

**Condensed Consolidated Statement of Comprehensive Income
for the financial year ended 31 December 2018**

	3 months ended 31.12.2018 RM'000 (Unaudited)	3 months ended 31.12.2017 RM'000 (Restated) (Unaudited)	Cumulative 12 months ended 31.12.2018 RM'000 (Unaudited)	Cumulative 12 months ended 31.12.2017 RM'000 (Restated) (Unaudited)
Revenue	1,738,527	1,455,455	6,233,243	5,315,324
Cost of sales	(1,665,691)	(1,357,661)	(5,940,538)	(5,041,055)
Gross profit	72,836	97,794	292,705	274,269
Finance income	1,997	1,321	6,822	10,123
Other operating income	414	1,202	1,542	2,243
Administrative expenses	(11,756)	(19,943)	(58,220)	(68,567)
Selling & distribution expenses	(376)	(323)	(1,273)	(1,079)
Finance cost	(2,602)	(2,124)	(12,310)	(5,622)
Share of results in joint ventures	727	2,928	4,853	3,317
Profit before zakat and taxation	61,240	80,855	234,119	214,684
Zakat expenses	(875)	(875)	(3,500)	(3,500)
Tax expense	(9,287)	(18,671)	(50,227)	(50,530)
Net profit for the period/year	51,078	61,309	180,392	160,654
Other comprehensive income (net of tax):				
<i>Items that will be reclassified to profit or loss</i>				
Cash flow hedge of a joint venture	88	1,049	234	816
Total comprehensive income for the period/year	51,166	62,358	180,626	161,470
Net profit attributable to:				
Owners of the Parent	51,078	61,348	180,392	161,141
Non-controlling interests	-	(39)	-	(487)
	51,078	61,309	180,392	160,654
Total comprehensive income attributable to:				
Owners of the Parent	51,166	62,397	180,626	161,957
Non-controlling interests	-	(39)	-	(487)
	51,166	62,358	180,626	161,470
Earnings per share				
Basic (Sen)	3.98	4.77	14.05	12.55
Diluted (Sen)	3.98	4.77	14.05	12.55

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017.

**Condensed Consolidated Statement of Financial Position
as at 31 December 2018**

	As at 31.12.2018 RM' 000 (Unaudited)	As at 31.12.2017 RM' 000 (Restated) (Unaudited)
Non-Current Assets		
Property, plant and equipment	1,313,169	1,225,951
Prepaid lease payments	16,026	16,420
Investment in joint ventures	36,120	31,033
Deferred tax assets	-	218
	<u>1,365,315</u>	<u>1,273,622</u>
Current Assets		
Trade and other receivables	750,735	791,335
Tax recoverable	-	5,163
Investment units in a licensed financial institution	171,750	-
Deposits, bank and cash balances	232,754	218,198
	<u>1,155,239</u>	<u>1,014,696</u>
Total Assets	<u>2,520,554</u>	<u>2,288,318</u>
Equity		
Equity attributable to owners of the Parent		
Share capital	642,000	642,000
Cash flow hedge reserve	(2,044)	(2,278)
Retained profits	384,176	377,124
Total Equity	<u>1,024,132</u>	<u>1,016,846</u>
Non-Current Liabilities		
Redeemable preference share	-	-
Deferred tax liabilities	157,322	155,496
Contract liabilities	10,127	13,502
Borrowings	181,000	208,970
	<u>348,449</u>	<u>377,968</u>
Current Liabilities		
Trade and other payables	1,032,440	887,139
Contract liabilities	3,375	3,375
Borrowings	100,000	2,990
Tax payable	12,158	-
	<u>1,147,973</u>	<u>893,504</u>
Total liabilities	<u>1,496,422</u>	<u>1,271,472</u>
Total equity and liabilities	<u>2,520,554</u>	<u>2,288,318</u>
Net assets per share attributable to ordinary equity holders of the Parent (Sen)	79.76	79.19

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 2017.

