

**Condensed Consolidated Statement of Comprehensive Income
for the financial period ended 31 March 2017**

	3 months ended 31.03.2017 RM'000 (Unaudited)	3 months ended 31.03.2016 RM'000 (Unaudited)	Cumulative 3 mths ended 31.03.2017 RM'000 (Unaudited)	Cumulative 3 mths ended 31.03.2016 RM'000 (Unaudited)
Revenue	1,187,024	961,260	1,187,024	961,260
Cost of sales	(1,131,068)	(907,903)	(1,131,068)	(907,903)
Gross profit	55,956	53,357	55,956	53,357
Finance income	3,581	3,423	3,581	3,423
Other operating income	280	299	280	299
Administrative expenses	(14,030)	(15,661)	(14,030)	(15,661)
Selling & distribution expenses	(237)	(222)	(237)	(222)
Finance cost	(620)	(1,384)	(620)	(1,384)
Share of result in Joint Ventures	239	(139)	239	(139)
Profit before zakat and taxation	45,169	39,673	45,169	39,673
Zakat expenses	(875)	(875)	(875)	(875)
Tax expense	(10,650)	(7,467)	(10,650)	(7,467)
Net profit for the period	33,644	31,331	33,644	31,331
Other comprehensive income (net of tax):				
<i>Items that will be reclassified to profit or loss</i>				
Cash flow hedge	313	(5,227)	313	(5,227)
Total comprehensive income for the period	33,957	26,104	33,957	26,104
Net profit attributable to:				
Owners of the Parent	33,741	31,379	33,741	31,379
Non-controlling interests	(97)	(48)	(97)	(48)
	33,644	31,331	33,644	31,331
Total comprehensive income attributable to:				
Owners of the Parent	34,054	26,152	34,054	26,152
Non-controlling interests	(97)	(48)	(97)	(48)
	33,957	26,104	33,957	26,104
Earnings per share				
Basic (Sen)	2.63	2.44	2.63	2.44
Diluted (Sen)	2.63	2.44	2.63	2.44

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016.

**Condensed Consolidated Statement of Financial Position
as at 31 March 2017**

	As at 31.03.2017 RM' 000 (Unaudited)	As at 31.12.2016 RM' 000 (Audited)
Non-Current Assets		
Property, plant and equipment	1,123,369	1,121,145
Prepaid lease payments	16,721	16,822
Investment in joint ventures	27,452	26,900
Deferred tax assets	689	689
	<u>1,168,231</u>	<u>1,165,556</u>
Current Assets		
Trade and other receivables	489,491	474,747
Deposits, bank and cash balances	422,345	585,113
	<u>911,836</u>	<u>1,059,860</u>
	<u>2,080,067</u>	<u>2,225,416</u>
Total Assets		
Equity		
Equity attributable to owners of the Parent		
Share capital	642,000	642,000
Cash flow hedge reserve	(2,781)	(3,094)
Retained profits	363,638	381,257
	<u>1,002,857</u>	<u>1,020,163</u>
Non-controlling interests	380	477
Total Equity	<u>1,003,237</u>	<u>1,020,640</u>
Non-Current Liabilities		
Redeemable preference share	0 #	0 #
Deferred tax liabilities	136,092	133,286
Borrowings	108,160	107,990
	<u>244,252</u>	<u>241,276</u>
Current Liabilities		
Trade and other payables	808,737	915,636
Borrowings	3,040	3,040
Taxation	20,801	44,824
	<u>832,578</u>	<u>963,500</u>
Total liabilities	<u>1,076,830</u>	<u>1,204,776</u>
Total equity and liabilities	<u>2,080,067</u>	<u>2,225,416</u>
Net assets per share attributable to ordinary equity holders of the Parent (Sen)	78.10	79.45

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 2016.

Unaudited Condensed Consolidated Statement of Changes in Equity for the financial period ended 31 March 2017

	Number of Shares Million	Share Capital RM'000	Cash Flow Hedge Reserve RM'000	Retained Profits RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
At 1 January 2017	1,284	642,000	(3,094)	381,257	1,020,163	477	1,020,640
Net profit for the financial period	-	-	-	33,741	33,741	(97)	33,644
Other comprehensive profit for the financial period	-	-	313	-	313	-	313
Total comprehensive income for the financial period	-	-	313	33,741	34,054	(97)	33,957
Dividends:							
- Interim dividend for the financial year ended 31 December 2016	-	-	-	(51,360)	(51,360)	-	(51,360)
	-	-	-	(51,360)	(51,360)	-	(51,360)
At 31 March 2017	1,284	642,000	(2,781)	363,638	1,002,857	380	1,003,237

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 2016.

