Company No.

240409	T

CERTIFIED TRUE COPY

ZAINULABIDIN HJ AHMAD
COMPANY SECRETARY

GAS MALAYSIA BERHAD
(Incorporated in Malaysia)

STATUTORY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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Company No.

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GAS MALAYSIA BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

The Directors are pleased to submit their annual report to the members together with the audited financial statements of the Group and Company for the financial year ended 31 December 2011.

PRINCIPAL ACTIVITIES

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

There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year	229,154	248,875

DIVIDENDS

The dividends paid or declared by the Company since 31 December 2010 are as follows:

In respect of the financial year ended 31 December 2010:

	RM'000
Final dividend paid on 1 March 2011:	
- RM109.64 per share, less 25% tax	52,792
- RM122.66 per share single-tier	78,750
- special dividend of RM232.30 per share single-tier	149,139
	280,681

In respect of the financial year ended 31 December 2011:

Paid on 1 September 2011:	
Interim special dividend of RM166.00 per share single tier	106,569

In respect of the financial year ended 31 December 2011, the following has been recommended by the Directors:

	RM'000
Final dividend of RM155.25 per share single-tier	99,670

RESERVES AND PROVISIONS

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

DIRECTORS

The Directors who have held office during the period since the date of the last report are as follows:

Dato' Hamzah bin Bakar, Chairman	
Datuk Hj. Hasni bin Harun	
Datuk Muhamad Noor bin Hamid	
Samsudin bin Miskon	
(Alt. Karima binti Mohd Noor)	(Appointed on 01/08/2011)
(Alt. Liza binti Mustapha)	(Resigned on 01/08/2011)
Shazali bin Dato' Haji Shahrani	
(Alt. Rosthman bin Ibrahim)	(Appointed on 16/06/2011)
Tadaaki Maeda	
(Alt. Atsunori Takeuchi)	
(Alt. Hiroshi Kishino)	
Datuk Puteh Rukiah binti Abd. Majid	(Appointed on 16/08/2011)
Syed Abu Bakar bin S Mohsin Almohdzar	(Appointed on 16/08/2011)
Tan Lye Chong	(Appointed on 16/08/2011)
Toru Ukishima	(Appointed on 28/06/2011, Resigned on 16/08/2011)
(Alt. Hideaki Tanaka)	(Appointed on 28/06/2011, Resigned on 16/08/2011)
(Alt. Takamune Kabashima)	(Appointed on 28/06/2011, Resigned on 16/08/2011)
Pramod Kumar Karunakaran	(Appointed on 25/07/2011, Resigned on 16/08/2011)
Kazuo Kotani	(Resigned on 28/06/2011)
(Alt. Hideaki Tanaka)	(Resigned on 28/06/2011)
(Alt. Takamune Kabashima)	(Resigned on 28/06/2011)
Lau Nai Tuang	(Resigned on 30/06/2011)

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects 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.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than the Directors' remuneration as disclosed in Note 8 to 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 he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS IN SHARES

According to the register of Directors' shareholdings, none of the Directors who held office at the end of the financial year held any interest in shares in the Company and its related corporations during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the statements of comprehensive income and statements of financial position were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts and

(b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and Company misleading or inappropriate.

No contingent or other liability 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 affect the ability of the Group or Company to meet their obligations when they fall due.

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

(a) any charge on the assets of the Group or Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group or Company which has arisen since the end of the financial year.

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STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

(a) the results of the Group's and Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or Company for the financial year in which this report is made.

HOLDING COMPANIES

The Company is a subsidiary of MMC Shapadu (Holdings) Sendirian Berhad, a company incorporated in Malaysia. The intermediate holding company is MMC Corporation Berhad, a public listed company incorporated in Malaysia. The ultimate controlling party is Indra Cita Sdn Bhd, a company incorporated in Malaysia.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 10 February 2012.

DATO' HAMZAH BIN BAKAR DIRECTOR	TAN LYE CHONG DIRECTOR

Company No.

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GAS MALAYSIA BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Dato' Hamzah bin Bakar and Tan Lye Chong, two of the Directors of Gas Malaysia Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 8 to 48 are drawn up so as to give a true and fair view of the financial position of the Group and Company as at 31 December 2011 and of the financial performance and cash flows of the Group and Company for the financial year ended on that date in accordance with the Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965.

Signed on behalf of the Board of Directors in accordance with their resolution dated 10 February 2012.

DATO' HAMZAH BIN BAKAR
DIRECTOR

TAN LYE CHONG
DIRECTOR

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Mohamed Sophie bin Mohamed Rashidi, the officer primarily responsible for the financial management of Gas Malaysia Berhad, do solemnly and sincerely declare that the financial statements set out on pages 8 to 48 are, in my opinion, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtues of the provisions of the Statutory Declarations Act 1960.

MOHAMED SOPHIE BIN MOHAMED RASHIDI

Subscribed and solemnly declared by the abovenamed Mohamed Sophie bin Mohamed Rashidi at Kuala Lumpur in Malaysia on 10 February 2012, before me.