Unaudited Condensed Consolidated Statement of Changes in Equity for the financial year ended 31 December 2018

	Number of Shares Million	Share Capital RM'000	Cash Flow Hedge Reserve* RM'000	Retained Profits RM'000	Total Equity RM'000
At 1 January 2018, as previously stated	1,284	642,000	(2,278)	410,621	1,050,343
Effects of adoption of MFRS 15	-	-	-	(33,497)	(33,497)
At 1 January 2018, as restated	1,284	642,000	(2,278)	377,124	1,016,846
Net profit for the financial year	-	-	-	180,392	180,392
Other comprehensive income for the financial year	-	-	234	-	234
Total comprehensive income for the financial year	-	-	234	180,392	180,626
Dividends:					
- Second interim dividend for the financial year ended 31 December 2017	-	-	-	(51,360)	(51,360)
- Final dividend for the financial year ended 31 December 2017	-	-	-	(64,200)	(64,200)
- First interim dividend for the financial year ended 31 December 2018	-	-	-	(57,780)	(57,780)
	-	-	-	(173,340)	(173,340)
At 31 December 2018	1,284	642,000	(2,044)	384,176	1,024,132

* This is related to the cash flow hedge reserve of a joint venture.

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 2017.

Unaudited Condensed Consolidated Statement of Changes in Equity for the financial year ended 31 December 2017

	Number of Shares Million	Share Capital RM'000	Cash Flow Hedge Reserve* RM'000	Retained Profits RM'000 (Restated)	Total RM'000 (Restated)	Non-controlling interests RM'000	Total Equity RM'000 (Restated)
At 1 January 2017	1,284	642,000	(3,094)	381,257	1,020,163	477	1,020,640
Net profit for the financial year	-	-	-	161,141	161,141	(487)	160,654
Other comprehensive income for the financial year	-	-	816	-	816	-	816
Total comprehensive income for the financial year	-	-	816	161,141	161,957	(487)	161,470
Effect of changes in composition of the Group	-	-	-	(152)	(152)	10	(142)
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)
- Interim dividend for the financial year ended 31 December 2017	-	-	-	(51,360)	(51,360)	-	(51,360)
	-	-	-	(165,122)	(165,122)	-	(165,122)
At 31 December 2017	1,284	642,000	(2,278)	377,124	1,016,846	-	1,016,846

* This is related to the cash flow hedge reserve of a joint venture.

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 2017.

**Condensed Consolidated Statement of Cash Flows
for the financial year ended 31 December 2018**

	12 months ended 31.12.2018 RM'000 (Unaudited)	12 months ended 31.12.2017 RM'000 (Restated) (Unaudited)
Cash flows from operating activities		
Profit before zakat and taxation	234,119	214,684
Adjustments for:		
Depreciation and amortisation	66,530	61,364
Gain on disposal of property, plant & equipment	(992)	-
Impairment of trade receivables	20	10,292
Write back of impairment of trade receivables	(9,407)	(5,792)
Share of results in joint ventures	(4,853)	(3,317)
Finance income	(6,822)	(10,123)
Finance cost	12,310	5,622
Operating profit before working capital changes	290,905	272,730
Changes in working capital:		
Net change in receivables	50,109	(332,708)
Net change in payables	130,711	(6,057)
Cash generated from/(used in) operations	471,725	(66,035)
Zakat paid	(3,500)	(3,500)
Tax paid	(30,862)	(77,836)
Net cash flows generated from/(used in) operating activities	437,363	(147,371)
Cash flows from investing activities		
Government grant received	10,000	5,000
Proceeds from disposal of property, plant and equipment	1,010	-
Purchase of property, plant and equipment	(153,372)	(165,768)
Finance income received	6,700	10,123
Acquisition of non-controlling interest	-	(142)
Purchase of investment units in a licensed financial institution	(171,750)	-
Net cash flows used in investing activities	(307,412)	(150,787)
Cash flows from financing activities		
Dividends paid	(173,340)	(165,122)
Drawdown of loan and issuance of Islamic Medium Term Notes and Islamic Commercial Papers	631,000	163,970
Repayment of loan and Islamic Commercial Papers	(561,960)	(63,040)
Finance cost paid	(11,095)	(4,565)
Net cash flows used in financing activities	(115,395)	(68,757)
Net change in cash and cash equivalents	14,556	(366,915)
Cash and cash equivalents at beginning of financial year	218,198	585,113
Cash and cash equivalents at end of financial year	232,754	218,198

Non-cash transactions:

During the financial year, finance income receivable arising from deposits with financial institution amounting to RM122,000 (31 December 2017: RM NIL) and finance cost payable in respect of the Islamic Medium Term Notes amounting to RM2,966,000 (31 December 2017: RM1,751,000), had been included within other receivables and other payables respectively as at the end of the reporting period.

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017.

