

**Condensed Consolidated Statement of Comprehensive Income  
for the financial period ended 30 June 2016**

	<b>3 months ended 30.06.2016 RM' 000 (Unaudited)</b>	<b>3 months ended 30.06.2015 RM' 000 (Unaudited)</b>	<b>Cumulative 6 mths ended 30.06.2016 RM' 000 (Unaudited)</b>	<b>Cumulative 6 mths ended 30.06.2015 RM' 000 (Unaudited)</b>
Revenue	973,565	795,011	1,934,603	1,556,594
Cost of sales	(912,793)	(744,968)	(1,820,696)	(1,459,840)
<b>Gross profit</b>	<b>60,772</b>	<b>50,043</b>	<b>113,907</b>	<b>96,754</b>
Finance income	3,023	4,003	6,446	7,365
Other operating income	840	1,190	1,139	1,438
Administrative expenses	(13,592)	(11,057)	(29,253)	(21,090)
Finance cost	(911)	(1,404)	(2,295)	(2,170)
Share of result in Joint Ventures	(358)	794	(497)	(891)
<b>Profit before zakat and taxation</b>	<b>49,774</b>	<b>43,569</b>	<b>89,447</b>	<b>81,406</b>
Zakat expenses	(875)	(875)	(1,750)	(1,750)
Tax expense	(10,066)	(9,041)	(17,533)	(17,531)
<b>Net profit for the period</b>	<b>38,833</b>	<b>33,653</b>	<b>70,164</b>	<b>62,125</b>
<b>Other comprehensive income (net of tax):</b>				
Cash flow hedge	(402)	-	(5,629)	-
<b>Total comprehensive income for the period</b>	<b>38,431</b>	<b>33,653</b>	<b>64,535</b>	<b>62,125</b>
<b>Net profit attributable to:</b>				
Owners of the Parent	38,974	33,679	70,353	62,169
Non-controlling interest	(141)	(26)	(189)	(44)
	<b>38,833</b>	<b>33,653</b>	<b>70,164</b>	<b>62,125</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Parent	38,572	33,679	64,724	62,169
Non-controlling interest	(141)	(26)	(189)	(44)
	<b>38,431</b>	<b>33,653</b>	<b>64,535</b>	<b>62,125</b>
<b>Earnings per share</b>				
Basic (Sen)	3.04	2.62	5.48	4.84
Diluted (Sen)	3.04	2.62	5.48	4.84

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015.

**Condensed Consolidated Statement of Financial Position  
as at 30 June 2016**

	<b>As at 30.06.2016 RM' 000 (Unaudited)</b>	<b>As at 31.12.2015 RM' 000 (Audited)</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	1,060,049	1,045,124
Prepaid lease payments	17,024	17,225
Investment in joint ventures	25,380	25,274
Deferred tax assets	1,179	1,179
	<u>1,103,632</u>	<u>1,088,802</u>
<b>Current Assets</b>		
Trade and other receivables	520,326	641,019
Deposits, bank and cash balances	455,061	361,954
	<u>975,387</u>	<u>1,002,973</u>
	<u>2,079,019</u>	<u>2,091,775</u>
<b>Total Assets</b>		
<b>Equity</b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	642,000	642,000
Cash flow hedge reserve	(5,629)	-
Retained profits	337,832	328,726
	<u>974,203</u>	<u>970,726</u>
Non-controlling interest	1,006	1,195
<b>Total Equity</b>	<u>975,209</u>	<u>971,921</u>
<b>Non-Current Liabilities</b>		
Redeemable preference share	0 #	0 #
Deferred tax liabilities	156,506	158,291
Borrowings	2,960	-
	<u>159,466</u>	<u>158,291</u>
<b>Current Liabilities</b>		
Trade and other payables	932,069	826,145
Borrowings	2,040	130,000
Taxation	10,235	5,418
	<u>944,344</u>	<u>961,563</u>
<b>Total liabilities</b>	<u>1,103,810</u>	<u>1,119,854</u>
<b>Total equity and liabilities</b>	<u>2,079,019</u>	<u>2,091,775</u>
Net assets per share attributable to ordinary equity holders of the Parent (Sen)	75.87	75.60

# 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 2015.

## Unaudited Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 June 2016

	Number of Shares Million	Share Capital RM'000	Cash Flow Hedge Reserve RM'000	Retained Profits RM'000	Total RM'000	Non-controlling interest RM'000	Total Equity RM'000
<b>At 1 January 2016</b>	<b>1,284</b>	<b>642,000</b>	<b>-</b>	<b>328,726</b>	<b>970,726</b>	<b>1,195</b>	<b>971,921</b>
Net profit for the financial period	-	-	-	70,353	70,353	(189)	70,164
Other comprehensive loss for the financial period	-	-	(5,629)	-	(5,629)	-	(5,629)
Total comprehensive income for the period	-	-	(5,629)	70,353	64,724	(189)	64,535
Dividend:							
- Final dividend for the financial year ended 31 December 2015	-	-	-	(61,247)	(61,247)	-	(61,247)
<b>At 30 June 2016</b>	<b>1,284</b>	<b>642,000</b>	<b>(5,629)</b>	<b>337,832</b>	<b>974,203</b>	<b>1,006</b>	<b>975,209</b>

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 2015.

