# Condensed Consolidated Statement of Comprehensive Income for the period ended 31 March 2014

	3 months	3 months	Cumulative	Cumulative
	<u>ended</u>	<u>ended</u>	3 mths ended	3 mths ended
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	580,570	535,443	580,570	535,443
Cost of sales	(518,313)	(478,468)	(518,313)	(478,468)
Gross profit	62,257	56,975	62,257	56,975
Finance income	1,639	2,169	1,639	2,169
Other operating income	401	177	401	177
Administrative expenses	(8,084)	(7,741)	(8,084)	(7,741)
Finance cost	(94)	(59)	(94)	(59)
Profit before zakat and taxation	56,119	51,521	56,119	51,521
Zakat expenses	(875)	(875)	(875)	(875)
Tax expense	(13,637)	(10,502)	(13,637)	(10,502)
Net profit for the period	41,607	40,144	41,607	40,144
Other comprehensive income(net of tax)	-	-	-	-
Total comprehensive income for the				
period	41,607	40,144	41,607	40,144
Net profit attributable to:				
Owners of the Parent	41,607	40,144	41,607	40,144
Non-controlling interest	41,007	40,144	41,007	40,144
Non conclotting interest	41,607	40,144	41,607	40,144
Total comprehensive income attributable to:				
Owners of the Parent	41,607	40,144	41,607	40,144
Non-controlling interest				
	41,607	40,144	41,607	40,144
Earnings per share for profit attributable				
to the owners of the Parent				
Basic (Sen)	3.24	3.13	3.24	3.13
Diluted (Sen)	3.24	3.13	3.24	3.13

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013.

# Condensed Consolidated Statement of Financial Position as at 31 March 2014

	As at 31.03.2014  RM'000 (Unaudited)	As at 31.12.2013 RM'000 (Audited)
Non-Current Assets		
Property, plant and equipment	963,716	961,512
Prepaid lease payments	17,930	18,030
Deferred taxation	2,384	2,384
	984,030	981 <b>,</b> 926
Current Assets		
Trade and other receivables	221,387	231,094
Deposits, bank and cash balances	283,199	294,218
	504,586	525,312
Total Assets	1,488,616	1,507,238
Equity Equity attributable to owners of the Parent Share capital Retained profits	642,000 365,155	642,000 362,068
Total equity	1,007,155	1,004,068
Non-Current Liabilities Redeemable preference share Deferred taxation	0 # 169,527 169,527	0 # 170,763 170,763
Current Liabilities		
Trade and other payables	302,885	326,401
Taxation	9,049	6,006
	311,934	332,407
Total liabilities	481,461	503,170
Total equity and liabilities	1,488,616	1,507,238
Net assets per share attributable to ordinary equity holders of parent (Sen)	78.44	78.20

# Denotes RM0.50

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013.

#### Unaudited Condensed Consolidated Statement of Changes in Equity for the period ended 31 March 2014

	Distributable			
	Number of	Share	Retained	
	Shares	Capital	Profits	Total
	Million	RM'000	RM'000	RM'000
At 1 January 2014	1,284	642,000	362,068	1,004,068
Net profit for the financial period	-	-	41,607	41,607
Other comprehensive income, net of tax	_	-		-
Total comprehensive income for the period	-	-	41,607	41,607
Dividends:				
- Second interim dividend for the financial year ended 31 December 2013	-	-	(38,520)	(38,520)
At 31 March 2014	1,284	642,000	365,155	1,007,155

The Condensed Consolidated Statement Of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013.

#### Unaudited Condensed Consolidated Statement of Changes in Equity for the period ended 31 March 2013

			Distributable	
	Number of	Share	Retained	
	Share	Capital	Earnings	Total
	Million	RM'000	RM'000	RM'000
At 1 January 2013	1,284	642,000	366,412	1,008,412
Net profit for the financial period	-	_	40,144	40,144
Other comprehensive income, net of tax	-	-		-
Total comprehensive income for the period	-	-	40,144	40,144
At 31 March 2013	1,284	642,000	406,556	1,048,556

The Condensed Consolidated Statement Of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013.