PESURUHJAYA SUMPAH
No W533
Nama TENGKU FARIDDUDIN
BIN TENGKU SULAIMAN
MALAYSIA

COMMISSIONER FOR OATHS

205, Bangunan Loke Yew
4, Jln Mahkamah Persekutuan
50050 Kuala Lumpur

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF GAS MALAYSIA BERHAD

(Incorporated in Malaysia)
(Company No. 240409 T)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Gas Malaysia Berhad on pages 8 to 48, which comprise the statements of financial position as at 31 December 2011 of the Group and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the financial year ended 31 December 2011, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 29.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements that give a true and fair view in accordance with the Financial Reporting Standards in Malaysia and the Companies Act, 1965 and for such internal control as the Directors determine are necessary to enable preparation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF GAS MALAYSIA BERHAD (CONTINUED)
(Incorporated in Malaysia)
(Company No. 240409 T)

REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Financial Reporting Standards in Malaysia and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2011 and of their financial performance and cash flows for the financial year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

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

Kuala Lumpur
10 February 2012

Company No.

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GAS MALAYSIA BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Revenue	4	2,000,170	1,807,475	1,976,553	1,787,961
Cost of sales	5	(1,677,749)	(1,388,666)	(1,658,026)	(1,371,926)
Gross profit		322,421	418,809	318,527	416,035
Administration expenses	5	(38,048)	(41,699)	(36,283)	(40,225)
Other operating income		622	3,638	25,829	6,088
Profit from operations	6	284,995	380,748	308,073	381,898
Finance costs	9	(252)	(300)	(144)	(150)
Interest income		9,987	7,928	9,850	7,900
Profit before taxation		294,730	388,376	317,779	389,648
Tax expense	10	(65,576)	(90,098)	(68,904)	(90,044)
Profit and total comprehensive income for the financial year		229,154	298,278	248,875	299,604
Attributable to:					
Owners of the Parent		229,154	298,278	248,875	299,604
Earnings per ordinary share attributable to the equity holders of the Company:					
- Basic and diluted earnings per share (RM)	11	356.94	464.61		

The notes on pages 14 to 48 form an integral part of these financial statements.

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GAS MALAYSIA BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	12	929,078	938,088	926,118	935,169
Investment in subsidiaries	13	0	0	10,005	5
Amounts due from subsidiaries	14	0	0	16,337	5,392
Prepaid lease payments	15	18,836	19,238	14,365	14,713
Deferred taxation	20	3,358	0	0	0
		951,272	957,326	966,825	955,279
CURRENT ASSETS					
Trade and other receivables	16	196,150	180,704	193,019	177,741
Amounts due from subsidiaries	14	0	0	2,471	236
Cash and bank balances	17	327,004	477,996	320,679	472,916
		523,154	658,700	516,169	650,893
Total assets		1,474,426	1,616,026	1,482,994	1,606,172
EQUITY AND LIABILITIES					
Share capital	18	642,000	642,000	642,000	642,000
Retained profits	19	367,454	525,550	385,836	524,211
Total equity		1,009,454	1,167,550	1,027,836	1,166,211
NON-CURRENT LIABILITIES					
Deferred taxation	20	176,047	173,807	176,047	173,807
CURRENT LIABILITIES					
Trade and other payables	21	275,457	254,982	265,650	246,467
Taxation		13,468	19,687	13,461	19,687
		288,925	274,669	279,111	266,154
Total liabilities		464,972	448,476	455,158	439,961
Total equity and liabilities		1,474,426	1,616,026	1,482,994	1,606,172

The notes on pages 14 to 48 form an integral part of these financial statements.

Company No. 240409 T

GAS MALAYSIA BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

		Share capital RM'000	Retained profits RM'000	Total RM'000
Group				
At 1 January 2011		642,000	525,550	1,167,550
Total comprehensive income for the financial year		0	229,154	229,154
Transactions with owners:				
Dividend: financial year ended 31 December 2011	22	0	(106,569)	(106,569)
Dividend: financial year ended 31 December 2010	22	0	(280,681)	(280,681)
Total transactions with owners		0	(387,250)	(387,250)
At 31 December 2011		642,000	367,454	1,009,454
Group				
At 1 January 2010		642,000	400,516	1,042,516
Total comprehensive income for the financial year		0	298,278	298,278
Transaction with owners:				
Dividend: financial year ended 31 December 2009		0	(173,244)	(173,244)
At 31 December 2010		642,000	525,550	1,167,550

The notes on pages 14 to 48 form an integral part of these financial statements.

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GAS MALAYSIA BERHAD
(Incorporated in Malaysia)

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011 (CONTINUED)

		Share capital RM'000	Retained profits RM'000	Total RM'000
Company				
At 1 January 2011		642,000	524,211	1,166,211
Total comprehensive income for the financial year		0	248,875	248,875
Transactions with owners:				
Dividend: financial year ended 31 December 2011	22	0	(106,569)	(106,569)
Dividend: financial year ended 31 December 2010	22	0	(280,681)	(280,681)
Total transactions with owners		0	(387,250)	(387,250)
At 31 December 2011		642,000	385,836	1,027,836
Company				
At 1 January 2010		642,000	397,851	1,039,851
Total comprehensive income for the financial year		0	299,604	299,604
Transaction with owners:				
Dividend: financial year ended 31 December 2009		0	(173,244)	(173,244)
At 31 December 2010		642,000	524,211	1,166,211

The notes on pages 14 to 48 form an integral part of these financial statements.