Unaudited Condensed Consolidated Statement of Changes in Equity for the financial period ended 31 March 2016

	Number of Shares Million	Share Capital RM'000	Cash Flow Hedge Reserve RM'000	Retained Profits RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
At 1 January 2016	1,284	642,000	-	328,726	970,726	1,195	971,921
Net profit for the financial period	-	-		31,379	31,379	(48)	31,331
Other comprehensive loss for the financial period	-	-	(5,227)	-	(5,227)	-	(5,227)
Total comprehensive income for the financial period	-	-	(5,227)	31,379	26,152	(48)	26,104
At 31 March 2016	1,284	642,000	(5,227)	360,105	996,878	1,147	998,025

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 2016.

**Condensed Consolidated Statement of Cash Flows
for the financial period ended 31 March 2017**

	3 months ended 31.03.2017 RM'000 (Unaudited)	3 months ended 31.03.2016 RM'000 (Unaudited)
Cash flows from operating activities		
Profit before zakat and taxation	45,169	39,673
Adjustments for:		
Depreciation and amortisation	14,992	14,363
Impairment of trade receivables	-	5,518
Write back of impairment of trade receivables	(1,116)	-
Share of result in Joint Ventures	(239)	139
Finance income	(3,581)	(3,423)
Operating profit before working capital changes	<u>55,225</u>	<u>56,270</u>
Changes in working capital:		
Net change in receivables	(13,628)	46,449
Net change in payables	<u>(106,899)</u>	<u>82,931</u>
Cash (used in)/generated from operations	(65,302)	185,650
Zakat paid	(875)	(875)
Tax paid	<u>(31,867)</u>	<u>(6,738)</u>
Net cash flows (used in)/generated from operating activities	<u>(98,044)</u>	<u>178,037</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(17,115)	(17,668)
Finance income received	<u>3,581</u>	<u>3,423</u>
Net cash flows used in investing activities	<u>(13,534)</u>	<u>(14,245)</u>
Cash flows from financing activities		
Dividends paid	(51,360)	-
Drawdown of loan	<u>170</u>	<u>-</u>
Net cash flows used in financing activities	<u>(51,190)</u>	<u>-</u>
Net change in cash and cash equivalents	(162,768)	163,792
Cash and cash equivalents at beginning of financial period	<u>585,113</u>	<u>361,954</u>
Cash and cash equivalents at end of financial period	<u><u>422,345</u></u>	<u><u>525,746</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016.

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 2017 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 2016, 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 2016.

The adoption of the following amendments and annual improvements to published standards that came into effect on 1 January 2017 which are applicable to the Group and the Company, did not have any significant impact on the condensed consolidated financial statements upon their initial application:

- Amendments to MFRS 107 "Statements of Cash Flows - Disclosure Initiative"
- Amendments to MFRS 112 "Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses"

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

- (i) Financial year beginning on or after 1 January 2018:
 - MFRS 9 "Financial Instruments"
 - MFRS 15 "Revenue from Contracts with Customers"
- (ii) Financial year beginning on or after 1 January 2019:
 - MFRS 16 "Leases"
- (iii) Effective date yet to be determined:
 - 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 Group did not early adopt these amendments and new standards and is currently assessing the impact of adopting MFRS 9, MFRS 15 and MFRS 16.

The new Companies Act, 2016, with the exception of Section 241 and Division 8 of Part III, became effective on 31 January 2017.

Amongst the key changes introduced in the new Companies Act, 2016 affecting the financial statements of the Group includes:

- a) removal of the authorised share capital; and
- b) shares of the Company cease to have par or nominal value.

The adoption of the Companies Act, 2016 did not have any significant financial impact on the Group and on the Company for the current financial period ended 31 March 2017 and is not expected to have any significant financial impact on the Group and on the Company for the financial year ending 31 December 2017.

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 2016 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 financial period ended 31 March 2017.