# Condensed Consolidated Statement of Cash Flows for the period ended 31 March 2014

	3 months ended	3 months ended
	31.03.2014	31.03.2013
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit before zakat and taxation	56,119	51 <b>,</b> 521
Adjustments for:		
Depreciation and amortisation	12,560	11,852
Finance income	(1,639)	(2,169)
Operating profit before working capital changes	67,040	61,204
Changes in working capital:		
Net change in receivables	7,747	23 <b>,</b> 286
Net change in payables	(21,555)	(33, 346)
Cash generated from operations	53,232	51,144
Zakat paid	(875)	(875)
Tax paid	(11,831)	(11,158)
Net cash generated from operating activities	40,526	39,111
Cash flows from investing activities		
Purchase of property, plant and equipment	(14,664)	(13,144)
Finance income received	1,639	2,169
Net cash used in investing activities	(13,025)	(10,975)
Cash flows from financing activities		
Dividend paid	(38,520)	
Net cash used in financing activities	(38,520)	
Net change in cash and cash equivalents	(11,019)	28,136
Cash and cash equivalents at beginning of financial year	294,218	345,138
Cash and cash equivalents at end of financial peiod	283,199	373,274

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013.

#### Notes to the interim financial statements

#### 1. Basis of preparation

The condensed consolidated interim financial information for the three months financial period ended 31 March 2014 has been prepared in accordance with MFRS 134 "Interim Financial Reporting" and Appendix 9B (Part A) of the Listing Requirements of Bursa Malaysia. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the financial year ended 31 December 2013, which have been prepared in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965.

# 2. Changes in Accounting Policies

The significant accounting policies, method of computation and basis of consolidation applied in the condensed consolidated interim financial information are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2013 except for the adoption of the following amendments to Malaysian Financial Reporting Standards ("MFRS") which are effective for the financial period beginning on or after 1 January 2014:

Amendment to MFRS 132 Financial Instruments: Presentation

Amendment to MFRS 136 Impairment of Assets

Amendments to MFRS 10, Investment Entities

MFRS 12 and MFRS 127

The adoption of the above amendments to MFRSs does not have a significant impact on the financial performance and financial position of the Group.

# 3. Auditors' report on preceding annual financial statements

The report of the auditors on the Group's financial statements for the financial year ended 31 December 2013 was unqualified.

# 4. Seasonal or cyclical factors

The Group's operations are not significantly affected by seasonal or cyclical factors.

### 5. Unusual or significant event/transactions

There was no individual unusual or significant transaction that has taken place that materially affects the financial performance or financial position of the Group since the end of the previous annual reporting period.

# 6. Changes in estimates

There was no material change in financial estimates reported in prior interim periods that could materially affect the current interim period's financial statements.

#### 7. Debt and equity securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the three months financial period ended 31 March 2014.

#### 8. Dividend Paid

On 21 March 2014, the Company paid a single-tier second interim dividend of 3.00 sen per share on the 1,284,000,000 ordinary shares of RMO.50 each, amounting to RM38,520,000 in respect of financial year ended 31 December 2013.

# 9. Segment Reporting

The Group's segmental report for the three months financial period ended 31 March 2014 is as follows:

	Natural		
	Gas & LPG	Others	<u>Total</u>
	RM'000	RM'000	RM'000
31 March 2014			
Revenue:			
Total segment revenue			
-external	580 <b>,</b> 570	_	580,570
Results:			
Profit/(loss) before zakat			
and taxation	56,152	(33)	56,119
Finance income	(1,639)	_	(1,639)
Depreciation and amortisation	12,527	33	12,560
Earnings before finance	_		-
income, zakat, taxation,			
depreciation and amortisation	67,040		67,040

The Group's segmental report for the corresponding three months financial period ended 31 March 2013 is as follows:

	Natural		
	Gas & LPG	Others	<u>Total</u>
	RM'000	RM'000	RM'000
31 March 2013			
Revenue:			
Total segment revenue			
-external	535,443	-	535,443
Results:			
Profit/(loss) before zakat			
and taxation	51,553	(32)	51,521
Finance income	(2,169)	_	(2,169)
Depreciation and amortisation	11,820	32	11,852
Earnings before finance	_		
income, zakat, taxation,			
depreciation and amortisation	61,204	_	61,204

The Group's operations are conducted within Peninsular Malaysia.