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GAS MALAYSIA BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
OPERATING ACTIVITIES				
Profit before taxation	294,730	388,376	317,779	389,648
Adjustments for:				
Depreciation	44,394	40,840	44,127	40,512
Gain on disposal of property, plant and equipment	(1)	(31)	(1)	(31)
Reversal of impairment loss on investment cost in a subsidiary	0	0	(10,000)	0
Amortisation of prepaid lease payments	402	403	348	348
Interest income	(9,987)	(7,928)	(9,850)	(7,900)
	329,538	421,660	342,403	422,577
Changes in working capital:				
Receivables	(15,446)	(20,470)	(28,458)	(21,919)
Payables	20,475	49,029	19,183	47,295
Cash generated from operations	334,567	450,219	333,128	447,953
Net income tax paid	(72,913)	(80,802)	(72,890)	(80,748)
Net cash generated from operating activities	261,654	369,417	260,238	367,205

The notes on pages 14 to 48 form an integral part of these financial statements.

Company No. 240409 T

GAS MALAYSIA BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011 (CONTINUED)

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		1	34	1	34
Purchase of property, plant and equipment		(35,384)	(74,018)	(35,076)	(72,580)
Prepayment of lease		0	(3)	0	(3)
Interest received		9,987	7,928	9,850	7,900
Net cash used in investing activities		(25,396)	(66,059)	(25,225)	(64,649)
FINANCING ACTIVITIES					
Dividends paid		(387,250)	(173,244)	(387,250)	(173,244)
Net cash used in financing activities		(387,250)	(173,244)	(387,250)	(173,244)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(150,992)	130,114	(152,237)	129,312
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		477,996	347,882	472,916	343,604
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	17	327,004	477,996	320,679	472,916

The notes on pages 14 to 48 form an integral part of these financial statements.

1 GENERAL INFORMATION

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

There have been no significant changes in the nature of these principal activities of the Group and of the Company during the financial year.

The Company is a subsidiary of MMC Shapadu (Holdings) Sendirian Berhad, a company incorporated in Malaysia. The intermediate holding company is MMC Corporation Berhad, a public listed company incorporated in Malaysia. The ultimate controlling party is Indra Cita Sdn Bhd, a company incorporated in Malaysia.

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The address of the registered office of the Company is Level 8, Kompleks Antarabangsa, Jalan Sultan Ismail, 50250 Kuala Lumpur.

The address of the principal place of business is 5, Jalan Serendah 26/17, Seksyen 26, 40732 Shah Alam, Selangor Darul Ehsan.

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks, including interest rate risk, credit risk and liquidity risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. Financial risk management is carried out through risk reviews, internal control systems, an insurance programme and adherence to Group financial risk management policies.

(a) Interest rate risk

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

(b) Credit risk

The Group seeks to invest cash assets safely and profitably. Credit risk arises from cash and cash equivalents and deposit with financial institutions, as well as credit exposures to customers, including outstanding receivables balances. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers, assessing the credit quality of the customers, taking into account its financial positions, past experience and other factors. Collection risk is minimised as there is a requirement for a 2 month financial guarantee imposed on its customers. A credit review committee meets regularly and closely monitors the trade receivables. Fixed deposits are placed only with established banks or financial institutions.

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities.

The table below analyses the Group and Company's non-derivative financial liabilities into relevant maturity groupings based on remaining period at the reporting date to the maturity date. The amounts disclosed in the table are contractual undiscounted cash flow:

	Less than 3 months	Between 4 months to 1 year	Total
At 31 December 2011:			
Group (RM'000)			
Trade and other payables	275,316	141	275,457
Company (RM'000)			
Trade and other payables	265,509	141	265,650
At 31 December 2010:			
Group (RM'000)			
Trade and other payables	254,928	54	254,982
Company (RM'000)			
Trade and other payables	246,413	54	246,467

(d) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern while seeking to maximise benefits to shareholders and other stakeholders. Capital is equity as shown in the consolidated statement of financial position.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditure and projected strategic investment opportunities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders. The Group targets a dividend ratio of not less than 75% of profit after tax.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements.

(a) Basis of preparation

The financial statements of the Group and Company have been prepared in accordance with the provision of the Companies Act, 1965 and the Financial Reporting Standards in Malaysia. The financial statements have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies.

The preparation of financial statements in conformity with the Financial Reporting Standards in Malaysia requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ (Note 3(v)).

