

**Condensed Consolidated Statement of Comprehensive Income
for the financial period ended 30 June 2017**

	3 months ended 30.06.2017 RM' 000 (Unaudited)	3 months ended 30.06.2016 RM' 000 (Unaudited)	Cumulative 6 mths ended 30.06.2017 RM' 000 (Unaudited)	Cumulative 6 mths ended 30.06.2016 RM' 000 (Unaudited)
Revenue	1,287,333	973,788	2,474,357	1,935,048
Cost of sales	(1,221,708)	(912,793)	(2,352,776)	(1,820,696)
Gross profit	65,625	60,995	121,581	114,352
Finance income	2,914	3,023	6,495	6,446
Other operating income	333	840	613	1,139
Administrative expenses	(16,792)	(13,592)	(30,822)	(29,253)
Selling & distribution expenses	(263)	(223)	(500)	(445)
Finance cost	(488)	(911)	(1,108)	(2,295)
Share of result in Joint Ventures	(78)	(358)	161	(497)
Profit before zakat and taxation	51,251	49,774	96,420	89,447
Zakat expenses	(875)	(875)	(1,750)	(1,750)
Tax expense	(11,095)	(10,066)	(21,745)	(17,533)
Net profit for the period	39,281	38,833	72,925	70,164
Other comprehensive income (net of tax):				
<i>Items that will be reclassified to profit or loss</i>				
Cash flow hedge	(655)	(402)	(342)	(5,629)
Total comprehensive income for the period	38,626	38,431	72,583	64,535
Net profit attributable to:				
Owners of the Parent	39,460	38,974	73,201	70,353
Non-controlling interests	(179)	(141)	(276)	(189)
	39,281	38,833	72,925	70,164
Total comprehensive income attributable to:				
Owners of the Parent	38,805	38,572	72,859	64,724
Non-controlling interests	(179)	(141)	(276)	(189)
	38,626	38,431	72,583	64,535
Earnings per share				
Basic (Sen)	3.07	3.04	5.70	5.48
Diluted (Sen)	3.07	3.04	5.70	5.48

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 30 June 2017**

	As at 30.06.2017 RM' 000 (Unaudited)	As at 31.12.2016 RM' 000 (Audited)
Non-Current Assets		
Property, plant and equipment	1,138,310	1,121,145
Prepaid lease payments	16,621	16,822
Investment in joint ventures	26,718	26,900
Deferred tax assets	689	689
	<u>1,182,338</u>	<u>1,165,556</u>
Current Assets		
Trade and other receivables	497,147	474,747
Deposits, bank and cash balances	485,423	585,113
	<u>982,570</u>	<u>1,059,860</u>
	<u>2,164,908</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	(3,436)	(3,094)
Retained profits	340,696	381,257
	<u>979,260</u>	<u>1,020,163</u>
Non-controlling interests	201	477
Total Equity	<u>979,461</u>	<u>1,020,640</u>
Non-Current Liabilities		
Redeemable preference share	0 #	0 #
Deferred tax liabilities	139,854	133,286
Borrowings	108,970	107,990
	<u>248,824</u>	<u>241,276</u>
Current Liabilities		
Trade and other payables	853,282	915,636
Borrowings	63,990	3,040
Taxation	19,351	44,824
	<u>936,623</u>	<u>963,500</u>
Total liabilities	<u>1,185,447</u>	<u>1,204,776</u>
Total equity and liabilities	<u>2,164,908</u>	<u>2,225,416</u>
Net assets per share attributable to ordinary equity holders of the Parent (Sen)	76.27	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 30 June 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	-	-	-	73,201	73,201	(276)	72,925
Other comprehensive loss for the financial period	-	-	(342)	-	(342)	-	(342)
Total comprehensive income for the financial period	-	-	(342)	73,201	72,859	(276)	72,583
Dividends:							
- Second interim dividend for the financial year ended 31 December 2016	-	-	-	(51,360)	(51,360)	-	(51,360)
- Final dividend for the financial year ended 31 December 2016	-	-	-	(62,402)	(62,402)	-	(62,402)
	-	-	-	(113,762)	(113,762)	-	(113,762)
At 30 June 2017	1,284	642,000	(3,436)	340,696	979,260	201	979,461

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 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 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	-	-	-	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 financial period	-	-	(5,629)	70,353	64,724	(189)	64,535
Dividends:							
- Final dividend for the financial year ended 31 December 2015	-	-	-	(61,247)	(61,247)	-	(61,247)
At 30 June 2016	1,284	642,000	(5,629)	337,832	974,203	1,006	975,209

