends					
– 2003 special	18	–	–	(197,873)	(197,873)
– 2003 final	18	–	–	(197,873)	(197,873)
– 2004 interim	18	–	–	(197,873)	(197,873)
<b>At 31 March 2004</b>		<b>1,978,732</b>	<b>1,186,472</b>	<b>3,065,743</b>	<b>6,230,947</b>
		Note 11	Note 12	Note 12	

The notes set out on pages 71 to 88 form an integral part of, and should be read in conjunction with, these financial statements.

# Cash Flow Statement

for the year ended 31 March 2004

	2004 RM'000	2003 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	2,053,446	2,056,098
Cash paid to suppliers and employees	(630,673)	(574,681)
	<b>1,422,773</b>	1,481,417
Retirement benefits paid	(6,168)	(4,960)
Taxation paid	(38,400)	(41,315)
Interest income from fund investments	7,178	6,762
<b>Net cash generated from operating activities</b>	<b>1,385,383</b>	1,441,904
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(313,901)	(196,751)
Proceeds from disposal of property, plant and equipment	308	479
<b>Net cash used in investing activities</b>	<b>(313,593)</b>	(196,272)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of Murabahah Note Issuance Facilities	–	100,000
Repayment of Murabahah Note Issuance Facilities	(600,000)	(370,000)
Repayment of term loans	–	(312,195)
Finance costs paid	(81,606)	(98,035)
Dividends paid	(593,619)	(340,342)
<b>Net cash used in financing activities</b>	<b>(1,275,225)</b>	(1,020,572)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(203,435)</b>	225,060
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>394,450</b>	169,390
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>191,015</b>	394,450
<b>CASH AND CASH EQUIVALENTS (Note 7)</b>		
Cash and bank balances	973	421
Deposits	190,042	394,029
	<b>191,015</b>	394,450

The notes set out on pages 71 to 88 form an integral part of, and should be read in conjunction with, these financial statements.

# Notes to the Financial Statements

## 1. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies are adopted by the Company and are consistent with those adopted in previous years except for:

- (i) MASB 27, Borrowing Costs; and
- (ii) MASB 29, Employee Benefits.

Apart from the new policies and extended disclosures where required by these new standards, there is no effect on these financial statements.

### 1.1 Basis of Accounting

The financial statements of the Company are prepared in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

### 1.2 Property, Plant and Equipment and Depreciation

Property, plant and equipment, except for freehold land and projects-in-progress, are stated at cost less accumulated depreciation. Freehold land and projects-in-progress are stated at cost.

Property, plant and equipment, other than freehold land and projects-in-progress, are depreciated on a straight line basis over the estimated useful lives of the related assets.

Buildings are depreciated over 50 years or over the remaining land lease period, whichever is shorter.

Leasehold land is depreciated over the lease period of 40 to 99 years.

The annual rates of depreciation on plant and equipment used are:

Plant and pipelines	5%
Expendable capital improvements	33 $\frac{1}{3}$ %
Office and household equipment, furniture and fittings	15%
Other plant and equipment	15% and 20%
Computer hardware and software	20%
Motor vehicles	25%

Property, plant and equipment individually costing less than RM5,000 are expensed off in the year of purchase.

### 1.3 Trade and Other Receivables

Trade and other receivables are stated at cost less allowance for doubtful debts.

### 1.4 Liabilities

Borrowings and trade and other payables are stated at cost.

# Notes to the Financial Statements

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 1.5 Borrowing Costs

Borrowing costs incurred on projects-in-progress are capitalised. Capitalisation of borrowing costs will cease when the property, plant and equipment are ready for their intended use.

The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the weighted average of the borrowing costs applicable to the Company's borrowings that are outstanding during the year, other than borrowings made specifically for the purpose of financing a specific project-in-progress, in which case the actual borrowing cost incurred on that borrowing less any investment income on the temporary investment of that borrowing will be capitalised.

### 1.6 Inventories

Inventories of liquefied gases and waters are stated at the lower of cost and net realisable value. Cost of liquefied gases and waters include raw material costs and production overheads and are determined by reducing the sales value of the inventories by the appropriate percentage gross margin, which approximates the weighted average basis.

Material stores and spares are stated at the lower of cost and net realisable value. Cost consists of the invoiced value from suppliers and import duty charges and is determined on a weighted average basis.

### 1.7 Employee Benefits

#### (i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Company.

#### (ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

#### (iii) Defined benefit plans

The Company contributes monthly to the PETRONAS Retirement Benefit Fund (The Scheme). The Scheme mentioned above is a funded defined benefit plan.

Contributions to the Scheme, based on the eligible employees' monthly emoluments less statutory contribution, and to finance the retirement benefits payable to eligible employees. The monthly maximum tax allowable contribution is paid to the Scheme by the Company. The excess is paid by the Company to a special account in Petroliam Nasional Berhad, the holding company, as a provision for retirement benefits.

As the eligible members of the Scheme are contracted to the holding company, any shortfall of the Scheme will be borne by the holding company.

The Company has agreed with the holding company and also the Trustees of the Scheme to undertake such liability in respect of future contributions to the Scheme which may be adjusted by the Trustees to recover such shortfall.

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 1.8 Impairment

The carrying amount of the Company's assets, other than inventories (refer Note 1.6), deferred tax assets (refer Note 1.9) and financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the income statement.

### 1.9 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

#### (i) **Current tax**

Current tax expense is the expected tax payable on the taxable income for the year, using the statutory tax rates at the balance sheet date, and any adjustment to tax payable in respect of previous years.

#### (ii) **Deferred tax**

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on statutory tax rates at the balance sheet date.

# Notes to the Financial Statements

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 1.10 Foreign Currency Transactions

Monetary assets and liabilities in foreign currencies at balance sheet date are translated at rates ruling on the balance sheet date or at the agreed exchange rate under currency exchange arrangements. Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling on the transaction dates or where forward contracts have been entered into, at the contracted rates. Gains and losses on exchange arising from translation of short term monetary assets and liabilities are dealt with in the income statement.

Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to Ringgit Malaysia at the foreign exchange rates ruling at the date of the transactions.

Foreign currency term loans have been translated at the agreed fixed rate as follows:

100 Yen RM2.838 (2003 : 100 Yen RM2.838)

### 1.11 Financial Instrument

The Company uses currency exchange arrangements with the holding company to hedge its exposure to foreign exchange arising from operational, financing and investment activities.

Foreign currency monetary items, which are related or matching the forward foreign exchange contracts or currency exchange arrangements, are reported using the rates of exchange specified in those contracts or arrangements.

### 1.12 Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value.

### 1.13 Revenue

Revenue from throughput fees is recognised in the income statement based on work done in respect of services rendered for separating natural gas into its components and the storage, transportation and distribution of such components.

Revenue from sale of industrial utilities is recognised in the income statement based on certification of utilities distributed to the buyer at pre-determined rates.

### 1.14 Finance Costs

Finance costs comprise interest payable on borrowings and finance charges on Islamic Debt Facilities.

All interest, finance charges and other costs incurred in connection with borrowings are expensed as incurred other than that capitalised in accordance with Note 1.5.

# Notes to the Financial Statements

## 2. PROPERTY, PLANT AND EQUIPMENT

<i>At cost</i>	<b>At 1.4.2003 RM'000</b>	<b>Additions RM'000</b>	<b>Disposals/ Write offs RM'000</b>	<b>Transfers RM'000</b>	<b>Adjust- ments RM'000</b>	<b>At 31.3.2004 RM'000</b>
Freehold land	1,224	–	–	–	–	<b>1,224</b>
Leasehold land and pipeline routes						
– long lease	415,176	31,221	–	9,121	–	<b>455,518</b>
– short lease	5,872	–	–	–	–	<b>5,872</b>
Buildings	152,626	1,005	–	8,700	–	<b>162,331</b>
Plant and pipelines	11,873,994	–	(322)	317,117	(485)	<b>12,190,304</b>
Expendable capital improvements	800	–	–	–	–	<b>800</b>
Office and household equipment, furniture and fittings	53,324	1,027	(1,175)	76	(176)	<b>53,076</b>
Other plant and equipment	50,014	2,936	(149)	5,478	(50)	<b>58,229</b>
Computer hardware and software	31,569	1,342	(1,131)	2,612	(24)	<b>34,368</b>
Motor vehicles	21,231	1,005	(495)	–	–	<b>21,741</b>
Projects-in-progress	368,264	267,051	–	(343,104)	(78)	<b>292,133</b>
	<b>12,974,094</b>	<b>305,587</b>	<b>(3,272)</b>	<b>–</b>	<b>(813)</b>	<b>13,275,596</b>