## Unaudited Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 June 2015

	Number of Shares Million	Share Capital RM'000	Retained Profits RM'000	Total RM'000	Non-controlling interest RM'000	Total Equity RM'000
<b>At 1 January 2015</b>	<b>1,284</b>	<b>642,000</b>	<b>370,994</b>	<b>1,012,994</b>	<b>-</b>	<b>1,012,994</b>
Net profit/Total comprehensive income for the financial period	-	-	62,169	62,169	(44)	62,125
Dividends:						
- Second interim dividend for the financial year ended 31 December 2014	-	-	(51,360)	(51,360)	-	(51,360)
- Final dividend for the financial year ended 31 December 2014	-	-	(52,130)	(52,130)	-	(52,130)
	-	-	(103,490)	(103,490)	-	(103,490)
Subscription of shares in subsidiary	-	-	-	-	220	220
<b>At 30 June 2015</b>	<b>1,284</b>	<b>642,000</b>	<b>329,673</b>	<b>971,673</b>	<b>176</b>	<b>971,849</b>

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 2015.

**Condensed Consolidated Statement of Cash Flows  
for the financial period ended 30 June 2016**

	<b>6 months ended 30.06.2016 RM'000 (Unaudited)</b>	<b>6 months ended 30.06.2015 RM'000 (Unaudited)</b>
<b>Cash flows from operating activities</b>		
Profit before zakat and taxation	89,447	81,406
Adjustments for:		
Depreciation and amortisation	28,656	26,569
Impairment of trade receivables	6,233	-
Gain on disposal of property, plant and equipment	(583)	(60)
Share of result in Joint Ventures	497	891
Finance income	(6,446)	(7,365)
Operating profit before working capital changes	<u>117,804</u>	<u>101,441</u>
Changes in working capital:		
Net change in receivables	114,460	(67,623)
Net change in payables	<u>105,924</u>	<u>43,595</u>
Cash generated from operations	338,188	77,413
Zakat paid	(1,750)	(1,750)
Tax paid	<u>(14,501)</u>	<u>(21,039)</u>
<b>Net cash flows generated from operating activities</b>	<b><u>321,937</u></b>	<b><u>54,624</u></b>
<b>Cash flows from investing activities</b>		
Investment in Joint Ventures	(6,232)	(15,211)
Purchase of property, plant and equipment	(43,380)	(30,389)
Proceeds from sale of property, plant and equipment	583	60
Finance income received	<u>6,446</u>	<u>7,365</u>
<b>Net cash flows used in investing activities</b>	<b><u>(42,583)</u></b>	<b><u>(38,175)</u></b>
<b>Cash flows from financing activities</b>		
Dividends paid	(61,247)	(103,490)
Drawdown of term loan / MTN	5,000	130,000
Repayment of MTN	(130,000)	-
Equity contribution from non-controlling interest	<u>-</u>	<u>220</u>
<b>Net cash flows (used in)/generated from financing activities</b>	<b><u>(186,247)</u></b>	<b><u>26,730</u></b>
Net change in cash and cash equivalents	93,107	43,179
Cash and cash equivalents at beginning of financial period	<u>361,954</u>	<u>430,472</u>
<b>Cash and cash equivalents at end of financial period</b>	<b><u><u>455,061</u></u></b>	<b><u><u>473,651</u></u></b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015.

