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GOING GREEN – GAS MALAYSIA BERHAD STRENGTHENS COMMITMENT TOWARDS RENEWABLE ENERGY VIA ITS SUBSIDIARY

SHAH ALAM, 8 October 2019 — Guided by its vision to be an innovative value-added energy solutions provider, Gas Malaysia Berhad (“Gas Malaysia”), a member of MMC Group, continued its aim to foster long-term sustainable development in its business activities. In particular, on 8 October Gas Malaysia’s wholly owned subsidiary, Gas Malaysia Virtual Pipeline Sdn Bhd (“GMVP”) signed the Gas Purchase Agreement with Kulim Green Energy Ventures Sdn Bhd (“Kulim Green Energy”), a joint venture company between Kulim (Malaysia) Berhad (a wholly owned subsidiary of Johor Corporation), O’Rec IND Sdn Bhd and MTC Engineering Sdn Bhd. Resulting from this partnership, GMVP will procure biomethane from Kulim Green Energy for injection into Gas Malaysia’s Natural Gas Distribution System (“NGDS”) network.

From Gas Malaysia’s perspective, this business venture is part of its long term sustainable strategy, which is to have an alternative renewable and sustainable source of gas supply. Biomethane is produced from Palm Oil Mill Effluent and upgraded to a specification similar to natural gas available in the NGDS network. For this business undertaking, the biomethane will be upgraded and supplied from Kulim (Malaysia) Berhad’s palm oil mill located in Sedenak, Kulai district, in Johor.

This business arrangement complements the government's effort to increase the nation's target of renewable energy generation to 20 percent by 2025, as stated recently by the Energy, Science, Technology, Environment and Climate Change Minister, YB Puan Yeo Bee Yin. This business arrangement shall also reduce the emission of greenhouse gases, where if the Methane is released into the atmosphere, it becomes 25 times more hazardous than carbon dioxide in posing greenhouse effect. Therefore, this business arrangement should save more than 90,000 metric tons of carbon dioxide emission equivalent per annum.

Commenting on the new business arrangement, the Chief Executive Officer of Gas Malaysia, who is also the Chairman of GMVP, Encik Ahmad Hashimi Abdul Manap said, "We are delighted to work closely with our business partner, Kulim Green Energy. We firmly believe that the future lies in renewable energy. As we observe several foreign countries, renewable energy plays an important and growing role in their energy management system and in recent years, certain countries are actively driving the deployment of renewable technologies."

Meanwhile, Kulim's Executive Director, Zulkifly Zakariah said, "Though Kulim was keen to concentrate on its core plantation business, the Group is focus to explore untapped opportunities in relation to environment friendly and value adding applications such as palm oil by-product. The conversion of biogas into biomethane is part of a circular economy and also viewed as a part of Kulim's long term commitment to sustainable practices along the entire chain of oil palm plantation business. The successful attainment of Sustainable Palm Oil ("SPO") certification has enhance Kulim's reputation globally with regards to its awareness on environmental issues and has also helped in being the front runner in the global supply chain".

Zulkifly added, “The new business arrangements with Gas Malaysia Berhad for commercialization of biomethane at Sedenak Mill is due to it being strategically located within the proximity of Gas Malaysia Berhad’s pipelines. This business arrangement is also in line with Kulim’s business direction to continuously identify, evaluate and expand its potential in green business and is expected to contribute positively to the Group’s earnings, as a new income stream enabling us to grow on a well-diversified basis”.

“As a responsible business entity, we will lay emphasis on the importance of ensuring that we develop in a sustainable manner. This is more pertinent given our role as a total energy solutions provider. True to our mission, we will continue converging sustainability initiatives into our business activities,” Encik Ahmad Hashimi 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 Natural Gas Distribution System (“NGDS”) within Peninsular Malaysia. Gas Malaysia is licensed under the Gas Supply Act, 1993 (“GSA”) by the Suruhanjaya Tenaga (“ST”), with the approval of the Minister, to supply and sell reticulated natural gas in Peninsular Malaysia. On 15 December 2000, Gas Malaysia was granted the licence to supply and sell reticulated Liquefied Petroleum Gas (“LPG”). This licence further expands the Gas Malaysia’s business in the supply of reticulated LPG to commercial and residential sectors within Peninsular Malaysia. Gas Malaysia currently operates and maintains over 2,400 kilometres of Natural Gas Distribution System network across Peninsular Malaysia, supplying natural gas and LPG to over 900 industrial customers, approximately 2,300 commercial customers and over 34,000 residential customers.

For more information, please visit 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.

For more information, please visit www.mmc.com

About Kulim (Malaysia) Berhad

Kulim (Malaysia) Berhad traces its history back to 1933 when Kulim Rubber Plantations Ltd was incorporated in the United Kingdom. Kulim was later incorporated as a public listed company and was listed on the Main Board of the Kuala Lumpur Stock Exchange (now known as the Main Market of Bursa Malaysia Securities Berhad) in 1975. In 1976, Johor Corporation (“JCorp”) became the major shareholder of Kulim. On 4 August 2016, Kulim became a wholly-owned subsidiary of JCorp and was removed from the official listing of Bursa Malaysia Securities Berhad. Over the years, Kulim has grown to become a diversified plantation company and continues to strengthen its position by securing new hectares whilst developing and strengthening its Intrapreneur Venture.

For more information, please visit www.kulim.com.my

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