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 30 June 2017**

	6 months ended 30.06.2017 RM'000 (Unaudited)	6 months ended 30.06.2016 RM'000 (Unaudited)
Cash flows from operating activities		
Profit before zakat and taxation	96,420	89,447
Adjustments for:		
Depreciation and amortisation	30,211	28,656
Impairment of trade receivables	7,205	6,233
Write back of impairment of trade receivables	(5,715)	-
Gain on disposal of property, plant and equipment	-	(583)
Share of result in Joint Ventures	(161)	497
Finance income	(6,495)	(6,446)
Operating profit before working capital changes	<u>121,465</u>	<u>117,804</u>
Changes in working capital:		
Net change in receivables	(23,889)	114,460
Net change in payables	<u>(62,354)</u>	<u>105,924</u>
Cash generated from operations	35,222	338,188
Zakat paid	(1,750)	(1,750)
Tax paid	<u>(40,650)</u>	<u>(14,501)</u>
Net cash flows (used in)/generated from operating activities	<u>(7,178)</u>	<u>321,937</u>
Cash flows from investing activities		
Investment in Joint Ventures	-	(6,232)
Purchase of property, plant and equipment	(47,175)	(43,380)
Proceed from sale of property, plant and equipment	-	583
Finance income received	<u>6,495</u>	<u>6,446</u>
Net cash flows used in investing activities	<u>(40,680)</u>	<u>(42,583)</u>
Cash flows from financing activities		
Dividends paid	(113,762)	(61,247)
Drawdown of loan	63,970	5,000
Repayment of loan	<u>(2,040)</u>	<u>(130,000)</u>
Net cash flows used in financing activities	<u>(51,832)</u>	<u>(186,247)</u>
Net change in cash and cash equivalents	(99,690)	93,107
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>485,423</u></u>	<u><u>455,061</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 30 June 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"
- Annual Improvements to MFRS 12 "Disclosures of Interests in Other Entities"

Malaysian Accounting Standards Board had issued the following amendments, annual improvements 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"
 - Annual Improvements to MFRS 128 "Investments in Associates and Joint Ventures"
- (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, annual improvements and new standards and is currently assessing the impact of adopting MFRS 9, MFRS 15 and MFRS 16.

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

Save except as disclosed below, there was no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period ended 30 June 2017.

On 22 June 2017, the Company issued Islamic Commercial Papers under the Sukuk Murabahah Programmes amounted to RM60.0 million for a tenure of 3 months.

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.

On 16 June 2017, the Company paid a single-tier final dividend of 4.86 sen per share on the 1,284,000,000 ordinary in issue, amounting to RM62,402,400 in respect of financial year ended 31 December 2016.

9. Segment Reporting

The Group's segmental report for the financial period ended 30 June 2017 is as follows:

	Natural <u>Gas & LPG</u>	<u>Others</u>	<u>Total</u>
	RM' 000	RM' 000	RM' 000
<u>30 June 2017</u>			
<u>Revenue:</u>			
Total segment revenue			
-external	2,474,357	-	2,474,357
<u>Results:</u>			
Profit before zakat and taxation	96,255	165	96,420
Finance income	(6,495)	-	(6,495)
Depreciation and amortisation	30,184	27	30,211
Earnings before finance income, zakat, taxation, depreciation and amortisation	119,944	192	120,136

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

	Natural		
	<u>Gas & LPG</u>	<u>Others</u>	<u>Total</u>
	RM' 000	RM' 000	RM' 000
<u>30 June 2016</u>			
<u>Revenue:</u>			
Total segment revenue			
-external	1,935,048	-	1,935,048
<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

The Group's operations are conducted within Peninsular Malaysia.