## **Notes to the interim financial statements**

### **1. Basis of preparation**

The condensed consolidated interim financial information for the three months financial period ended 30 June 2016 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 audited financial statements for the financial year ended 31 December 2015, which have been prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

### **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 2015.

The adoption of the following amendments and annual improvements to published standards that came into effect on 1 January 2016 did not have any significant impact on the condensed consolidated financial statements upon their initial application:

- Amendments to MFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"
- Amendments to MFRS 116 and MFRS 138 "Clarification of Acceptable Methods of Depreciation and Amortisation"

- Amendments to MFRS 10 "Consolidated Financial Statements" and MFRS 128 "Investment in associates and joint ventures - Sale or contribution of assets between an investor and its associates/joint ventures". The effective date of these amendments had been subsequently deferred to a date to be announced by the Malaysian Accounting Standards Board.
- Amendments to MFRS 101 "Presentation of Financial Statements - Disclosure Initiative"
- Amendments to MFRS 127 "Separate Financial Statements - Equity Method in Separate Financial Statements"
- Annual Improvements to MFRSs 2012 - 2014 Cycle (Amendments to MFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", MFRS 7 "Financial Instruments: Disclosures", MFRS 119 "Employee Benefits" and MFRS 134 "Interim Financial Reporting")

Malaysian Accounting Standards Board had issued the following amendments and new standards which are effective for the financial periods:

- (i) Financial year beginning on or after 1 January 2017:
  - Amendments to MFRS 107 "Statements of Cash Flows - Disclosure Initiative"
  - Amendments to MFRS 112 "Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses"
- (ii) Financial year beginning on or after 1 January 2018:
  - MFRS 9 "Financial Instruments"
  - MFRS 15 "Revenue from Contracts with Customers"
- (iii) Financial year beginning on or after 1 January 2019:
  - MFRS 16 "Leases"

The Group did not early adopt these new standards.

**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 2015 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**

Save as disclosed below, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period ended 30 June 2016.

On 29 April 2016, the Company completed the repayment of RM130.0 million in nominal value of Al-Murabahah Medium Term Notes ("MTN") pursuant to the MTN programme under the Syariah Principle of Al-Murabahah.



**8. Dividend Paid**

On 16 June 2016, the Company paid a single-tier final dividend of 4.77 sen per share on the 1,284,000,000 ordinary of RM0.50 each in issue, amounting to RM61,246,800 in respect of financial year ended 31 December 2015.

**9. Segment Reporting**

The Group's segmental report for the financial period ended 30 June 2016 is as follows:

	Natural Gas & LPG	Others	Total
	RM' 000	RM' 000	RM' 000
<u>30 June 2016</u>			
<u>Revenue:</u>			
Total segment revenue			
-external	1,934,603	-	1,934,603
<u>Results:</u>			
Profit/(loss) before zakat and taxation	90,009	(562)	89,447
Finance income	(6,446)	-	(6,446)
Depreciation and amortisation	28,629	27	28,656
Earnings before finance income, zakat, taxation, depreciation and amortisation	112,192	(535)	111,657



**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 2015.

**13. Capital commitments**

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

	As at
	30.06.16
	RM' 000
Property, plant and equipment:	
Authorised and contracted for	67,568
Authorised but not contracted for	101,158
	<u>168,726</u>

**14. Related party transactions**

Significant related party transactions for the financial period ended 30 June 2016:

	Cumulative 6 months ended 30.06.16 RM'000	Cumulative 6 months ended 30.06.15 RM'000
Parties transacted with:		
Petroliam Nasional Berhad		
- Purchase of natural gas**	(1,742,147)	(1,408,211)
- Tolling fee income*	6,318	7,282
- Cash contribution for Citygate construction paid*	(1,028)	(1,308)
Petronas Dagangan Berhad		
- Purchase of liquefied petroleum gas*	(5,907)	(9,061)
Central Sugar Refinery Sdn Bhd		
- Sales of natural gas**	35,537	25,394
Gula Padang Terap Sdn Bhd		
- Sales of natural gas**	14,003	7,656
Senai Airport City Sdn Bhd (formerly known as Enigma Harmoni Sdn Bhd)		
- Cash contribution for pipeline construction received*	-	441

\* 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 second quarter ended 30 June 2016 was RM973.6 million compared to RM795.0 million in the corresponding period in 2015, representing an increase of 22.5%. This was mainly due to upward revision of natural gas tariff which took effect on 1 January 2016 and higher volume of gas sold in the current quarter.

The Group's revenue for the financial period ended 30 June 2016 was RM1,934.6 million compared to RM1,556.6 million in the corresponding period in 2015, representing an increase of 24.3% similarly due to the upward revisions of natural gas tariff effective 1 January 2016 and higher volume of gas sold.

The profit before zakat and taxation for the second quarter ended 30 June 2016 was RM49.8 million, an increase by 14.2% compared to the profit before zakat and taxation of RM43.6 million in the corresponding period last year. This was mainly due to higher gross profit in line with the increases in volume of gas sold and assets contributed by customers.

The profit before zakat and taxation for the financial period ended 30 June 2016 was RM89.4 million, an increase by 9.8% compared to RM81.4 million in the corresponding period last year. This was due to higher gross profit in line with the increases in volume of gas sold and assets contributed by customers.