<i>Accumulated depreciation</i>	<b>At 1.4.2003 RM'000</b>	<b>Charge for the year RM'000</b>	<b>Disposals/ Write offs RM'000</b>	<b>Adjust- ments RM'000</b>	<b>At 31.3.2004 RM'000</b>
Freehold land	–	–	–	–	–
Leasehold land and pipeline routes					
– long lease	35,976	5,379	–	–	<b>41,355</b>
– short lease	2,475	147	–	–	<b>2,622</b>
Buildings	23,810	3,161	–	–	<b>26,971</b>
Plant and pipelines	3,585,102	606,519	(77)	–	<b>4,191,544</b>
Expendable capital improvements	800	–	–	–	<b>800</b>
Office and household equipment, furniture and fittings	49,360	981	(1,175)	(50)	<b>49,116</b>
Other plant and equipment	32,895	5,195	(149)	(17)	<b>37,924</b>
Computer hardware and software	19,458	4,806	(1,124)	(11)	<b>23,129</b>
Motor vehicles	15,857	2,507	(403)	–	<b>17,961</b>
Projects-in-progress	–	–	–	–	–
	<b>3,765,733</b>	<b>628,695</b>	<b>(2,928)</b>	<b>(78)</b>	<b>4,391,422</b>

# Notes to the Financial Statements

## 2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Net book value		Depreciation charge for the year ended
	2004	2003	2003
	RM'000	RM'000	RM'000
Freehold land	1,224	1,224	–
Leasehold land and pipeline routes			
– long lease	414,163	379,200	5,150
– short lease	3,250	3,397	147
Buildings	135,360	128,816	3,009
Plant and pipelines	7,998,760	8,288,892	593,738
Expendable capital improvements	–	–	–
Office and household equipment, furniture and fittings	3,960	3,964	796
Other plant and equipment	20,305	17,119	5,474
Computer hardware and software	11,239	12,111	4,362
Motor vehicles	3,780	5,374	2,470
Projects-in-progress	292,133	368,264	–
	<b>8,884,174</b>	9,208,361	615,146

The titles to certain freehold and leasehold land are in the process of being registered in the Company's name.

The additions to projects-in-progress during the year include the following:-

	2004	2003
	RM'000	RM'000
Finance charges	1,043	926

Finance charges are related to the Al Bai' Bithaman Ajil and Murabahah Note Issuance facilities (Note 10).

The finance charges have been capitalised at a rate of approximately 4.6% (2003 – 4.6%) per annum.

## 3. TRADE AND OTHER INVENTORIES

	2004	2003
	RM'000	RM'000
<b>At cost:</b>		
– Liquefied gases and waters	381	374
– Material stores and spares	142,904	124,050
	<b>143,285</b>	124,424

Material stores and spares amounting to RM13,000 (2003 – RM208,000) were written off during the year.



# Notes to the Financial Statements

## 4. TRADE AND OTHER RECEIVABLES

	Note	2004 RM'000	2003 RM'000
Trade receivables		48,089	29,527
Other receivables, deposits and prepayments		17,235	17,189
Amount due from:			
Holding company	5	78,584	83,899
Related companies	6	51,822	78,930
		<b>195,730</b>	209,545

## 5. AMOUNT DUE FROM HOLDING COMPANY

The amount due from holding company arose from the normal course of business.

## 6. AMOUNT DUE FROM/TO RELATED COMPANIES

The amount due from/to related companies arose from the normal course of business.

## 7. CASH AND CASH EQUIVALENTS

	2004 RM'000	2003 RM'000
Cash and bank balances	973	421
Deposits	190,042	394,029
	<b>191,015</b>	394,450
Deposits are placed with:		
Licensed banks	2,000	178,255
Discount houses	188,042	215,774
	<b>190,042</b>	394,029

## 8. TRADE AND OTHER PAYABLES

	Note	2004 RM'000	2003 RM'000
Trade payables		–	862
Other payables and accruals		145,079	178,268
Amount due to related companies	6	13,883	11,268
		<b>158,962</b>	190,398

# Notes to the Financial Statements

## 9. BORROWINGS

	Note	2004 RM'000	2003 RM'000
Current			
Unsecured Islamic Debt Facilities			
– Al Bai' Bithaman Ajil	10.1	500,000	–
– Murabahah Note Issuance Facilities (MUNIF)	10.2	350,000	200,000
		<b>850,000</b>	200,000
Non-current			
Term loans – unsecured		<b>766,295</b>	766,295
Unsecured Islamic Debt Facilities			
– Al Bai' Bithaman Ajil	10.1	–	500,000
– Murabahah Note Issuance Facilities (MUNIF)	10.2	–	750,000
		<b>766,295</b>	2,016,295
		<b>1,616,295</b>	2,216,295

### Terms and debt repayment schedule

	Total RM'000	Under 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	Over 5 years RM'000
Unsecured term loans					
– 2.90% to 3.40%					
(2003 – 2.90% to 3.40%)	766,295	–	312,195	–	454,100
Unsecured Islamic Debt Facilities					
– Al Bai' Bithaman Ajil	500,000	500,000	–	–	–
– Murabahah Note Issuance Facilities (MUNIF)	350,000	350,000	–	–	–
	850,000	850,000	–	–	–
	1,616,295	850,000	312,195	–	454,100

The unsecured term loans comprise:

#### Principal amounts

- |      |                           |                |
|------|---------------------------|----------------|
| (i)  | 5th series 2.90% due 2007 | Yen 11 billion |
| (ii) | 6th series 3.40% due 2013 | Yen 16 billion |

These loans amounting to RM766,295,000 (2003 – RM766,295,000) represent an amount equivalent to Yen27 billion (2003 – Yen27 billion) and were secured by PETRONAS and on-lent to the Company on 21 April 1997. The terms and conditions of the on-lent agreement are similar to those contained in the principal loan agreement. Under the on-lent agreement, the repayment of principal amount to PETRONAS is at a fixed exchange rate.

## 10. UNSECURED ISLAMIC DEBT FACILITIES

The Company entered into the following Islamic Debt Facilities:

### 10.1 Al Bai' Bithaman Ajil long term non-interest bearing facility (unsecured)

The RM500 million Al Bai' Bithaman Ajil long term non-interest bearing facility is repayable in full on 25 May 2004 and bears a yield of 7.75% per annum.

### 10.2 Murabahah Note Issuance Facilities (MUNIF) (unsecured)

- (i) Unsecured RM500,000,000 non-redeemable note issuance facility entered into on 31 March 1997 under the Syariah Principle of Al-Murabahah. The facility had an availability period of seven years during which the Company may issue notes in multiples of RM500,000 up to a maximum outstanding amount of RM500,000,000. The notes had a maturity period ranging from one to twelve months and were non interest bearing securities. The facility expired on 31 March 2004. Total notes issued as at year end amounted to Nil (2003 – RM200,000,000).
- (ii) Unsecured RM900,000,000 non-redeemable note issuance facility entered into on 13 May 1999 under the Syariah Principle of Al-Murabahah. The facility has an availability period of five years during which the Company may issue notes in multiples of RM1,000,000 up to a maximum outstanding amount of RM900,000,000. The notes have a maturity period ranging from one to thirty-six months and are non interest bearing securities. Total notes issued as at year end amounted to RM350,000,000 (2003 – RM750,000,000).

A portion of the MUNIF in previous year was classified as non-current even though certain notes were due to be settled within twelve months of the balance sheet date as the Company could and would continue to utilise the facilities to finance its obligations on a long term basis. The MUNIF bears yield of 2.85% to 3.01% (2003 – 2.79% to 3.17%) per annum.

In connection with the facilities, the Company has agreed on the following significant covenants with the lenders:

- (i) the amount of total liabilities of the Company shall not exceed three (3) times at any given time the amount of total equity of the Company, and  
the amount of total bank borrowings of the Company shall not exceed three (3) times at any given time the amount of shareholders' funds of the Company;
- (ii) not to create or have outstanding any Security Interest on or over its property or assets present or future, except for the liens arising solely by operation of law and in the ordinary course of business (and such liens must be discharged within seven days after it arises unless being contested in good faith and by appropriate proceedings) and any other security created or outstanding with the prior consent in writing of the facility agent, and such security as disclosed to the facility agents; and
- (iii) not to sell, transfer, lease, encumber or otherwise dispose of or in any case cease to exercise control over the whole or substantial part of the Company's undertaking, business or assets save and except in the ordinary course of business.