# 10. Events subsequent to the end of reporting period

On 21 April 2014, the Company announced that a subsidiary company, set-up under the joint venture agreement namely, Gas Malaysia Energy Advance Sdn Bhd was incorporated under the Companies Act, 1965 on 18 April 2014.

The joint venture company will not have any material effects on the issued and paid-up share capital, net assets and earnings per share of Gas Malaysia Group for the financial year ending 31 December 2014.

There was no other material event which occurred subsequent to the end of the three months financial period ended 31 March 2014.

# 11. Changes in composition of the Group

There was no change in the composition of the Group during the current quarter.

# 12. Changes in contingent liabilities or contingent assets

There was no contingent liability or contingent asset since the last audited financial statements for the financial year ended 31 December 2013.

# 13. Capital commitments

Capital commitments for the Group not provided for in the condensed consolidated interim financial information are as follows:

	As at
	31.03.14
	RM'000
Property, plant and equipment:	
Authorised and contracted for	34,316
Authorised but not contracted for	156,500
	190,816

# 14. Related party transactions

Significant related party transactions for the financial period ended 31 March 2014:

	Cumulative 3 months ended 31.03.14 RM'000	Cumulative 3 months ended 31.03.13 RM'000
Parties transacted with:		
Petroliam Nasional Berhad		
- Purchase of natural gas**	(492,291)	(453,449)
- Tolling fee income*	3,704	3 <b>,</b> 753
Petronas Dagangan Berhad		
- Purchase of liquefied		
petroleum gas*	(5,112)	(5,818)
Central Sugar Refinery Sdn Bhd		
- Sales of natural gas**	11,216	9,738
Gula Padang Terap Sdn Bhd		
- Cash contribution received*	-	3,115
- Sales of natural gas**	3,893	10

- \* The transactions have been entered into in 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.

# Additional information required by the Bursa Securities Listing Requirements

### 15. Review of performance

The Group's revenue for the first quarter ended 31 March 2014 was RM580.6 million compared to RM535.4 million in the corresponding period in 2013, representing an increase of 8.4%. This was mainly due to higher volume of gas sold by 10.2%.

The profit before zakat and taxation for the first quarter ended 31 March 2014 was RM56.1 million, an increase of 8.9% compared to RM51.5 million in the corresponding period last year. This was in line with the higher volume of gas sold as stated above.

#### 16. Variation of results against preceding quarter

The Group recorded a profit before zakat and taxation of RM56.1 million in the current quarter as compared to RM50.7 million in the preceding quarter due to higher gross profit by 3.6% and lower operating expenditure.

# 17. Current prospects

The growth in revenue and profit before tax for the financial period ended 31 March 2014 as compared to financial period ended 31 March 2013 was primarily driven by the increase in volume of gas sold and number of customers. The Board anticipates the increase in gas volume and number of customers to sustain in financial year 2014.

The Company has announced on 11 April 2014 that the Government has approved the natural gas tariff revision for the non-power sector taking effect from 1 May 2014 and that the purchased price of gas procures from Petroliam Nasional Berhad will also be adjusted accordingly.

The impact on Group's earnings is dependent on the cost of natural gas purchased as well as the volume sold to customers. On the assumption that the Group continues to supply natural gas to customers based on volume at prevailing levels, the impact of this tariff revision to the Group's earnings is not expected to be material for financial year 2014.

#### 18. Profit before zakat and taxation

Profit before zakat and taxation is stated after charging/crediting) the following items:

	First Quarter		Financial	
	Ended		Period	Ended
	31.03.14	31.03.13	31.03.14	31.03.13
	RM'000	RM'000	RM'000	RM'000
Finance income	(1,639)	(2,169)	(1,639)	(2,169)
Depreciation and amortisation	12,560	11,852	12 <b>,</b> 560	11,852

Included in the revenue for the period ended 31 March 2014 is an amount relating to assets contributed by customers amounting to RM489,000 (31 March 2013: RM9,115,000).

# 19. Profit forecast or profit guarantee

The Group did not issue any profit forecast or profit guarantee for the reporting period in a public document.