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

The Group recorded a higher profit before zakat and taxation of RM49.8 million in the current quarter as compared to RM39.7 million in the preceding quarter mainly due to higher gross profit in line with the increase in volume of gas sold and lower operating expenses.

**17. Current prospects**

The growth in revenue for the financial period ended 30 June 2016 was primarily driven by the increase in volume of gas sold, number of customers and revisions in gas tariff. The Board anticipates that the increase in volume of gas sold and number of customers will sustain for the second half of 2016. The profitability of the Group for the financial year ending 31 December 2016 is also expected to be in tandem with the level reflecting the prevailing tariff setting mechanism framework.

**18. Profit before zakat and taxation**

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

	Second Quarter		Financial Period	
	Ended		Ended	
	30.06.16	30.06.15	30.06.16	30.06.15
	RM' 000	RM' 000	RM' 000	RM' 000
Depreciation and amortisation	14,293	13,307	28,656	26,569
Impairment of trade receivables	715	-	6,233	-

Included in the revenue for the financial period ended 30 June 2016 is an amount relating to assets contributed by customers amounting to RM12,568,000 (30 June 2015: RM7,876,000).

**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**

	3 months ended 30.06.16 RM' 000	3 months ended 30.06.15 RM' 000	Cumulative 6 months ended 30.06.16 RM' 000	Cumulative 6 months ended 30.06.15 RM' 000
Current tax expense	(10,324)	(9,844)	(19,318)	(19,678)
Deferred tax - origination and reversal of temporary timing differences	258	803	1,785	2,147
	<u>(10,066)</u>	<u>(9,041)</u>	<u>(17,533)</u>	<u>(17,531)</u>

The Group's effective tax rate for three months period ended 30 June 2016 of 20.6% is lower than the statutory income tax rate in Malaysia due to items not subject to tax and reduction of deferred tax liabilities.

The Group's effective tax rate for the six months financial period ended 30 June 2016 of 20.0% is lower than the statutory income tax rate in Malaysia due to the effect of items not subject to tax and reduction of deferred tax liabilities.

**21. Status of corporate proposals**

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

**22. Borrowing**

The outstanding borrowings of the Group are analysed as follows:

	As at 30.06.16 RM' 000	As at 31.12.15 RM' 000
<u>Current:</u>		
Al-Murabahah Medium Term Notes		
- Unsecured	-	130,000
Term Loan		
- Unsecured	2,040	-
	<u>2,040</u>	<u>130,000</u>
<u>Non-current:</u>		
Term Loan		
- Unsecured	2,960	-
	<u>2,960</u>	<u>-</u>
Total borrowings	<u>5,000</u>	<u>130,000</u>

**23. Realised and unrealised profit/(losses) disclosure**

The retained profits as at 30 June 2016 is analysed as follows:

	As at 30.06.16 RM' 000	As at 31.12.15 RM' 000
Total retained profits of the Company and its subsidiaries:		
- Realised	495,640	487,822
- Unrealised	(155,327)	(157,112)
Total share of accumulated losses from joint ventures:		
- Realised	(2,481)	(1,984)
Total retained profits	<u>337,832</u>	<u>328,726</u>



**24. Material litigation**

As at 30 June 2016, neither the Company nor its subsidiaries are engaged in any material litigation or arbitration, either as plaintiff or defendant.

**25. Earnings per ordinary share**

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

	3 months ended <u>30.06.16</u>	3 months ended <u>30.06.15</u>	Cumulative 6 months ended <u>30.06.16</u>	Cumulative 6 months ended <u>30.06.15</u>
Profit for the period attributable to owners of the Parent (RM'mil)	39.0	33.7	70.4	62.2
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)	3.04	2.62	5.48	4.84
Diluted earnings per ordinary share (Sen)	3.04	2.62	5.48	4.84

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

**26. Dividend**

The Directors have declared on 11 August 2016, a single-tier interim dividend of 4.00 sen per share on the 1,284,000,000 ordinary shares of RM0.50 each, amounting to RM51,360,000 in respect of financial year ending 31 December 2016.

For the corresponding financial period ended 30 June 2015, a single-tier interim dividend of 3.50 sen per share on the 1,284,000,000 ordinary shares of RM0.50 each, amounting to RM44,940,000 in respect of financial year ended 31 December 2015, was declared by the Directors on 13 August 2015.

**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 11 August 2016.

By Order of the Board

Yanti Irwani Binti Abu Hassan (MACS 01349)

Noor Raniz Bin Mat Nor (MAICSA 7061903)

Company Secretaries

Shah Alam

Dated: 11 August 2016