**Condensed Consolidated Statement of Cash Flows
for the financial year ended 31 December 2018**

The changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes are as follows:

	Finance cost payable RM'000	Short-term borrowings RM'000	Long-term borrowings RM'000	Dividends payable RM'000	Total RM'000
At 1 January 2018	1,751	2,990	208,970	-	213,711
Cash flow - net of repayment	(11,095)	97,010	(27,970)	(173,340)	(115,395)
Non-cash items:					
- Dividends declared	-	-	-	173,340	173,340
- Finance cost	12,310	-	-	-	12,310
At 31 December 2018	<u>2,966</u>	<u>100,000</u>	<u>181,000</u>	<u>-</u>	<u>283,966</u>
At 1 January 2017	694	3,040	107,990	-	111,724
Cash flow - net of repayment	(4,565)	(50)	100,980	(165,122)	(68,757)
Non-cash items:					
- Dividends declared	-	-	-	165,122	165,122
- Finance cost	5,622	-	-	-	5,622
At 31 December 2017	<u>1,751</u>	<u>2,990</u>	<u>208,970</u>	<u>-</u>	<u>213,711</u>

Notes to the interim financial statements**1. Basis of preparation**

The condensed consolidated interim financial statements for the three months financial period ended 31 December 2018 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 statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017, which have been prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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 statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2017, except for the following amendment due to the adoption of MFRS 15 "Revenue from Contracts with Customers".

MFRS 15 "Revenue from Contracts with Customers"**Accounting policy - Sale of Natural Gas and Liquefied Petroleum Gas**

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

Capital contribution from customers is considered as part of the process to obtain gas supply from the Group and therefore, this is considered as one performance obligation. Accordingly, the capital contribution will be accounted for as a contract liability which will be recognised as revenue over the contract of gas supply with customer.

Impact of adoption

The Group has adopted MFRS 15 "Revenue from Contracts with Customers" from 1 January 2018 which resulted in a change in the accounting policy and adjustments to the amounts recognised in the financial statements. In accordance with the transition provisions in MFRS 15, the Group has adopted the new rules retrospectively and has restated the comparatives accordingly. The following adjustments were made to the amounts recognised in the statement of financial position at the date of initial application:

	Carrying amount as at 01.01.18 RM' 000	Remeasurements RM' 000	MFRS 15 carrying amount as at 01.01.18 RM' 000
Retained earnings	410,621	(33,497)	377,124
Property, plant & equipment	1,230,951	(5,000)	1,225,951
Trade and other receivables -Current	802,955	(11,620)	791,335
Contract liabilities:			
-Non-current	-	13,502	13,502
-Current	-	3,375	3,375

The opening impact on the Group's retained earnings as at 1 January 2018 and 1 January 2017 are as follows:

	As at 01.01.18 RM'000	As at 01.01.17 RM'000
Opening retained earnings - per statutory audited financial statements	410,621	381,257
Impact arising from initial application of MFRS 15	(33,497)	-
	<hr/>	<hr/>
Opening retained earnings - per restated balances	<u>377,124</u>	<u>381,257</u>

Other than the above, the adoption of the following standards, amendments to standards, IC Interpretation and annual improvements that came into effect on 1 January 2018 which are applicable to the Group, did not have any significant financial impact on the condensed consolidated interim financial statements upon their initial application:

- MFRS 9 "Financial Instruments"
- Amendments to MFRS 140 "Classification on 'Change in Use' - Assets transferred to, or from, Investment Properties"
- IC Interpretation 22 "Foreign Currency Transactions and Advance Consideration"
- Annual improvements to MFRS 128 "Investments in Associates and Joint Ventures"

The Malaysian Accounting Standards Board had issued the following new accounting standard, IC Interpretation, amendments and annual improvements to existing accounting standards which are relevant to the Group and effective for the following financial years:

- (i) Financial year beginning on or after 1 January 2019:
- MFRS 16 "Leases"
 - IC Interpretation 23 "Uncertainty over Income Tax Treatments"
 - Amendments to MFRS 9 "Prepayment features with negative compensation"
 - Amendments to MFRS 119 "Plan amendment, curtailment and settlement"
 - Amendments to MFRS 128 "Long-term Interests in Associates and Joint Ventures"
 - Annual improvements to MFRSs 2015 - 2017 cycle
- (ii) Financial year beginning on or after 1 January 2020:
- Amendments to MFRS 3 "Definition of a Business"
 - The Conceptual Framework for Financial Reporting (Revised 2018)
- (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 the above new accounting standard, IC Interpretation, amendments and annual improvements to the existing accounting standards. The adoption of the standard, IC Interpretation, amendments and annual improvements to the existing accounting standards is not expected to have a material impact on the Group's financial statements.