### 10.3 Bai' Bithaman Ajil Facilities (unsecured)

On 31 March 2004, the Company entered into a Syndicated Bai' Bithaman Ajil financing facility of up to RM600 million to part finance the Company's operating capital expenditure. The facility is provided by a syndicate of commercial banks and has not been drawn down on 31 March 2004.

# Notes to the Financial Statements

## 11. SHARE CAPITAL

	2004 RM'000	2003 RM'000
Authorised:		
Ordinary shares of RM1.00 each	2,000,000	2,000,000
Issued and fully paid:		
Ordinary shares of RM1.00 each	1,978,732	1,978,732

## 12. RESERVES

	2004 RM'000	2003 RM'000
Non-distributable:		
Share premium	1,186,472	1,186,472
Distributable:		
Unappropriated profits	3,065,743	3,017,432
	4,252,215	4,203,904

Subject to agreement by the Inland Revenue Board, the Company has sufficient tax exempt account and Section 108 tax credit to distribute approximately RM326,703,000 of its unappropriated profits at 31 March 2004, if paid out as dividends.

## 13. DEFERRED TAXATION

The amounts determined after appropriate offsetting, are as follows:

	Assets RM'000	Liabilities RM'000	Net RM'000
<b>2004</b>			
Property, plant and equipment			
– capital allowances	38,000	1,446,000	1,408,000
<b>2003</b>			
Property, plant and equipment			
– capital allowances	41,561	1,388,239	1,346,678

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority.

# Notes to the Financial Statements

## 14. OPERATING PROFIT

	2004 RM'000	2003 RM'000
Revenue		
– throughput fees	1,756,476	1,788,586
– sale of industrial utilities	473,730	447,098
	<b>2,230,206</b>	2,235,684
Cost of revenue		
– cost of throughput	974,718	956,859
– cost of industrial utilities	411,740	384,384
	<b>1,386,458</b>	1,341,243
Gross profit	<b>843,748</b>	894,441
Administration expenses	(30,604)	(28,578)
Other operating income	8,498	9,527
Operating profit	<b>821,642</b>	875,390
Operating profit is arrived at after charging:-		
Audit fees	138	134
Contribution to retirement benefits	6,003	4,516
Contribution to EPF	8,988	8,075
Depreciation of property, plant and equipment	628,695	615,146
Fees to holding company for services of an executive director	737	737
Material stores and spares written off	13	208
Non-executive directors' fees	343	313
Property, plant and equipment expensed off	1,607	1,929
Property, plant and equipment written off	252	13
Rental of equipment and motor vehicles	5,027	6,141
Rental of land and buildings	4,990	5,069
and after crediting:-		
Gain on disposal of property, plant and equipment	216	479
Interest income from deposits	6,734	7,173
Rental income on land and buildings	122	121

The estimated monetary value of executive director's benefits-in-kind is RM6,000 (2003 – RM6,000).

# Notes to the Financial Statements

## 15. EMPLOYEES INFORMATION

	2004 RM'000	2003 RM'000
Staff costs	142,246	123,244

The number of employees of the Company (including directors) at the end of the year was 1,844 (2003 – 1,843).

## 16. FINANCE COSTS

	2004 RM'000	2003 RM'000
Interest expense/Finance charges		
Term loans	29,542	35,376
Islamic Debt Facilities		
– Al Bai' Bithaman Ajil	37,975	38,104
– Murabahah Note Issuance Facilities (MUNIF)	13,246	22,822
	80,763	96,302

## 17. TAX EXPENSES

	2004 RM'000	2003 RM'000
Current tax expense	37,627	46,900
Deferred tax expense		
– Origination of temporary differences	61,322	75,387
	98,949	122,287

### Reconciliation of effective tax expense

Profit before taxation	740,879	779,088
Income tax using Malaysian tax rate (28%)	207,446	218,145
Non-deductible expenses	1,791	8,680
Utilisation of reinvestment allowance	(110,288)	(104,538)
	98,949	122,287

Subject to agreement by the Inland Revenue Board, the Company has unutilised tax incentives amounting to RM1,985,424,000 (2003 – RM2,220,278,000) which will provide the Company with future tax savings of approximately RM555,919,000 (2003 – RM621,678,000).

# Notes to the Financial Statements

## 18. DIVIDENDS

	2004 RM'000	2003 RM'000
Ordinary		
Interim paid:		
10% per share tax exempt (2003 – 10% per share tax exempt)	197,873	197,873
Final paid:		
2003 – 10% per share tax exempt (2002 – 10% per share less tax)	197,873	142,469
Special paid:		
2003 – 10% per share tax exempt (2002 – Nil)	197,873	–
	<b>593,619</b>	<b>340,342</b>

The proposed final dividend of 5% per share – tax exempt and 5% per share less 28% tax (2003 – 10% per share final tax exempt and 10% per share special tax exempt) totalling RM170,170,945 (2003 - RM395,746,000) have not been accounted for in the financial statements.

The gross dividend per ordinary share as disclosed in the Income Statement for the financial year ended 31 March 2004 on page 68 takes into account the total interim and final proposed dividends for the financial year.

## 19. EARNINGS PER SHARE

### *Basic earnings per share*

The earnings per share is derived based on the net profit attributable to ordinary shareholders of RM641,930,000 (2003 - RM656,801,000) and on the number of ordinary shares outstanding during the year of 1,978,732,000 (2003 - 1,978,732,000).

## 20. CAPITAL COMMITMENTS

Outstanding commitments in respect of capital expenditure at balance sheet date not provided for in the financial statements are:-

	2004 RM'000	2003 RM'000
Property, plant and equipment:		
Approved and contracted for	248,164	320,670
Approved but not contracted for	322,037	221,449
	<b>570,201</b>	<b>542,119</b>

# Notes to the Financial Statements

## 21. SIGNIFICANT RELATED PARTY TRANSACTIONS

The Company has a controlling related party relationship with the holding company as disclosed in note 23.

Other than as disclosed elsewhere in the notes to the financial statements, the significant related party transactions are as follows:-

	2004 RM'000	2003 RM'000
Holding company:		
Throughput fee income	(1,756,476)	(1,788,586)
Purchase of fuel gas	187,755	171,534
Related companies:		
Aromatic Malaysia Sdn. Bhd.		
Sale of industrial utilities	(24,267)	(22,240)
Vinyl Chloride (M) Sdn. Bhd.		
Sale of industrial utilities	(23,472)	(34,337)
PETRONAS Ammonia Sdn. Bhd.		
Sale of industrial utilities	(60,753)	(54,742)
MTBE Malaysia Sdn. Bhd.		
Sale of industrial utilities	(54,567)	(55,094)
PETRONAS Gas Supply Labuan Sdn. Bhd.		
Purchase of treated water	6,199	–
Associated companies of the holding company:		
Kertih Terminal Sdn. Bhd.		
Sale of industrial utilities	(3,432)	(3,659)
BASF PETRONAS Chemicals Sdn. Bhd.		
Sale of industrial utilities	(42,013)	(34,051)
BP PETRONAS Acetyls Sdn. Bhd.		
Sale of industrial utilities	(28,539)	(25,708)
Optimal Group of Companies		
Sale of industrial utilities	(145,181)	(132,652)
Petlin (M) Sdn. Bhd.		
Sale of industrial utilities	(40,829)	(25,853)

The directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established on commercial basis.



# Notes to the Financial Statements

## 22. SEGMENTAL INFORMATION

Segmental information is presented in respect of the Company's business segments which is based on the Company's management and internal reporting structure.

The Company operates the following main business segments:

Throughput services – Services rendered for separating natural gas into its components and the storage, transportation and distribution of such components.

Utilities – Sale of industrial utilities.

The Company operates only in Malaysia and accordingly, information by geographical location of the Company's operations is not presented.