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

- IC Interpretation 4 "Determining whether an arrangement contains a lease" (effective from 1 January 2011) requires the Group to identify any arrangement that does not take the legal form of a lease, but conveys a right to use an asset in return for a payment or series of payments. This interpretation provides guidance for determining whether such arrangements are, or contain, leases. The assessment is based on the substance of the arrangement and requires assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset. If the arrangement contains a lease, the requirements of FRS 117 "Leases" should be applied to the lease element of the arrangement.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

- IC Interpretation 18 "Transfers of assets from customers" (effective prospectively for assets received on or after 1 January 2011) provides guidance where an entity receives from a customer an item of property, plant and equipment (or cash to acquire such an asset) that the entity must then use to connect the customer to a network or to provide the customer with services. Where the transferred item meets the definition of an asset, the asset is recognised as an item of property, plant and equipment at its fair value. Any corresponding credit is allocated to each separate service to be performed under the agreement. Revenue is recognised for each service in accordance with the recognition criteria of FRS 118 "Revenue". This interpretation is to be applied prospectively to assets received from customer on or after 1 January 2011. The Group will recognise cash contributions from customers as revenue when the pipelines are connected to customers. Prior to adoption of this interpretation, the Group recognised cash contributions received from customers as a deduction against the cost of acquisitions of the property, plant and equipment.

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

- The revised FRS 127 "Consolidated and separate financial statements" (effective prospectively from 1 July 2010) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss.

- Amendments to FRS 7 "Financial instruments: Disclosures" and FRS 1 "First-time adoption of financial reporting standards" (effective from 1 January 2011) require enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

Improvements to FRS:

- FRS 5 "Non-current assets held for sale and discontinued operations". Improvement effective from 1 July 2010 clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosure should be made for this subsidiary if the definition of a discontinued operation is met.

- FRS 101 "Presentation of financial statements" (effective from 1 January 2011) clarifies that an entity shall present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

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

(ii) Standards early adopted by the Group and Company

There were no standards early adopted by the Group and Company.

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

Financial year beginning on/after 1 January 2013

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

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

Financial year beginning on/after 1 January 2013 (continued)

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

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

(b) Basis of consolidation

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

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. Refer to accounting policy Note 3(e) on impairment of assets.

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

(d) Depreciation

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

The straight-line method is used to write-off the cost of the other assets to their residual values over the term of their estimated useful lives, summarised as follows:

Buildings	50 years
Motor vehicles	5 years
Office and gas equipment	3 to 5 years
Furniture and fittings	5 years
Office renovation	3 years
Pipelines system	30 years

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Impairment of non-financial asset

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

The impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

(f) Investments

Investments in subsidiaries are shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Amount due from subsidiary which repayment is not expected within the next 12 months is stated at cost less accumulated impairment losses if it is the intention of the Company to treat the amount as a long term source of capital to the subsidiary.

On disposal of an investment, the difference between net disposal proceed and its carrying amount is charged/credited to the profit or loss.

(g) Receivables

Trade receivables are amounts due from customers for sale of gas and tolling fee in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

(h) Cash and cash equivalents

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

(i) Share capital

(a) Classification

Ordinary shares are classified as equity.

(b) Dividends to shareholders of the Company

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Trade payables

Trade payables are obligation to pay for natural gas and LPG that have been acquired in the ordinary course of business from suppliers and is classified as current liability if payment is due within one year. If not, they are presented as non current liabilities. Trade payable is recognised initially at fair value and subsequently measured at amortised cost using effective interest method.

(k) Borrowings

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

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

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

(l) Taxation

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

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Taxation (continued)

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

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

(m) Prepaid lease payments

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

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

(n) Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional currency and the Group's presentation currency.

(o) Revenue recognition

The Group and the Company recognise revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group and the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group and the Company base their estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Sale of natural gas and LPG

Revenue from sale of gas represents gas consumption by customers and is measured at the fair value of consideration received and receivable from customers during the financial year.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Revenue recognition (continued)

(ii) Tolling Fee

Tolling fee represents fee received from Petroliam Nasional Berhad for the transportation of gas to Petronas NGV Sdn Bhd stations and Gas District Cooling (M) Sdn Bhd stations.

(iii) Interest income

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

(iv) Cash contributions

The Group recognises cash contributions from customers as revenue when the pipelines are connected to customers.

(p) Borrowing costs

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

(q) Contingent liabilities

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial instruments

Description

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

(i) Financial assets

Classification

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

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group and the Company's loans and receivables comprise 'receivables' and 'cash and cash equivalents' in the statement of financial position (Notes 3(g) and 3(h)).

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group and the Company commit to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial instruments (continued)

(i) Financial assets (continued)

Recognition and measurement (continued)

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

Impairment of financial assets

Assets carried at amortised cost

The Group and the Company assess at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group and Company use to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

  (i) adverse changes in the payment status of borrowers in the portfolio; and

  (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group and the Company first assess whether objective evidence of impairment exists.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial instruments (continued)

(i) Financial assets (continued)

Impairment of financial assets (continued)

Assets carried at amortised cost (continued)

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit or loss. If a loan or held to maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group and the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss.

(ii) Financial liability

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

(iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(iv) Financial instruments recognised on the statement of financial position

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

(v) Fair value estimation for disclosure purposes

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Employee benefits

(i) Short-term employee benefits

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

(ii) Post employment benefits

Defined contribution plans

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

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

(t) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares which comprise share options granted to employees, if any.