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 2017 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 other issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter ended 31 December 2018.

On 12 December 2018, the Company issued RM11.0 million and RM40.0 million Islamic Medium Term Notes under the Sukuk Murabahah Programme for a tenure of five years and three years respectively.

8. Dividends Paid

On 27 March 2018, 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 the financial year ended 31 December 2017.

On 26 June 2018, the Company paid a single-tier final dividend of 5.00 sen per share on the 1,284,000,000 ordinary shares in issue, amounting to RM64,200,000 in respect of the financial year ended 31 December 2017.

On 26 September 2018, the Company paid a first single-tier interim dividend of 4.50 sen per share on the 1,284,000,000 ordinary shares in issue, amounting to RM57,780,000 in respect of the financial year ended 31 December 2018.

9. Segment Reporting

The Group's segmental report for the financial year ended 31 December 2018 is as follows:

	Natural		
	<u>Gas & LPG</u>	<u>Others</u>	<u>Total</u>
	RM' 000	RM' 000	RM' 000
<u>31 December 2018</u>			
<u>Revenue:</u>			
Total segment revenue			
- external	6,233,243	-	6,233,243
	<u>6,233,243</u>	<u>-</u>	<u>6,233,243</u>
<u>Timing of revenue recognition:</u>			
a) Sale of natural gas and LPG:			
- over time	6,219,050	-	6,219,050
b) Tolling fee:			
- over time	14,193	-	14,193
	<u>6,233,243</u>	<u>-</u>	<u>6,233,243</u>

	Natural		
	<u>Gas & LPG</u>	<u>Others</u>	<u>Total</u>
	RM' 000	RM' 000	RM' 000
<u>Results:</u>			
Profit before zakat and taxation	229,204	4,915	234,119
Finance income	(6,822)	-	(6,822)
Depreciation and amortisation	66,476	54	66,530
Earnings before finance income, zakat, taxation, depreciation and amortisation	<u>288,858</u>	<u>4,969</u>	<u>293,827</u>
<u>Assets and liabilities:</u>			
Segment assets	2,480,343	4,091	2,484,434
Investment in joint ventures	320	35,800	36,120
Total assets			<u>2,520,554</u>
Segment liabilities	1,326,931	11	1,326,942
Taxation	12,157	1	12,158
Deferred tax liabilities	157,322	-	157,322
Total liabilities			<u>1,496,422</u>

The Group's segmental report for the corresponding financial year ended 31 December 2017 is as follows:

	Natural		
	<u>Gas & LPG</u>	<u>Others</u>	<u>Total</u>
	RM' 000	RM' 000	RM' 000
	(Restated)		(Restated)
<u>31 December 2017</u>			
<u>Revenue:</u>			
Total segment revenue			
- external	5,315,324	-	5,315,324
	<u>5,315,324</u>	<u>-</u>	<u>5,315,324</u>
<u>Timing of revenue recognition:</u>			
a) Sale of natural gas and LPG:			
- over time	5,295,775	-	5,295,775
b) Tolling fee:			
- over time	19,549	-	19,549
	<u>5,315,324</u>	<u>-</u>	<u>5,315,324</u>
<u>Results:</u>			
Profit before zakat and Taxation	214,494	190	214,684
Finance income	(10,123)	-	(10,123)
Depreciation and Amortisation	61,309	55	61,364
Earnings before finance income, zakat, taxation, depreciation and amortisation	<u>265,680</u>	<u>245</u>	<u>265,925</u>

	Natural		
	<u>Gas & LPG</u>	<u>Others</u>	<u>Total</u>
	RM' 000	RM' 000	RM' 000
	(Restated)		(Restated)
<u>Assets and liabilities:</u>			
Segment assets	2,237,759	14,145	2,251,904
Tax recoverable	5,164	(1)	5,163
Investment in joint ventures	375	30,658	31,033
Deferred tax assets	218	-	218
Total assets			<u>2,288,318</u>
Segment liabilities	1,115,950	26	1,115,976
Deferred tax liabilities	155,496	-	155,496
Total liabilities			<u>1,271,472</u>

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 31 December 2018.