8. Dividends Paid

On 20 March 2017, the Company paid a single-tier second interim dividend of 4.00 sen per share on the 1,284,000,000 ordinary shares in issue, amounting to RM51,360,000 in respect of financial year ended 31 December 2016.

9. Segment Reporting

The Group's segmental report for the financial period ended 31 March 2017 is as follows:

	Natural <u>Gas & LPG</u> RM' 000	<u>Others</u> RM' 000	<u>Total</u> RM' 000
<u>31 March 2017</u>			
<u>Revenue:</u>			
Total segment revenue			
-external	1,187,024	-	1,187,024
<u>Results:</u>			
Profit before zakat and taxation	44,951	218	45,169
Finance income	(3,581)	-	(3,581)
Depreciation and amortisation	14,978	14	14,992
Earnings before finance income, zakat, taxation, depreciation and amortisation	56,348	232	56,580

The Group's segmental report for the corresponding financial period ended 31 March 2016 is as follows:

	Natural		
	<u>Gas & LPG</u>	<u>Others</u>	<u>Total</u>
	RM' 000	RM' 000	RM' 000
<u>31 March 2016</u>			
<u>Revenue:</u>			
Total segment revenue			
-external	961,260	-	961,260
<u>Results:</u>			
Profit/(loss) before zakat			
and taxation	39,843	(170)	39,673
Finance income	(3,423)	-	(3,423)
Depreciation and amortisation	14,349	14	14,363
Earnings before finance			
income, zakat, taxation,			
depreciation and amortisation	50,769	(156)	50,613

The Group's operations are conducted within Peninsular Malaysia.

10. Events subsequent to the end of reporting period

On 5 May 2017, an announcement was made that Gas Malaysia Venture 2 Sdn. Bhd. a wholly-owned subsidiary of the Company has signed a Gas Purchase Agreement ("GPA") with O'rec Ind Sdn Bhd to off take and purchase Bio Compressed Natural Gas extracted from Landfill Gas for a contract period of 10 years.

The GPA will contribute positively to the earnings and net assets of the Group during the tenure of the contract.

There was no other material event which occurred subsequent to the end of the three months financial period ended 31 March 2017.

11. Changes in the 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 2016.

13. Capital commitments

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

	As at 31.03.17 RM' 000
Property, plant and equipment:	
Authorised and contracted for	32,698
Authorised but not contracted for	188,618
	<hr/> 221,316 <hr/>

14. Related party transactions

Significant related party transactions for the financial period ended 31 March 2017:

	Cumulative 3 months ended 31.03.17 RM' 000	Cumulative 3 months ended 31.03.16 RM' 000
Parties transacted with:		
Petroliam Nasional Berhad		
- Purchase of natural gas**	(1,100,431)	(881,049)
- Tolling fee income*	3,380	3,139
- Cash contribution for Citygate construction paid*	(2,554)	(983)
Petronas Dagangan Berhad		
- Purchase of liquefied petroleum gas*	(4,818)	(3,903)
Central Sugar Refinery Sdn Bhd		
- Sales of natural gas***	18,851	14,557
Gula Padang Terap Sdn Bhd		
- Sales of natural gas***	6,813	6,459

* 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 and market prices.

*** The sales of natural gas have been entered into based on regulated price.

Additional information required by the Bursa Securities Listing Requirements**15. Review of performance**

The Group's revenue for the first quarter ended 31 March 2017 was RM1,187.0 million compared to RM961.3 million in the corresponding period in 2016, representing an increase of 23.5%. This was mainly due to higher volume of gas sold and the upward revision of natural gas tariff.

The profit before zakat and taxation for the first quarter ended 31 March 2017 was RM45.2 million, an increase by 13.9% compared to the profit before zakat and taxation of RM39.7 million in the corresponding period last year. This was mainly due to higher gross profit in line with the increase in volume of gas sold coupled with lower administrative expenses.

16. Variation of results against preceding quarter

The Group recorded a lower profit before zakat and taxation of RM45.2 million in the current quarter as compared to RM67.8 million in the preceding quarter mainly due to lower gross profit in line with the decrease in tolling fees and assets contributed by customers.