(u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Critical accounting estimates and judgments

Estimates and judgments are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

The Company's 20 year Gas Supply Agreement with Petroliam Nasional Berhad ("PETRONAS") will expire on 31 December 2012. Management has commenced negotiations with PETRONAS to renew the Gas Supply Agreement ("GSA") and based on status of negotiations with PETRONAS, management is not aware of any grounds for PETRONAS not to renew the GSA upon expiry in 2012 having regard to the customers base of the Company and the existing infrastructure of gas pipelines servicing its customers.

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

(ii) Critical judgement in applying accounting policies

The Directors have applied judgement in applying the revenue recognition policy based on the Group's business model and its relationships and contracts with its customers. The judgement includes assessment of the obligation that the Group has in dealing with its customers, in which the Group is responsible for securing and expanding its customer base and bears the credit risks. The Directors have also taken into account the terms of business which the Group has with its gas suppliers where the title and ownership of the gas shall be transferred to the Group after delivery to the Group's pipeline. The Directors, having considered the above factors, are of the view that the revenue is recognised from the sale of gas.

(iii) Deferred tax assets

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

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

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

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GAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011 (CONTINUED)

4 REVENUE

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Sale of natural gas	1,962,221	1,775,005	1,962,221	1,775,005
Sale of LPG	23,617	19,514	0	0
Tolling fees	14,332	12,956	14,332	12,956
	2,000,170	1,807,475	1,976,553	1,787,961

5 EXPENSES BY NATURE

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Cost of natural gas	1,606,509	1,304,406	1,606,509	1,304,406
Cost of LPG	18,484	15,372	0	0
Staff costs (Note 7)	33,615	30,873	31,818	29,132
Depreciation	44,394	40,840	44,127	40,512
Gas license fee	1,266	1,198	1,266	1,198
IPO expenses	4,100	0	4,100	0
Other expenses	7,429	37,676	6,489	36,903
	1,715,797	1,430,365	1,694,309	1,412,151

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

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

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011 (CONTINUED)

6 PROFIT FROM OPERATIONS

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Profit from operations is arrived at after crediting:				
Gain on disposal of properties, plant and equipment	1	31	1	31
Interest income	9,987	7,928	9,850	7,900
Rental income	1	72	1	72
Reversal of impairment loss on investment cost in a subsidiary	0	0	10,000	0
Reversal of impairment loss on amount due from a subsidiary	0	0	15,303	2,574
Write back of impairment of trade receivables	710	208	637	206
and after charging:				
Auditors' remuneration:				
- statutory audit	85	85	60	60
- other audit related services	468	8	468	8
Amortisation of prepaid lease payments	402	403	348	348
Impairment of trade receivables	29	35	3	0
Rental of equipment	51	41	44	36
Rental of premises	672	652	557	559
Contribution to Albukhary International University	0	20,000	0	20,000

7 STAFF COSTS

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Wages, bonuses and salaries	31,495	28,747	30,030	27,354
Defined contribution plan - contributions	3,451	3,180	3,290	3,026
Other employee benefits	4,652	4,566	4,481	4,372
	39,598	36,493	37,801	34,752

Staff costs include the remuneration of Executive and Non-Executive Directors (Note 8).

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011 (CONTINUED)

8 DIRECTORS' REMUNERATION

The aggregate amount of emoluments received by Directors of the Company during the financial year was as follows:

Directors of the Company

	Group and Company	
	2011 RM'000	2010 RM'000
Executive and Non-Executive Directors:		
- Salaries and bonuses	1,183	1,037
- Directors' fees	471	443
- Defined contribution plan - contributions	143	125
- Other benefits	271	146
	2,068	1,751

9 FINANCE COSTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Bank guarantee fee	36	23	36	23
Bank charges	216	277	108	127
	252	300	144	150

10 TAX EXPENSE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current taxation:				
- current financial year	64,764	83,270	64,734	83,262
- under accrual in prior financial year	1,930	304	1,930	258
	66,694	83,574	66,664	83,520
Deferred taxation (Note 20)	(1,118)	6,524	2,240	6,524
	65,576	90,098	68,904	90,044

10 TAX EXPENSE (CONTINUED)

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit before taxation	294,730	388,376	317,779	389,648
Tax calculated at the Malaysian income tax rate of 25% (2010: 25%)	73,683	97,094	79,445	97,412
Tax effects of:				
Income not subject to tax	(6,250)	0	(12,576)	(643)
Expenses not deductible for income tax purposes	2,302	522	2,284	494
Recognition of previously unutilised tax losses	(3,433)	0	0	0
Utilisation of unabsorbed capital allowances	(464)	(345)	0	0
Over accrual in prior financial year	(262)	(7,173)	(249)	(7,219)
Tax expense	65,576	90,098	68,904	90,044

The amount of tax savings arising from previously unabsorbed capital allowances and unutilised tax losses recognised by the Group during the financial year amounted to RM464,000 and RM3,433,000 respectively.