# 20. Tax expense

			Cumulative	Cumulative
	3 months	3 months	3 months	3 months
	ended	ended	ended	ended
	31.03.14	31.03.13	31.03.14	31.03.13
	RM'000	RM'000	RM'000	RM'000
Current tax expense	(14,873)	(11,005)	(14,873)	(11,005)
Deferred tax				
expense	1,236	503	1,236	503
	(13,637)	(10,502)	(13,637)	(10,502)

The Group's effective tax rate for three months period ended 31 March 2014 of 24.7% is lower than the statutory income tax rate in Malaysia due to the effect of items not subject to tax.

# 21. Status of corporate proposals

a) On 24 December 2013, the Company announced that the Securities Commission Malaysia ("SC") had granted its approval for a further extension of time until 31 December 2015 for the Company to rectify the non-compliance of plots of land erected with stations which are not designated for gas station use ("Condition"). The Condition was imposed by the SC in its approval letter dated 7 October 2011 for the listing exercise of the Company ("Approval").

As at 31 March 2014, the Company rectified thirteen (13) stations which were erected on land not designated for gas station use, or where the express conditions pertaining to the use of land endorsed on the issue documents of title of the relevant land has not been ascertained ("Affected Stations"). The management is in the midst of rectifying the remaining nine (9) Affected Stations, of which the costs of rectification of the non-compliance are not expected to be significant.

b) On 24 February 2014, an announcement was also made that the Company has entered into a Joint Venture Agreement with IEV Energy Sdn Bhd to undertake the Compressed Natural Gas Distribution system for areas that is not accessible by gas pipeline. This joint venture will not have any material effects on the issued and paid-up share capital, net assets, earnings per share and gearing of the Group for the financial year ending 31 December 2014.

There was no other corporate proposal announced and pending completion by the Group during the current quarter.

# 22. Borrowing

The Group does not have any borrowing as at 31 March 2014.

# 23. Realised and unrealised profit/losses disclosure

The retained profits as at 31 March 2014 is analysed as follows:

	As at	As at
	31.03.14	31.12.13
	RM'000	RM'000
Total retained profits of the		
Company and its subsidiaries:		
- Realised	532,298	530,447
- Unrealised	(167,143)	(168,379)
	365,155	362,068

# 24. Material litigation

As at 31 March 2014, neither the Company nor its subsidiaries are engaged in any material litigation or arbitration, either as plaintiff or defendant, and our Board is not aware of any legal proceedings pending or threatened or of any fact likely to give rise to any legal proceeding which have a material adverse effect on the business or financial position of the Group.

# 25. Earnings per ordinary share

Basic/Diluted Earnings Per Ordinary Share ("EPS"):

			Cumulative	Cumulative
	3 months	3 months	3 months	3 months
	ended	ended	ended	ended
	31.03.14	31.03.13	31.03.14	31.03.13
Profit for the period				
attributable to owners of				
the Parent (RM mil)	41.6	40.1	41.6	40.1
Number of ordinary shares in				
issue (mil)	1,284.0	1,284.0	1,284.0	1,284.0
Basic earnings per ordinary				
share (Sen)	3.24	3.13	3.24	3.13
Diluted earnings per				
ordinary share (Sen)	3.24	3.13	3.24	3.13

The Group has no dilutive potential ordinary shares and therefore the diluted EPS is the same as the basic EPS.

#### 26. Dividends

The shareholders had, at the Annual General Meeting held on 15 May 2014, approved the payment of a single-tier final dividend of 4.36 sen per share on the 1,284,000,000 ordinary shares of RMO.50 each, amounting to RM55,982,400 in respect of financial year ended 31 December 2013.

No dividend has been declared by the Directors for the current financial period ended 31 March 2014. No dividend was declared by the Directors for the corresponding financial period ended 31 March 2013.

#### 27. Authorisation for issue

The condensed consolidated interim financial information has been authorised for issue by the Board of Directors in accordance with their resolution on 15 May 2014.

By Order of the Board

Zainul Abidin bin Hj Ahmad (LS 0008854) Yanti Irwani binti Abu Hassan (MACS 01349)

Company Secretaries

Shah Alam

Dated: 15 May 2014