17. Current prospects

The growth in revenue for the financial year ended 31 December 2016 was primarily driven by the increase in volume of gas sold and revisions in gas tariff. The Board anticipates that the yearly increase in gas sales volume and number of customers to sustain for financial year 2017. The profitability of the Group for the financial year ending 31 December 2017 is 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/(crediting) the following items:

	First quarter ended		Financial period ended	
	31.03.17 RM' 000	31.03.16 RM' 000	31.03.17 RM' 000	31.03.16 RM' 000
Depreciation and amortisation	14,992	14,363	14,992	14,363
Write back of trade receivables	(1,116)	-	(1,116)	-
Impairment of trade receivables	-	5,518	-	5,518

Included in the revenue for the financial period ended 31 March 2017 is an amount relating to assets contributed by customers amounting to RM1,333,050 (31 March 2016: RM6,215,552).

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 31.03.17	3 months ended 31.03.16	Cumulative 3 months ended 31.03.17	Cumulative 3 months ended 31.03.16
	RM'000	RM'000	RM'000	RM'000
Current tax expense	(7,845)	(8,994)	(7,845)	(8,994)
Deferred tax - origination and reversal of temporary timing differences	(2,805)	1,527	(2,805)	1,527
	<u>(10,650)</u>	<u>(7,467)</u>	<u>(10,650)</u>	<u>(7,467)</u>

The Group's effective tax rate for three months period ended 31 March 2017 of 24.0% is similar to the statutory income tax rate in Malaysia.

21. Gas Cost Pass Through ("GCPT") in tariff revision

Included in the "Trade and other payables" is an accrual for the recovery of gas cost arising from the variance between the actual market price and the forecast market price which was used for determining the current tariffs. This accrual is based on the Government's undertaking to the Company that it remains financially neutral from the resultant gas price fluctuations following the GCPT mechanism which was implemented on 1 January 2016.

The GCPT mechanism is an integral component of the Incentive Based Regulations ("IBR"), an economic regulation framework approved by the Government. Its implementation is regulated by Suruhanjaya Tenaga ("ST").

22. Status of corporate proposals

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

23. Borrowing

The outstanding borrowings of the Group are analysed as follows:

	As at 31.03.17 RM' 000	As at 31.12.16 RM' 000
<u>Current (unsecured):</u>		
Islamic Commercial Papers	1,000	1,000
Term Loan	2,040	2,040
	<hr/> 3,040	<hr/> 3,040
 <u>Non-current (unsecured):</u>		
Islamic Medium Term Notes	100,000	100,000
Term Loan	8,160	7,990
	<hr/> 108,160	<hr/> 107,990
Total borrowings	<hr/> <hr/> 111,200	<hr/> <hr/> 111,030

24. Realised and unrealised profit/(losses) disclosure

The retained profits as at 31 March 2017 is analysed as follows:

	As at 31.03.17 RM' 000	As at 31.12.16 RM' 000
Total retained profits of the Company and its subsidiaries:		
- Realised	502,298	517,350
- Unrealised	(135,403)	(132,597)
Total share of accumulated losses from joint ventures:		
- Realised	(3,257)	(3,496)
Total retained profits	363,638	381,257

25. Material litigation

As at 31 March 2017, neither the Company nor its subsidiaries are engaged in any material litigation or arbitration, either as plaintiff or defendant.

26. Earnings per ordinary share

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

	3 months ended <u>31.03.17</u>	3 months ended <u>31.03.16</u>	Cumulative 3 months ended <u>31.03.17</u>	Cumulative 3 months ended <u>31.03.16</u>
Profit for the period attributable to owners of the Parent (RM'mil)	33.7	31.4	33.7	31.4
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)	2.63	2.44	2.63	2.44
Diluted earnings per ordinary share (Sen)	2.63	2.44	2.63	2.44

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

27. Dividend

The shareholders had, at the Annual General Meeting held on 9 May 2017, approved the payment of a single-tier final dividend of 4.86 sen per share on the 1,284,000,000 ordinary shares in issue, amounting to RM62,402,400 in respect of financial year ended 31 December 2016.

No interim dividend has been declared by the Directors in the current financial period ended 31 March 2017 for financial year ending 31 December 2017. No dividend has been declared by the Directors in the corresponding financial period ended 31 March 2016 for financial year ended 31 December 2016.

28. 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 9 May 2017.

By Order of the Board,

Yanti Irwani Binti Abu Hassan (MACS 01349)

Noor Raniz Bin Mat Nor (MAICSA 7061903)

Company Secretaries

Shah Alam

Dated: 9 May 2017