11 EARNINGS PER SHARE

Basic earnings per ordinary share and diluted earnings per share are calculated by dividing the profit for the financial year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2011	2010
Profit for the financial year attributable to equity holders of the Company (RM'000)	229,154	298,278
Weighted average number of ordinary shares ('000)	642	642
Basic earnings per share (RM)	356.94	464.61
Diluted earnings per share (RM)	356.94	464.61

12. PROPERTY, PLANT AND EQUIPMENT

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

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011 (CONTINUED)

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Office and gas equipment RM'000	Furniture and fittings RM'000	Office renovation RM'000	Pipelines system RM'000	Capital work-in-progress RM'000	Total RM'000
Cost									
At 1 January 2010	24	17,298	5,023	38,935	1,456	11,203	1,087,972	71,524	1,233,435
Additions	0	0	364	1,330	12	148	4,408	67,756	74,018
Disposals	0	0	(254)	(436)	(16)	0	0	0	(706)
Reclassifications	0	0	0	(135)	135	0	60,167	(60,167)	0
At 31 December 2010	24	17,298	5,133	39,694	1,587	11,351	1,152,547	79,113	1,306,747
Accumulated depreciation									
At 1 January 2010	0	4,248	1,928	35,301	1,441	10,804	274,800	0	328,522
Charge for the financial year	0	403	887	1,414	6	202	37,928	0	40,840
Disposals	0	0	(255)	(432)	(16)	0	0	0	(703)
Reclassifications	0	0	0	(135)	135	0	0	0	0
At 31 December 2010	0	4,651	2,560	36,148	1,566	11,006	312,728	0	368,659
Net book value									
At 31 December 2010	24	12,647	2,573	3,546	21	345	839,819	79,113	938,088

GAS MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011 (CONTINUED)

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Freehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Office and gas equipment RM'000	Furniture and fittings RM'000	Office renovation RM'000	Pipelines system RM'000	Capital work-in-progress RM'000	Total RM'000
Cost									
At 1 January 2011	24	17,298	5,021	37,932	1,452	11,015	1,149,097	79,113	1,300,952
Additions	2,138	2,233	699	966	119	420	1,212	27,289	35,076
Disposals	0	0	0	(300)	(3)	0	0	0	(303)
Reclassifications	0	0	0	4,472	0	0	59,628	(64,100)	0
At 31 December 2011	2,162	19,531	5,720	43,070	1,568	11,435	1,209,937	42,302	1,335,725
Accumulated depreciation									
At 1 January 2011	0	4,651	2,448	34,410	1,431	10,670	312,173	0	365,783
Charge for the financial year	0	429	934	2,057	13	284	40,410	0	44,127
Disposals	0	0	0	(300)	(3)	0	0	0	(303)
At 31 December 2011	0	5,080	3,382	36,167	1,441	10,954	352,583	0	409,607
Net book value									
At 31 December 2011	2,162	14,451*	2,338	6,903	127	481	857,354	42,302	926,118

* Includes leasehold building with a net book value of RM7,273,882 (2010: RM7,471,822) which resides on leasehold land owned by a subsidiary company.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011 (CONTINUED)

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Freehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Office and gas equipment RM'000	Furniture and fittings RM'000	Office renovation RM'000	Pipelines system RM'000	Capital work-in-progress RM'000	Total RM'000
Cost									
At 1 January 2010	24	17,298	4,911	37,002	1,456	10,867	1,085,960	71,524	1,229,042
Additions	0	0	364	1,330	12	148	2,970	67,756	72,580
Disposals	0	0	(254)	(400)	(16)	0	0	0	(670)
Reclassifications	0	0	0	0	0	0	60,167	(60,167)	0
At 31 December 2010	24	17,298	5,021	37,932	1,452	11,015	1,149,097	79,113	1,300,952
Accumulated depreciation									
At 1 January 2010	0	4,248	1,816	33,510	1,441	10,468	274,455	0	325,938
Charge for the financial year	0	403	887	1,296	6	202	37,718	0	40,512
Disposals	0	0	(255)	(396)	(16)	0	0	0	(667)
At 31 December 2010	0	4,651	2,448	34,410	1,431	10,670	312,173	0	365,783
Net book value									
At 31 December 2010	24	12,647*	2,573	3,522	21	345	836,924	79,113	935,169

* Includes leasehold building with a net book value of RM7,471,822 (2009: RM7,669,762) which resides on leasehold land owned by a subsidiary company.

13 INVESTMENT IN SUBSIDIARIES

	Company 2011 RM'000	2010 RM'000
Unquoted shares, at cost	10,005	10,005
Less: Impairment loss on investment	0	(10,000)
	10,005	5

Details of the subsidiaries are as follows:

Name of company	Principal activities	Country of incorporation	Group's effective interest 2011 %	2010 %
Gas Malaysia (LPG) Sdn Bhd	Selling of liquefied petroleum gas via a reticulation system	Malaysia	100	100
Pelantar Teknik (M) Sdn Bhd	Property holding	Malaysia	100	100

Movements on the impairment loss on investment in a subsidiary are as follows:

	Company 2011 RM'000	2010 RM'000
At beginning of reporting period	10,000	10,000
Reversal of impairment loss	(10,000)	0
At end of reporting period	0	10,000

The above reversal of impairment loss relates to Gas Malaysia (LPG) Sdn Bhd which has been able to register sustainable profits following a change in its business model with a greater emphasis given to higher profit margin customers. On that basis, the Directors have reassessed the condition that had given rise to the impairment and is of the opinion that the impairment is no longer required.