	Throughput services		Utilities		Total	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
<b>Business segments</b>						
Revenue from external customers	<b>1,756,476</b>	1,788,586	<b>473,730</b>	447,098	<b>2,230,206</b>	2,235,684
Segment results	<b>781,758</b>	831,727	<b>61,990</b>	62,714	<b>843,748</b>	894,441
Unallocated expenses and income					<b>(22,106)</b>	(19,051)
Operating profit					<b>821,642</b>	875,390
Finance costs					<b>(80,763)</b>	(96,302)
Profit before taxation					<b>740,879</b>	779,088
Tax expense					<b>(98,949)</b>	(122,287)
Net profit for the year					<b>641,930</b>	656,801
<b>Segment assets</b>	<b>6,599,008</b>	6,906,420	<b>2,476,540</b>	2,455,892	<b>9,075,548</b>	9,362,312
Unallocated assets					<b>338,656</b>	574,468
<b>Total assets</b>					<b>9,414,204</b>	9,936,780
<b>Segment liabilities</b>	<b>–</b>	–	<b>–</b>	862	<b>–</b>	862
Unallocated liabilities					<b>3,183,257</b>	3,753,282
<b>Total liabilities</b>					<b>3,183,257</b>	3,754,144
Capital expenditure	<b>216,713</b>	183,121	<b>88,874</b>	75,441	<b>305,587</b>	258,562
Depreciation and amortisation	<b>490,727</b>	485,368	<b>137,968</b>	129,778	<b>628,695</b>	615,146

# Notes to the Financial Statements

## 22. SEGMENTAL INFORMATION (CONTINUED)

The Company does not have significant non-cash expenses other than the depreciation and amortisation as disclosed above.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

The Company does not have any inter-segment transaction.

## 23. HOLDING COMPANY

The holding company as well as the ultimate holding company is Petroliaam Nasional Berhad (PETRONAS), a company incorporated in Malaysia.

## 24. FINANCIAL INSTRUMENTS

### Financial risk management objective and policies

Exposure to financial risk arises as a natural course of the Company's business. The Company has a written Risk Management policies and guidelines which are reviewed by the Company's Board of Directors as the need arises. The policies and guidelines set the overall business strategy, philosophy, tolerance to risk and are an established process to monitor and control transactions in a timely and accurate manner. The business decision reflects appropriate balance between risk and reward to protect the Company's personnel, business, operations, assets and corporate image. The Company is driven by its goal to create and maximise value in its core activities and therefore will strive for improvement in providing the necessary resources, organisation, systems, training and needed communication to ensure that risk management is institutionalised across the Company.

### Credit risk

The Company's major credit risk is arising from trade transactions with customers. Exposure to external credit risk in respect of throughput customers is minimal as the Company only deals with its holding company.

The Company also has a credit policy in place to monitor utility customers on an ongoing basis. Credit evaluations are performed on all new customers to establish the credit limit and credit period. All existing customers are also evaluated annually to ensure their credit worthiness. The Company requires bank guarantee on all third party utility customers.

Investments are allowed only to be placed with licensed financial institutions. All investments are short term in nature and are less than one year. Given the licensed financial institution's high credit ratings, management does not expect any counterparty to fail to meet their obligations.

At the balance sheet date, there was no significant concentration of credit risk other than the amount due from holding company and related companies arising from the normal course of business.

The maximum exposure to credit risk was represented by the carrying amount of each financial asset.

# Notes to the Financial Statements

## 24. FINANCIAL INSTRUMENTS (CONTINUED)

### Interest rate risk

The Company adopts a policy of ensuring that all the long term loans/bonds are on a fixed interest rate. This will eliminate any risk of interest rate fluctuation.

### Foreign currency risk

Exposure to foreign currency exchange risk arises as a natural consequence of the Company engaging in business activities. The Company has a policy of hedging long term payables and borrowings denominated in foreign currency.

As at 31 March 2004, the Company has outstanding term loans denominated in Japanese Yen secured via an on-lending agreement with the holding company as disclosed in Note 9. The Company has mitigated the risk arising from the foreign exchange rate movements by way of entering into a currency exchange agreement with the holding company whereby the holding company has agreed to make available Japanese Yen equivalent to the principal amounts due on the respective repayment due dates at the rate of RM2.838 = JPY100 which was the prevailing exchange rate when the loans were taken.

### Liquidity risk

The Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

### Effective interest rates and repricing analysis

In respect of interest-earning financial asset and interest-bearing financial liability, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice on mature, whichever is earlier.

← 2004 →					
	Effective interest rate %	Total RM'000	Within 1 year RM'000	1 – 5 years RM'000	After 5 years RM'000
<b>Financial asset</b>					
Deposits	2.7	190,042	190,042	–	–
<b>Financial liability</b>					
Term loans	3.2	766,295	–	312,195	454,100
← 2003 →					
<b>Financial asset</b>					
Deposits	2.8	394,029	394,029	–	–
<b>Financial liability</b>					
Term loans	3.2	766,295	–	312,195	454,100

# Notes to the Financial Statements

## 24. FINANCIAL INSTRUMENTS (CONTINUED)

### Fair values

#### *Recognised financial instruments*

The carrying amounts approximate fair value due to the relatively short term nature of these financial instruments in respect of cash and cash equivalents, trade and other receivables and trade and other payables.

The aggregate fair value of unsecured term loans is as follows:

	2004		2003	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Unsecured term loans	766,295	827,502	766,295	847,764

## 25. CHANGE IN ACCOUNTING POLICIES

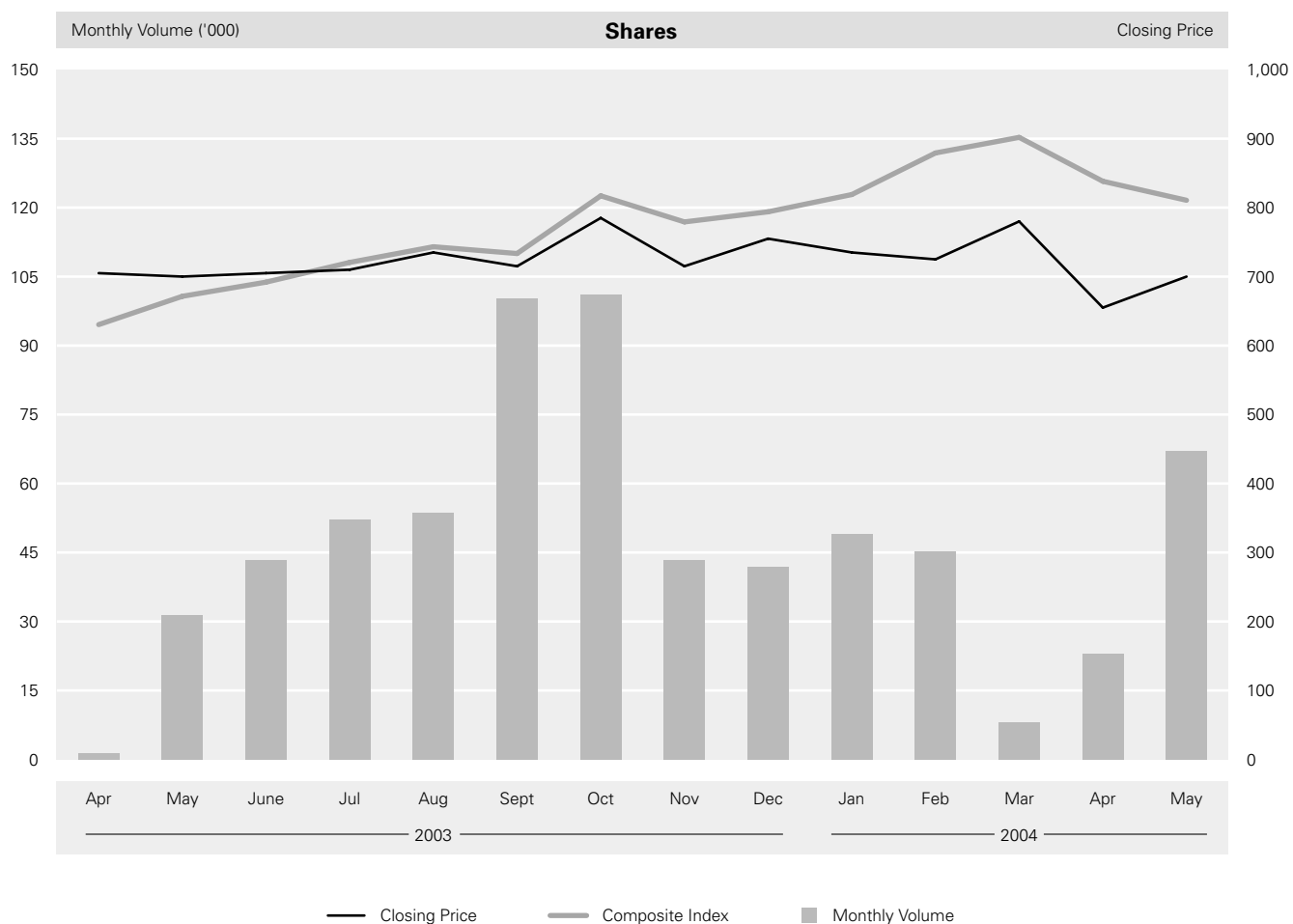
In the current financial year, the Company adopted two new MASB Standards. The adoption of these new standards resulted in changes in accounting policies as follows:-

- MASB 27, Borrowing Costs which is applied retrospectively. Comparative figures have not been restated as the previous accounting policy was in line with the accounting standard; and
- MASB 29, Employee Benefits which has been adopted retrospectively. The adoption of this standard has no material impact on the financial statements.