10. Events subsequent to the end of reporting period

There was no material event which occurred subsequent to the end of the three months financial period ended 30 June 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
	30.06.17
	RM' 000
Property, plant and equipment:	
Authorised and contracted for	52,950
Authorised but not contracted for	168,366
	<u>221,316</u>
	<u><u>221,316</u></u>

14. Related party transactions

Significant related party transactions for the financial period ended 30 June 2017:

	Cumulative 6 months ended 30.06.17 RM' 000	Cumulative 6 months ended 30.06.16 RM' 000
Parties transacted with:		
Petroliam Nasional Berhad		
- Purchase of natural gas**	(2,289,039)	(1,742,147)
- Tolling fee income*	11,779	6,318
- Cash contribution for Citygate construction paid*	(6,658)	(1,028)
Petronas Dagangan Berhad		
- Purchase of liquefied petroleum gas*	(7,566)	(5,907)
Central Sugar Refinery Sdn Bhd		
- Sales of natural gas***	37,468	35,537
Gula Padang Terap Sdn Bhd		
- Sales of natural gas***	13,943	14,003

* 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 second quarter ended 30 June 2017 was RM1,287.3 million compared to RM973.8 million in the corresponding period in 2016, representing an increase of 32.2%. This was mainly due to higher volume of gas sold, upward revision of natural gas tariff and higher tolling fees.

The profit before zakat and taxation for the second quarter ended 30 June 2017 was RM51.3 million, an increase by 3.0% compared to the profit before zakat and taxation of RM49.8 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.

16. Variation of results against preceding quarter

The Group recorded a higher profit before zakat and taxation of RM51.3 million in the current quarter as compared to RM45.2 million in the preceding quarter mainly due to higher gross profit in line with the increase in volume of gas sold, tolling fees and assets contributed by customers.

17. Current prospects

The growth in revenue for the financial period ended 30 June 2017 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:

	Second quarter ended		Financial period ended	
	30.06.17 RM' 000	30.06.16 RM' 000	30.06.17 RM' 000	30.06.16 RM' 000
Depreciation and amortisation	15,219	14,293	30,211	28,656
Write back of trade receivables	(4,599)	-	(5,715)	-
Impairment of trade receivables	7,205	715	7,205	6,233

Included in the revenue for the financial period ended 30 June 2017 is an amount relating to assets contributed by customers amounting to RM7,178,550 (30 June 2016: RM12,567,993).

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 30.06.17	3 months ended 30.06.16	Cumulative 6 months ended 30.06.17	Cumulative 6 months ended 30.06.16
	RM'000	RM'000	RM'000	RM'000
Current tax expense	(7,332)	(10,324)	(15,177)	(19,318)
Deferred tax - origination and reversal of temporary timing differences	(3,763)	258	(6,568)	1,785
	<u>(11,095)</u>	<u>(10,066)</u>	<u>(21,745)</u>	<u>(17,533)</u>

The Group's effective tax rate for three months period ended 30 June 2017 of 22.0% is lower than the statutory income tax rate in Malaysia due to the effect of items not subject to tax.

The Group's effective tax rate for the six months financial period ended 30 June 2017 of 23.0% is lower than the statutory income tax rate in Malaysia due to the effect of items not subject to tax.

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

Included in the "Trade and other receivables" 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 30.06.17 RM' 000	As at 31.12.16 RM' 000
<u>Current (unsecured):</u>		
Islamic Commercial Papers	61,000	1,000
Term Loan	2,990	2,040
	<hr/> 63,990	<hr/> 3,040
 <u>Non-current (unsecured):</u>		
Islamic Medium Term Notes	100,000	100,000
Term Loan	8,970	7,990
	<hr/> 108,970	<hr/> 107,990
 Total borrowings	 <hr/> <hr/> 172,960	 <hr/> <hr/> 111,030

24. Realised and unrealised profit/(losses) disclosure

The retained profits as at 30 June 2017 is analysed as follows:

	As at 30.06.17 RM' 000	As at 31.12.16 RM' 000
Total retained profits of the Company and its subsidiaries:		
- Realised	483,196	517,350
- Unrealised	(139,165)	(132,597)
Total share of accumulated losses from joint ventures:		
- Realised	(3,335)	(3,496)
Total retained profits	340,696	381,257

25. Material litigation

As at 30 June 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>30.06.17</u>	3 months ended <u>30.06.16</u>	Cumulative 6 months ended <u>30.06.17</u>	Cumulative 6 months ended <u>30.06.16</u>
Profit for the period attributable to owners of the Parent (RM'mil)	39.5	39.0	73.2	70.4
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)	3.07	3.04	5.70	5.48
Diluted earnings per ordinary share (Sen)	3.07	3.04	5.70	5.48

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

27. Dividend

The Directors have declared on 10 August 2017, a single-tier 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 ending 31 December 2017.

For the corresponding financial period ended 30 June 2016, a single-tier first 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, was declared by the Directors on 11 August 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 10 August 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: 10 August 2017