14 AMOUNTS DUE FROM SUBSIDIARIES

	Company 2011 RM'000	2010 RM'000
Amounts due from subsidiaries	18,808	20,931
Less: Impairment loss on amount due from a subsidiary	0	(15,303)
	18,808	5,628
Less: non-current portion	(16,337)	(5,392)
Current portion	2,471	236

14 AMOUNTS DUE FROM SUBSIDIARIES (CONTINUED)

The amount due from Gas Malaysia (LPG) Sdn Bhd is unsecured and the non-current portion is based on the expected period of repayment by the subsidiary.

The amount due from Pelantar Teknik Sdn Bhd is unsecured, interest free and does not have a fixed term of repayments. Repayment is however not expected within the next twelve months as it is the intention of the Company to treat this amount as a long term source of capital to the subsidiary.

Movement on the impairment loss on amount due from a subsidiary is as follows:

	Company	
	2011	2010
	RM'000	RM'000
At beginning of reporting period	15,303	17,877
Reversal of impairment of amount due from a subsidiary	(15,303)	(2,574)
At end of reporting period	0	15,303

The above reversal of the impairment loss is supported by repayments made by the subsidiary during the current and prior financial years. Based on the collection trend and improved financial position of the subsidiary, the Directors have assessed the amount due from the subsidiary to be recoverable.

15 PREPAID LEASE PAYMENTS

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
At beginning of reporting period	19,238	19,638	14,713	15,058
Additions	0	3	0	3
Amortisation for the financial year	(402)	(403)	(348)	(348)
At end of reporting period	18,836	19,238	14,365	14,713

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011 (CONTINUED)

16 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade receivables	193,874	178,729	191,433	176,300
Less: Impairment loss on trade receivables	(44)	(725)	(18)	(652)
	193,830	178,004	191,415	175,648
Other receivables, deposits and prepayments	2,320	2,700	1,604	2,093
	196,150	180,704	193,019	177,741

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

As at 31 December 2011, trade receivables of RM15,848,000 (2010: RM18,388,000) for the Group and of RM15,145,000 (2010: RM17,803,000) for the Company were past due but not impaired. These relate to a number of independent customers for whom there is no history of default. The aging analysis of these trade receivables (excluding other receivables, deposits and prepayments) is as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Neither past due nor impaired	177,982	159,616	176,270	157,845
Past due but not impaired:				
Up to 2 months (overdue)	15,838	18,355	15,137	17,791
Over 2 months (overdue)	10	33	8	12
Impaired	44	725	18	652
	193,874	178,729	191,433	176,300

As at 31 December 2011, trade receivables amounting to RM44,000 (2010: RM725,000) for the Group and RM18,000 (2010: RM652,000) for the Company were impaired and provided for. The individually impaired receivables mainly related to customers, which have defaulted in payment.

Trade receivables that are neither past due nor impaired mainly relate to industrial users, which are nationally dispersed and covers a spectrum of industries with a variety of end markets and have high credit worthiness. As described in Note 2(b), the Group requires the customers to pledge a bank guarantee as collateral. Due to these factors, the Group's historical experience shows that the impairment loss on trade receivables has been adequate.

16 TRADE AND OTHER RECEIVABLES (CONTINUED)

Movements on the impairment loss on trade receivables are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At beginning of reporting period	725	898	652	858
Impairment of trade receivables during the financial year	29	35	3	0
Write back of impairment of trade receivables	(710)	(208)	(637)	(206)
At end of reporting period	44	725	18	652

17 CASH AND CASH EQUIVALENTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deposits are placed with:				
Licensed banks	191,000	379,290	191,000	379,290
Other financial institutions	101,025	65,375	94,925	60,375
	292,025	444,665	285,925	439,665
Cash and bank balances	34,979	33,331	34,754	33,251
	327,004	477,996	320,679	472,916

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

	Group		Company	
	2011 % per annum	2010 % per annum	2011 % per annum	2010 % per annum
Deposits placed with:				
Licensed banks	3.26	2.77	3.26	2.77
Other financial institutions	3.41	2.92	3.41	2.92

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

18 SHARE CAPITAL

	Group and Company 2011 RM'000	Group and Company 2010 RM'000
Authorised:		
1,000,000 (2010: 1,000,000) ordinary shares of RM1,000 each	1,000,000	1,000,000
Issued and fully paid:		
642,000 (2010: 642,000) ordinary shares of RM1,000 each	642,000	642,000

19 RETAINED PROFITS

Under the single-tier tax system which came into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of shareholders.