# Other Information

Performance of Shares	<b>90</b>
Analysis of Shareholdings	<b>91</b>
Summary of Landed Property, Plant and Equipment	<b>94</b>
Corporate Directory	<b>99</b>
Notice of Annual General Meeting	<b>100</b>
Statement Accompanying Notice of Annual General Meeting	<b>101</b>
Proxy Form	

# Performance of Shares



	2003	2004*
Highest Price	7.95	7.80
Lowest Price	6.20	6.50

\* Based on transacted prices for the period 1 January 2004 to 31 May 2004

# Analysis of Shareholdings

as at 31 May 2004

Category	Shareholders	%	Shareholdings	%
Less than 100	99	0.67	672	0.00
100 to 1,000	10,761	73.26	10,645,250	0.54
1,001 to 10,000	3,404	23.17	11,489,813	0.58
10,001 to 100,000	352	2.40	11,275,636	0.57
100,001 to less than 5% of issued shares	71	0.48	184,874,744	9.34
5% and above of issued shares	3	0.02	1,760,445,800	88.97
<b>Total</b>	<b>14,690</b>	<b>100.00</b>	<b>1,978,731,915</b>	<b>100.00</b>

## CLASSIFICATION OF SHAREHOLDERS

Category	No. of Holder		No. of Shares		% of Total Shareholdings	
	Malaysia	Foreign	Malaysia	Foreign	Malaysia	Foreign
INDIVIDUAL	13,213	114	22,683,493	538,900	1.15	0.03
BODY CORPORATE						
a. Banks/Finance	27	–	307,762,000	–	15.55	0.00
b. Investment Trust/Charities	40	–	3,247,300	–	0.16	0.00
c. Industrial and Commercial Company	308	8	26,024,604	159,000	1.32	0.01
GOVERNMENT AGENCIES/INSTITUTION	30	–	302,245,010	–	15.27	0.00
NOMINEES	714	236	1,294,458,335	21,612,673	65.42	1.09
<b>Total</b>	<b>14,332</b>	<b>358</b>	<b>1,956,421,342</b>	<b>22,310,573</b>	<b>98.87</b>	<b>1.13</b>

## LIST OF DIRECTORS' SHAREHOLDINGS

No.	Name	No. of Shares	%
1.	Tan Sri Dato Sri Mohd Hassan bin Marican	5,000	0.00
2.	Wan Zulkiflee bin Wan Ariffin	2,000	0.00
3.	Dato' Sadasivan s/o N. N. Pillay	–	–
4.	Dato' Chew Kong Seng	–	–
5.	Datuk Mohd Zain bin Abdul Majid	–	–
6.	Muri bin Muhammad	7,000	0.00
	Mayban Securities Nominees (Tempatan) Sdn Bhd *		
7.	Abdul Rahim bin Haji Hashim	–	–
8.	Mohammed Azhar bin Osman Khairuddin	5,000	0.00
9.	Abd. Hamid bin Ibrahim	–	0.00

\* Shares held in the nominees' name

# Analysis of Shareholdings

as at 31 May 2004

## LIST OF DIRECTORS' SHAREHOLDINGS IN PETRONAS DAGANGAN BERHAD

No.	Name	No. of Shares	%
1.	Tan Sri Dato Sri Mohd Hassan bin Marican	1,000	0.00
2.	Wan Zulkiflee bin Wan Ariffin	–	–
3.	Dato' Sadasivan s/o N. N. Pillay	–	–
4.	Dato' Chew Kong Seng	–	–
5.	Datuk Mohd Zain bin Abdul Majid	–	–
6.	Muri bin Muhammad Mayban Securities Nominees (Tempatan) Sdn Bhd *	5,000	0.00
7.	Abdul Rahim bin Haji Hashim	1,000	0.00
8.	Mohammed Azhar bin Osman Khairuddin	1,000	0.00
9.	Abd. Hamid bin Ibrahim	–	0.00

\* Shares held in the nominees' name

## LIST OF THIRTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1.	RHB Nominees (Tempatan) Sdn Bhd (Petroleum Nasional Berhad)	1,199,768,000	60.63
2.	Kumpulan Wang Amanah Pencen	296,927,000	15.01
3.	Employees Provident Fund Board	263,750,800	13.33
4.	Amanah Raya Nominees (Tempatan) Sdn Bhd (Skim Amanah Saham Bumiputera)	47,214,600	2.39
5.	Valuecap Sdn Bhd	18,431,400	0.93
6.	Permodalan Nasional Berhad	10,000,000	0.51
7.	Amanah Raya Nominees (Tempatan) Sdn Bhd (Amanah Saham Wawasan 2020)	9,433,300	0.48
8.	Amanah Raya Nominees (Tempatan) Sdn Bhd (Sekim Amanah Saham Nasional)	7,924,000	0.40
9.	Malaysia National Insurance Berhad	7,706,700	0.39
10.	Khazanah Nasional Berhad	6,136,000	0.31
11.	Lembaga Tabung Haji	5,860,000	0.30
12.	Takaful Nasional Sdn Berhad	5,438,200	0.27
13.	Bank Simpanan Nasional	5,321,000	0.27
14.	Pertubuhan Keselamatan Sosial	3,853,000	0.19
15.	Citicorp Nominees (Asing) Sdn Bhd (American International Assurance Company Limited (P Core))	3,348,000	0.17
16.	Lembaga Tabung Angkatan Tentera	2,950,000	0.15
17.	HSBC Nominees (Tempatan) Sdn Bhd (Nomura Asset Management SG for Employees Provident Fund)	2,917,600	0.15



# Analysis of Shareholdings

as at 31 May 2004

## LIST OF THIRTY LARGEST SHAREHOLDERS (CONT'D)

No.	Name	No. of Shares	%
18.	Cartaban Nominees (Asing) Sdn Bhd (Investors Bank and Trust Company for Ishares, Inc.)	2,567,600	0.13
19.	AMMB Nominees (Tempatan) Sdn Bhd (MIDF Aberdeen Asset Management Sdn Bhd for Employees Provident Fund)	2,480,000	0.13
20.	Amanah Raya Nominees (Tempatan) Sdn Bhd (Amanah Saham Nasional 2)	2,283,000	0.12
21.	Yayasan Sarawak	2,000,000	0.10
22.	Amanah Raya Nominees (Tempatan) Sdn Bhd (Amanah Saham Malaysia)	1,913,000	0.10
23.	Citicorp Nominees (Tempatan) Sdn Bhd (ING Insurance Berhad (INV-IL PAR)	1,800,000	0.09
24.	Cartaban Nominees (Tempatan) Sdn Bhd (Amanah SSCM Nominees (Tempatan) Sdn Bhd for Employees Provident Fund Board (JF404))	1,799,000	0.09
25.	Citicorp Nominees (Asing) Sdn Bhd (CBNY for DFA Emerging Markets Series)	1,344,000	0.07
26.	Rothputra Nominees (Tempatan) Sdn Bhd (Employees Provident Fund)	1,279,000	0.06
27.	HSBC Nominees (Tempatan) Sdn Bhd (Nomura Asset Management SG for Employees Provident Fund (2))	1,175,900	0.06
28.	Citicorp Nominees (Asing) Sdn Bhd (CB LDN for Stichting Shell Pensioenfond)	1,137,000	0.06
29.	Mayban Nominees (Tempatan) Sdn Bhd (Mayban Trustees Berhad for RHB Dynamic Fund)	1,076,000	0.05
30.	Perbadanan Pembangunan Pulau Pinang	1,000,000	0.05

## LIST OF SUBSTANTIAL SHAREHOLDERS

No.	Name	No. of Shares	%
1.	RHB Nominees (Tempatan) Sdn Bhd (Petroleum Nasional Berhad)	1,199,768,000	60.63
2.	Kumpulan Wang Amanah Pencen	296,927,000	15.01
3.	Employees Provident Fund Board	263,750,800	13.33

# Summary of Landed Property, Plant and Equipment

A summary of the landed property, plant and equipment of PETRONAS Gas Berhad as at 31 March 2004 as set out below:-

Location	Acquisition Date	Tenure	Description and usage	Land Area (hectare)	Age of Plant and Building (years)	Build-up Area (sq. m)	Net Book Value as at 31 March 2004 (RM'000)
<b>TERENGGANU</b>							
Gas Processing Plants, Lot No. PT680, PT2261 & PT A.235P, Km 105, Jalan Kuantan/ Kuala Terengganu, 24300 Kertih, Kemaman, Terengganu	30.09.1991	Leasehold Expiry: 05.12.2054, 03.04.2050 & 19.03.2045 respectively	Leasehold land	126.5			1,267,190
			<u>Plant</u>				
			GPP 1,		19.5	95,998	
			GPP 2,		11.6	123,310	
			GPP 3,		11.4	123,310	
			GPP 4/DPCU 2,		9.7	266,400	
			Compressor Station		12.3	65,010	
			<u>Office</u>				
			Administration building 1,		18.6	1,282	
			Administration building 2		13.9	6,892	
			Fire station		16.0	3,248	
Gas Processing Plants 5 & 6, Lot No. PT 9134 & PT 9135, Km 8, Kg. Tok Arun, Off Jalan Santong, 23100 Paka, Dungun, Terengganu	03.08.1997	Leasehold Expiry: 13.07.2058 & 20.06.2058 respectively	Leasehold land	216.7			2,023,910
			<u>Plant</u>				
			GPP 5,		5.1	200,000	
			GPP 6,		4.4	220,000	
			DPCU 3		5.6	60,000	
			<u>Office</u>				
			Administration building,		6.4	12,220	
Terminal Operation, Lot PT 1515 & 1521, Mukim Telok Kalong, Tanjung Sulong, 24000 Kemaman, Terengganu	24.07.1993	Leasehold Expiry: 11.03.2027	Leasehold land	12.1			77,619
			<u>Marine facility</u> Export Terminal		19.4	1,146	
Centralised Utility Facilities Integrated Petrochemical Complex, Lot PT 8970 Km 105, Jalan Kuantan/ Kuala Terengganu, 24300 Kertih, Kemaman, Terengganu	21.12.1999	Leasehold Expiry: 20.08.2060	Leasehold land	37.8			1,619,153
			<u>Plant</u>				
			CGN B,		4.3	667	
			CGN C,		4.3	667	
			CGN D, E, F,		3.8	2,000	
			Water Plant		3.8	2,000	
			CGN G		2.9	667	
			ASU		3.0	15,451	
			Lab & Workshop		3.0	729	
			Control Room		2.8	1,820	
			<u>Office</u>				
			Admin Building		3.1	514	

# Summary of Landed Property, Plant and Equipment

A summary of the landed property, plant and equipment of PETRONAS Gas Berhad as at 31 March 2004 as set out below (Cont'd):-

Location	Acquisition Date	Tenure	Description and usage	Land Area (hectare)	Age of Plant and Building (years)	Build-up Area (sq. m)	Net Book Value as at 31 March 2004 (RM'000)
<b>PAHANG</b>							
Kuantan Regional Operations Office, Lot 1, Sector 1, Bandar Indera Mahkota 25200 Kuantan Pahang	04.01.1989	Leasehold Expiry: 04.01.2088	Leasehold land  <u>Plant</u> Compressor Station  <u>Office</u> Regional Office	11.2	   10.3  12.4	   1,142  2,428	87,317
Centralised Utility Facilities, Lot 139A, Gebeng Industrial Area, Phase III 26080 Kuantan, Pahang	17.11.1999	Leasehold Expiry: To be determined (possibly 99 years)	Leasehold land  <u>Plant</u> CGN A, CGN B, CGN C, N2GEN, Water Plant Maintenance Building Warehouse	16.2	  4.3 4.3 4.3 4.3 3.8 2.8 2.8	  667 667 667 360 2,000 1,015 1,004	704,844
<b>JOHOR</b>							
Operation Centre, Gas Transmission System, Km 10, Lebuhraya Segamat-Kuantan, 85000 Segamat, Johor	22.09.1991	Leasehold Expiry: To be determined (possibly 99 years)	Leasehold land  <u>Plant</u> Compressor Station  <u>Office</u> Operation Centre	64.2	   6.2  12.6	   2,792  8,080	101,835
Pasir Gudang Regional Operations Office, PLO 332, Jalan Perak 4, Kawasan Perindustrian Pasir Gudang, 81700 Pasir Gudang, Johor	23.04.1989	Leasehold Expiry: 22.04.2088	Leasehold land  <u>Office</u> Regional Office	4.1	  12.7	  2,428	6,716
<b>NEGERI SEMBILAN</b>							
Seremban Regional Operations Office, Km 11, Jalan Seremban/Tampin, 71450 Sg. Gadut, Seremban, Negeri Sembilan	16.02.1994	Freehold	Freehold land  <u>Office</u> Regional Office	15.2	  12.6	  2,428	7,967

# Summary of Landed Property, Plant and Equipment

A summary of the landed property, plant and equipment of PETRONAS Gas Berhad as at 31 March 2004 as set out below (Cont'd):-

Location	Acquisition Date	Tenure	Description and usage	Land Area (hectare)	Age of Plant and Building (years)	Build-up Area (sq. m)	Net Book Value as at 31 March 2004 (RM'000)
<b>SELANGOR</b>							
Shah Alam Regional Operations Office, Lot 1, Jalan Jemuju Lima 16/13E, Kawasan Perindustrian Shah Alam, Seksyen 16, 40200 Shah Alam, Selangor	12.10.1990	Leasehold Expiry: 11.10.2089	Leasehold land  <u>Office</u> Regional Office	2.9	  12.3	  2,428	8,099
Lot 1586 (G3907) Mukim of Jeram District of Kuala Selangor	04.08.1998	Leasehold Expiry: To be determined (possibly 99 years)	Leasehold land (Vacant)	5.4	—	—	1,303
<b>PERAK</b>							
Sitawan Regional Operations Office, Lot 33263, Jalan Dato' Ahmad Yunus, 32000 Sitiawan, Perak	04.11.1997	Leasehold Expiry: To be determined (possibly 99 years)	Leasehold land  <u>Office</u> Regional Office	3.2	  6.4	  1,604	5,409
<b>KEDAH</b>							
Gurun Regional Operations Office, PO Box 31, Km 1, Jalan Jeniang 08300 Gurun, Kedah	18.12.1997	Leasehold Expiry: To be determined (possibly 99 years)	Leasehold land  <u>Office</u> Regional Office	3.2	  5.5	  1,604	5,545
<b>SARAWAK</b>							
Miri Gas Meter Station, c/o Miri Operations Office, Lot 2075, Block 4, Piasau Industrial Area, Jalan Cattleya 2B, PO Box 1504, 98008 Miri, Sarawak	N/A		<u>Pipeline</u> Meter Station, Pipeline across 42.2 km	N/A - located along road reserve area	14  14	2,066	9,408
Bintulu Gas Meter Station, Kidurong Industrial Area, Part of Lot 155 Block 20 Kemena Land District, 97007 Bintulu, Sarawak	N/A		<u>Pipeline</u> Meter Station, Pipeline across 4.2 km		7.4  7.4	630	6,595

# Summary of Landed Property, Plant and Equipment

A summary of the landed property, plant and equipment of PETRONAS Gas Berhad as at 31 March 2004 as set out below (Cont'd):-

Location	Acquisition Date	Tenure	Description and usage	Land Area (hectare)	Age of Plant and Building (years)	Build-up Area (sq. m)	Net Book Value as at 31 March 2004 (RM'000)
<b>PIPELINES</b>							
PGU I - total gas pipeline comprises 6 km from Kertih to Paka, Terengganu & 32 km from Kertih to Teluk Kalung, Terengganu and two 40kms of lateral line from the GPPs to the Export Terminal in Tanjung Sulong, Terengganu.		Leasehold Expiry: To be determined (possibly 99 years)	<u>Pipelines</u> Pipelines in leasehold land (40 lots in Terengganu)	Terengganu: 339.4	19.5	N/A	3,953
PGU II - total gas pipeline comprises Sector 1 - 232 km from Teluk Kalong, Terengganu to Segamat, Johor, Sector 2 - 241 km from Segamat, Johor to Kapar, Selangor, & Sector 3 - 208 km from Segamat, Johor to Singapore.	01.01.1992	Leasehold Expiry: To be determined (possibly 99 years)	<u>Pipelines</u> Pipelines in leasehold land (20 lots in Terengganu, 348 lots in Pahang, 745 lots in Johor, 635 lots in Melaka, 766 lots in Negeri Sembilan and 173 lots in Selangor)	Terengganu: 82.8 Pahang: 365.5 Johor: 748.9 Melaka: 191.8 Negeri Sembilan: 426.4 Selangor: 253.0	12.3	N/A	723,334
PGU III - total gas pipeline comprises Sector 1 - 184 km from Meru, Selangor to Lumut, Perak, Sector 2 - 176 km from Lumut, Perak to Gurun, Kedah, & Sector 3 - 90 km of NPS 36" mainline from Gurun to Pauh, Perlis	06.01.1996	Leasehold Expiry: To be determined (possibly 99 years)	<u>Pipelines</u> Pipelines in leasehold land (313 lots in Selangor and 1,125 lots in Perak, 388 lots in Penang, 1,161 lots in Kedah and 422 lots in Perlis)	Selangor: 301.1 Perak: 483.8 Penang: 114.3 Kedah: 407.5 Perlis: 77.8	Sector 1: 8.3 Sector 2&3: 6.4	N/A	833,106