20 DEFERRED TAXATION

Deferred tax assets and liabilities 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 tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Deferred tax assets	(3,358)	0	0	0
Deferred tax liabilities	176,047	173,807	176,047	173,807
	172,689	173,807	176,047	173,807
At beginning of reporting period	173,807	167,283	173,807	167,283
Charged/(credited) to profit or loss (Note 10):				
- Unutilised tax losses	(3,433)	0	0	0
- Property, plant and equipment	4,507	6,524	4,419	6,524
- Accrual for bonus	(2,192)	0	(2,179)	0
	(1,118)	6,524	2,240	6,524
At end of reporting period	172,689	173,807	176,047	173,807

20 DEFERRED TAXATION (CONTINUED)

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Subject to income tax:				
Deferred tax assets (before offsetting)				
- Unutilised tax losses	3,433	0	0	0
- Property, plant and equipment	534	400	0	0
- Accrual for bonus	2,192	0	2,179	0
	6,159	400	2,179	0
Offsetting	(2,801)	(400)	(2,179)	0
Deferred tax assets (after offsetting)	3,358	0	0	0
Deferred tax liabilities (before offsetting) - Property, plant and equipment	178,848	174,207	178,226	173,807
Offsetting	(2,801)	(400)	(2,179)	0
Deferred tax liabilities (after offsetting)	176,047	173,807	176,047	173,807

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

	Group	
	2011 RM'000	2010 RM'000
Unabsorbed capital allowances	0	1,838
Unutilised tax losses	0	13,729

21 TRADE AND OTHER PAYABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade payables	203,235	170,603	200,232	167,645
Other payables	2,578	1,703	1,877	1,703
Amount due to immediate holding company	10	29	10	29
Customers' deposits	53,673	46,195	47,570	41,083
Accruals	15,961	36,452	15,961	36,007
	275,457	254,982	265,650	246,467

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

22 DIVIDENDS

	Group and Company	
	2011	2010
	RM'000	RM'000
Interim special dividend of RM166.00 per share single tier	106,569	0
Proposed dividends:		
Final dividend of RM Nil (2010:RM109.64) per share, less 25% tax	0	52,792
Final dividend of RM155.25 (2010:RM122.66) per share single tier	99,670	78,750
Final special dividend of RM Nil (2010: RM232.30) per share single tier	0	149,139
	206,239	280,681

At the forthcoming Annual General Meeting, the proposed final dividend in respect of the financial year ended 31 December 2011 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by shareholders would be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2012.

23 CAPITAL COMMITMENTS

	Group and Company	
	2011	2010
	RM'000	RM'000
Property, plant and equipment:		
Authorised:		
Not contracted for	58,009	77,602
Contracted but not provided for in the financial statements	16,638	19,906

24 CONTINGENT LIABILITIES

	Group and Company	
	2011	2010
	RM'000	RM'000
Bank guarantee (unsecured)	1,081	1,964

Bank guarantees for the Group and Company are in respect of guarantees extended to third parties for the construction of pipeline by sub-contractors for which the liabilities have not been accrued for.

25 SIGNIFICANT RELATED PARTY DISCLOSURES

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

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

Related parties	Relationship	Country of incorporation
Indra Cita Sdn Bhd	Ultimate controlling party	Malaysia
MMC Corporation Berhad	Immediate holding company	Malaysia
Recycle Energy Sdn Bhd ("RESB") ^	Subsidiary of immediate holding company	Malaysia
Petronas Dagangan Berhad	Fellow subsidiary of a shareholder with significant influence over the Group	Malaysia
Central Sugar Refinery Sdn Bhd	A subsidiary of Tradewinds (Malaysia) Berhad, a related company to ultimate controlling party	Malaysia
Petroliam Nasional Berhad (PETRONAS) *	Holding company of a shareholder with significant influence over the Group	Malaysia

^ A related company from 1 January 2011 to 24 May 2011 (the date it ceased to be a subsidiary of immediate holding company).

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

25 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(a) Sales and purchases of goods and services

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Non-trade expenses payable to MMC Corporation Berhad **	59	100	59	100
Gas sales to:				
Recycle Energy Sdn Bhd ***	146^^	1,072	146^^	1,072
Central Sugar Refinery Sdn Bhd ***	35,007	33,678	35,007	33,678
Purchase of LPG from Petronas Dagangan Berhad **	18,484	15,372	0	0
Purchase of natural gas from PETRONAS ***	1,606,509	1,304,406	1,606,509	1,304,406
Tolling fee income earned from PETRONAS **	14,332	12,956	14,332	12,956

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

** The transactions have been entered into the normal course of business and have been established under negotiated terms agreed by both parties.

*** The transactions have been entered into based on regulated prices in Peninsular Malaysia which are set by Energy Commission of Malaysia.

(b) Key management compensation

	Group and Company	
	2011	2010
	RM'000	RM'000
- Salaries and bonuses	3,092	3,569
- Director's fees	471	443
- Defined contribution plan	399	426
- Other benefits	529	68
	4,491	4,506

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

26 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of all financial assets and liabilities of the Group and the Company at the end of the reporting period approximated their fair values.

27 SEGMENT REPORTING

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

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011 (CONTINUED)

27 SEGMENT REPORTING (CONTINUED)

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

28 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

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

29 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 10 February 2012.