# Summary of Landed Property, Plant and Equipment

A summary of the landed property, plant and equipment of PETRONAS Gas Berhad as at 31 March 2004 as set out below (Cont'd):-

Location	Acquisition Date	Tenure	Description and usage	Land Area (hectare)	Age of Plant and Building (years)	Build-up Area (sq. m)	Net Book Value as at 31 March 2004 (RM'000)
PGU Loop 1 - total gas pipeline of 270 km from Kertih, Terengganu to Segamat, Johor.	04.10.1999	Leasehold Expiry: To be determined (possibly 99 years)	<u>Pipelines</u> Pipelines in leasehold land (168 lots in Terengganu, 168 lots in Pahang and 33 lots in Johor)	Terengganu: 58.2 Pahang: 50.0 Johor: 14.5	4.6	N/A	538,057
PGU Loop 2 - total gas pipeline of 226 km from Segamat, Johor to Meru, Selangor.	01.11.2000	Leasehold Expiry: To be determined (possibly 99 years)	<u>Pipelines</u> Pipelines in leasehold land (56 lots in Johor, 6 lots in Melaka, 4 lots in Negeri Sembilan, 1 lot in Selangor)	Johor: 13.0 Melaka: 1.11 Negeri Sembilan: 1.11 Selangor: 0.03	3.6	N/A	521,396
<b>Total</b>							<b>8,552,756</b>

## Abbreviations:

CGN	:	Cogenerator Plant
DPCU	:	Dew Point Control Unit Plant
GPP	:	Gas Processing Plant
N2GEN	:	Nitrogen Generator
ASU	:	Air Separation Unit

## PETRONAS GAS BERHAD

Level 49-51, Tower 1  
PETRONAS Twin Towers  
Kuala Lumpur City Centre  
50088 Kuala Lumpur  
Telephone : 03-2051 5000  
Telefax : 03-2026 5885

## OPERATIONS/REGIONAL OFFICES

### Gas Processing Plants

Km 105, Jalan Kuantan/Kuala Terengganu  
24300 Kerteh, Kemaman  
Terengganu Darul Iman  
Telephone : 09-831 2345  
Telefax : 09-827 1710  
Telex : PEGAS MA 51339

### Gas Processing Plants 5 & 6

Km 8, Kg. Tok Arun, Off Jalan Santong  
23100 Paka, Dungun  
Terengganu Darul Iman  
Telephone : 09-831 5656  
Telefax : 09-827 4578

### Terminal Operation

Tanjung Sulong  
24000, Kemaman  
Terengganu Darul Iman  
Telephone : 09-862 4362  
Telefax : 09-863 1146  
Telex : PEGAS MA 51357

### Operation Centre, Gas Transmission System

Km 10, Lebuhraya Segamat-Kuantan  
85000 Segamat  
Johor Darul Takzim  
Telephone : 07-935 3000 (20 lines)  
Telefax : 07-931 6521

### Pasir Gudang Regional Operations Office

PLO 332, Jalan Perak 4  
Pasir Gudang Industrial Area  
81700 Pasir Gudang  
Johor Darul Takzim  
Telephone : 07-251 0333 (10 lines)  
Telefax : 07-251 0400

### Seremban Regional Operations Office

Km 11, Jalan Seremban/Tampin  
71450 Sg. Gadut, Seremban  
Negeri Sembilan Darul Khusus  
Telephone : 06-677 6777 (10 lines)  
Telefax : 06-677 7799

### Shah Alam Regional Operations Office

Lot 1, Jalan Jemuju Lima 16/13E  
Shah Alam Industrial Area, Section 16  
40200 Shah Alam  
Selangor Darul Ehsan  
Telephone : 03-5510 6222 (10 lines)  
Telefax : 03-5510 1528

### Kuantan Regional Operations Office

Lot 1, Sector 1, Bandar Indera Mahkota  
25200 Kuantan, Pahang Darul Makmur  
Telephone : 09-573 2802/573 2811  
Telefax : 09-573 2813

### Sitiawan Regional Operations Office

Lot 33263, Jalan Dato' Ahmad Yunus  
32000 Sitiawan, Perak Darul Ridzuan  
Telephone : 05-692 5611/12/13/14  
Telefax : 05-692 5615

### Gurun Regional Operations Office

P.O. Box 31, Km 1, Jalan Jeniang  
08300 Gurun, Kedah Darul Aman  
Telephone : 04-468 5518  
Telefax : 04-468 5519

### Miri Operations

Lot 2075, Block 4, Jalan Cattleya 2B  
Piasau Industrial Area, P.O. Box 1504  
98008 Miri, Sarawak  
Telephone : 085-661 144  
Telefax : 085-656 362

### Bintulu Operations

Lot 1622 & 1623, Ground Floor  
Jalan Sommerville, P.O. Box 2190  
97011 Bintulu, Sarawak  
Telephone : 086-316 517  
Telefax : 086-311 960

### Centralised Utility Facilities (CUF) Operations, Gebeng

Lot 139A, Gebeng Industrial Area  
Fasa III, 26080 Kuantan  
Pahang Darul Makmur  
Telephone : 09-586 3300  
Telefax : 09-586 3311

### Centralised Utility Facilities (CUF) Operations, Kertih

Integrated Petrochemical Complex  
Km 105, Jalan Kuantan/Kuala Terengganu  
24300 Kertih, Kemaman  
Terengganu Darul Iman  
Telephone : 09-830 5500  
Telefax : 09-830 5514

# Notice of Annual General Meeting

**NOTICE BE AND IS HEREBY GIVEN THAT** the Twenty First Annual General Meeting of the Company will be held at Ballroom 1, Level 2, Hotel Nikko Kuala Lumpur, 165, Jalan Ampang, 50450 Kuala Lumpur, on Wednesday, 28 July 2004 at 10.00 a.m. to consider the following matters:-

## AGENDA

1. To receive the Audited Financial Statements for the year ended 31 March 2004 together with the Reports of the Directors and Auditors thereon. **(Resolution 1)**
2. To approve the payment of final dividend of 5% - tax exempt per ordinary share and 5% less 28% tax per ordinary share in respect of the year ended 31 March 2004. **(Resolution 2)**
3. To re-elect the following Directors pursuant to:-  
Article 93 of the Company's Articles of Association:  
(a) Datuk Mohd Zain bin Abdul Majid **(Resolution 3)**  
(b) Mohammed Azhar bin Osman Khairuddin **(Resolution 4)**  
(c) Abd. Hamid bin Ibrahim **(Resolution 5)**
4. To approve the Directors' fees in respect of the year ended 31 March 2004. **(Resolution 6)**
5. To re-appoint Messrs. KPMG Desa Megat & Co. as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**
6. To transact any other ordinary business for which due notice has been given. **(Resolution 8)**

## CLOSURE OF BOOKS

**NOTICE IS ALSO HEREBY GIVEN THAT** the Register of Members will be closed on 5 August 2004 to determine shareholders' entitlement to the dividend payment. The final dividend of 5% – tax exempt per ordinary share and 5% less 28% tax per ordinary share, if approved, will be payable on 20 August 2004 to depositors registered in the Record of Depositors at the close of business on 5 August 2004.

A Depositor shall qualify for entitlement only in respect of:-

- (a) Shares transferred into the Depositor's Securities Account before 4.00 p.m on 5 August 2004 in respect of ordinary transfers.
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

**Mahadi bin Abdullah** (LS 0006755)

**Yeap Kok Leong** (MAICSA0862549)

Company Secretaries

Kuala Lumpur

6 July 2004

## NOTES:

1. A member of the Company who is entitled to attend and vote at the meeting is entitled to appoint more than two proxies to attend and vote in his stead and he shall specify the proportion of his shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company, and advocate, an approved company auditor, or a person approved by the Registrar, and shall be entitled to vote on a show of hands on any question at any General Meeting.
2. In the case of a corporate member, the instrument appointing a proxy shall be in writing under the hand of the appointer or if the member is a corporation either under seal or under the hand of an officer or attorney duly authorised by resolution of its directors or other governing body authorise such person as it think fit to act as its representative at any meeting of the Company, and the person so authorised shall be entitled to exercise the same power on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.
3. The instrument appointing a proxy, together with the power of attorney or other authority (if any) shall be deposited at the office of the Company's Share Registrar, Malaysian Share Registration Sdn Bhd, Level 26, Menara Multi Purpose, Capital Square, No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur at least 48 hours before the meeting or, if the meeting is adjourned at least 48 hours before the time fixed for the adjourned meeting.



# Statement Accompanying Notice of Annual General Meeting

Pursuant to Paragraph 8.28(2) of the Bursa Malaysia Listing Requirements appended hereunder are:-

## **DIRECTORS STANDING FOR RE-ELECTION**

Directors who are standing for re-election at the twenty first Annual General Meeting of the Company which will be held at Ballroom 1, Level 2, Hotel Nikko Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur on Wednesday, 28 July 2004 at 10.00 a.m. of the Company are:-

- (a) Datuk Mohd Zain bin Abdul Majid
- (b) Mohammed Azhar bin Osman Khairuddin
- (c) Abd. Hamid bin Ibrahim

## **Details of Directors standing for re-election as in Agenda 3 of the Notice of Annual General Meeting**

### **(a) Datuk Mohd Zain bin Abdul Majid**

Age	65
Nationality	Malaysian
Qualification	<ul style="list-style-type: none"><li>• A graduate in Economics from the University of Glasgow and in Law from the University of London.</li><li>• A Fellow of the Economic Development Institute of IBRD in Washington.</li><li>• Attended the Senior Executive programme, London Business School.</li></ul>
Position in the Company	Independent Non-Executive Director
Number of board meetings attended during the year	4/4
Working experience	He has served for 37 years in several positions in the public and private sectors before retiring at the end of 1999. He was the Director-General of the Malaysian Industrial Development Authority, Executive Chairman of the Urban Development Authority, Chief Executive of the Malaysian Employers Federation and was executive and non-executive director of various companies in the manufacturing, finance and property sectors. He has been a director of Malaysia LNG Sdn Bhd since 1982.
Directorships in other public companies	Nil
Securities holdings in the Company	Nil
Family relationships with any directors and/or major shareholders of the Company	Nil
Conflict of interest with the Company	Nil
List of conviction for offences within the past 10 years other than traffic offences	Nil

# Statement Accompanying Notice of Annual General Meeting

## Details of Directors standing for re-election as in Agenda 3 of the Notice of Annual General Meeting (Cont'd)

### (b) Mohammed Azhar bin Osman Khairuddin

Age	48
Nationality	Malaysian
Qualification	<ul style="list-style-type: none"> <li>• LLB (Honours) degree from the University of Malaya.</li> <li>• Member of the International Bar Association (IBA).</li> <li>• Vice Chairman, Energy and Natural Resources Committee at the Inter-Pacific Bar Association (IPBA).</li> </ul>
Position in the Company	Non-Independent Non-Executive Director
Number of board meetings attended during the year	3/4
Working experience	Senior General Manager in charge of three main areas of PETRONAS' group operations namely legal services, corporate and public affairs and the management of PETRONAS' building assets and office facilities and common services.
Directorships in other public companies	Nil
Securities holdings in the Company	5,000
Family relationships with any directors and/or major shareholders of the Company	Nil
Conflict of interest with the Company	Nil
List of conviction for offences within the past 10 years other than traffic offences	Nil

# Statement Accompanying Notice of Annual General Meeting

## Details of Directors standing for re-election as in Agenda 3 of the Notice of Annual General Meeting (Cont'd)

### (c) Abd. Hamid bin Ibrahim

Age	56
Nationality	Malaysian
Qualification	<ul style="list-style-type: none"> <li>• Masters degree in Petroleum Engineering from Herriot-Watt University, Edinburgh, Scotland and an Associateship of the Camborne School of Mines, United Kingdom.</li> <li>• Attended the Advance Management Programme, Wharton School of Management, University of Pennsylvania, USA.</li> </ul>
Position in the Company	Non-Independent Non-Executive Director
Number of board meetings attended during the year	4/4
Working experience	<ul style="list-style-type: none"> <li>• MD/CEO of Ethylene Malaysia Sdn. Bhd. and Polyethylene Malaysia Sdn. Bhd. from May 1991-1996.</li> <li>• MD/CEO of Malaysia LNG Sdn. Bhd. and MLNG Dua Sdn. Bhd. from June 1996 - 1999.</li> <li>• MD/CEO of PETRONAS Gas Berhad from 1999-2003.</li> </ul>
Directorships in other public companies	Nil
Securities holdings in the Company	Nil
Family relationships with any directors and/or major shareholders of the Company	Nil
Conflict of interest with the Company	Nil
List of conviction for offences within the past 10 years other than traffic offences	Nil



# Proxy Form

I/We \_\_\_\_\_  
(Full Name In Capital Letters)

of \_\_\_\_\_  
(Full Address)

being a \*Member/Members of PETRONAS GAS BERHAD, do hereby appoint \_\_\_\_\_  
(Full Name In Capital Letters)

\_\_\_\_\_ of \_\_\_\_\_  
(Full Address)

\_\_\_\_\_ or failing him \_\_\_\_\_  
(Full Name In Capital Letters)

of \_\_\_\_\_  
(Full Address)

or failing him, the CHAIRMAN OF MEETING, as \*my/our proxy to vote for \*me/us and on \*my/our behalf at the 21st Annual General Meeting to be held at Ballroom I, Level 2, Hotel Nikko Kuala Lumpur, 165, Jalan Ampang, 50450 Kuala Lumpur on Wednesday, 28 July 2004 at 10.00 a.m. and at any adjournment thereof.

Please indicate with an "X" in the space provided below how you wish your votes to be casted. If no specific direction as to voting is given, the Proxy will vote or abstain from voting as his discretion.

No.	Resolutions	For	Against
1.	To receive the Directors' Report and Audited Financial Statements for the year ended 31 March 2004.		
2.	To approve the payment of final dividend of 5% – tax exempt per ordinary share and 5% less 28% tax per ordinary share in respect of the year ended 31 March 2004.		
3.	To re-elect Director under Article 93:- Datuk Mohd Zain bin Abdul Majid		
4.	To re-elect Director under Article 93:- Mohammed Azhar bin Osman Khairuddin		
5.	To re-elect Director under Article 93:- Abd. Hamid bin Ibrahim		
6.	To approve the Directors' fees in respect of the year ended 31 March 2004.		
7.	To re-appoint Messrs. KPMG Desa Megat & Co. as Auditors of the Company and to authorise the Directors to fix their remuneration.		
8.	To transact any other ordinary business for which due notice has been given.		

\* Strike out whichever not applicable.

No. of Shares Held

As witness my/our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2004.

\_\_\_\_\_  
Signature of Member/Common Seal

## NOTES:

- A member of the Company who is entitled to attend and vote at the meeting is entitled to appoint more than two proxies to attend and vote in his stead and he shall specify the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company, an advocate, an approved Company auditor, or a person approved by the Registrar, and shall be entitled to vote on a show of hands on any question at any General Meeting.
- In the case of a corporate member, the instrument appointing a proxy shall be by resolution of its Directors or other governing body authorise such person as it think fit to act as its representative at any meeting of the Company, and the person so authorised shall be entitled to exercise, the same power on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.
- The instrument appointing a proxy, together with the power of attorney (if any) shall be deposited at the office of the Company's Share Registrar, Malaysian Share Registration Sdn Bhd, Level 26, Menara Multi Purpose, Capital Square, No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur at least 48 hours before the meeting or, if the meeting is adjourned at least 48 hours before the time fixed for the adjourned meeting.

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**Malaysian Share Registration Services Sdn Bhd**

Level 26, Menara Multi Purpose, Capital Square

No. 8, Jalan Munshi Abdullah

50100 Kuala Lumpur, Malaysia

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