11. Changes in the composition of the Group

On 4 December 2018, Gas Malaysia Berhad ("Gas Malaysia" or "the Company") announced the incorporation of a joint venture company, namely Gas Malaysia Synergy Drive Sdn Bhd ("GMSD").

The issued share capital of GMSD is RM2.00 divided into two (2) ordinary shares of RM1.00 each held by Gas Malaysia Venture 1 Sdn Bhd ("GMV1") and Sime Darby Offshore Engineering Sdn Bhd ("SDES") to undertake the business of provision of electricity, steam, chilled water, hot water, hot air and/or any other utilities to customers through Combined Heat and Power System to industries in Malaysia.

The eventual issued and paid up capital of GMSD shall be increased to RM5,000,000 in accordance to the proportion of each joint venture party based on the Joint Venture Agreement, in which 70% is to be held by GMV1 and 30% is to be held by SDES.

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 2017.

13. Capital commitments

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

	As at
	31.12.18
	RM' 000
Property, plant and equipment:	
Authorised and contracted for	171,949
Authorised but not contracted for	16,534
	<u>188,483</u>

14. Related party transactions

Significant related party transactions for the financial year ended 31 December 2018:

	Cumulative 12 months ended 31.12.18 RM' 000	Cumulative 12 months ended 31.12.17 RM' 000
Parties transacted with:		
Petroliam Nasional Berhad		
- Purchase of natural gas**	(5,800,220)	(4,902,597)
- Tolling fee income*	14,193	19,549
- Cash contribution for Citygate construction paid*	(19,859)	(14,607)
Petronas Dagangan Berhad		
- Purchase of liquefied petroleum gas*	(14,138)	(14,502)
Central Sugar Refinery Sdn Bhd		
- Sale of natural gas***	79,628	71,660
Gula Padang Terap Sdn Bhd		
- Sale of natural gas***	24,469	25,737
HICOM Automotive Manufacturers (Malaysia) Sdn Bhd		
- Sale of natural gas***	3,072	2,837
Gas Malaysia Energy Advance Sdn Bhd		
- Sale of natural gas***	117,571	84,619
Johor Port Logistic Sdn Bhd		
- Logistic services*	(480)	(897)

* 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.

15. Fair Value of Financial Instruments

The Group uses the following measurement hierarchy for determining the fair value of all financial instruments carried at fair value:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

As at 31 December 2018, the Group's financial instruments measured and recognised at fair value on a recurring basis are as follows:

	Level 1 RM' 000	Level 2 RM' 000	Level 3 RM' 000	Total RM' 000
Financial assets				
Financial assets at fair value through profit or loss	-	171,750	-	171,750

The above financial assets at fair value through profit or loss represent the Group's investment units in a licensed financial institution.

Additional information required by the Bursa Securities Listing Requirements

16. Review of performance

	Fourth quarter ended		
	31.12.18	31.12.17	Variance
	RM'000	RM'000 (Restated)	%
Revenue	1,738,527	1,455,455	19.4
Operating profit	58,102	75,404	(22.9)
Profit before finance income, zakat and taxation	59,243	79,534	(25.5)
Profit before zakat and taxation	61,240	80,855	(24.3)
Profit after zakat and taxation	51,078	61,309	(16.7)
Profit attributable to owners of the Parent	51,078	61,348	(16.7)

The Group's revenue for the fourth quarter ended 31 December 2018 was RM1,738.5 million compared to RM1,455.5 million in the corresponding quarter in 2017, representing an increase of 19.4%. This was mainly due to higher volume of natural gas sold and higher natural gas tariff.

The profit before zakat and taxation for the fourth quarter ended 31 December 2018 was RM61.2 million, a decrease by 24.3% compared to the profit before zakat and taxation of RM80.9 million in the corresponding quarter last year. This was mainly due to lower gross profit which is in line with lower gas contribution margin recognised during the current quarter as compared to the higher gas contribution margin in the corresponding quarter in 2017, as a result of a one-off catch up Gas Cost Pass Through ("GCPT") adjustment made in the corresponding quarter in 2017.

	Financial year ended		
	31.12.18	31.12.17	Variance
	RM'000	RM'000 (Restated)	%
Revenue	6,233,243	5,315,324	17.3
Operating profit	220,902	199,001	11.0
Profit before finance income, zakat and taxation	227,297	204,561	11.1
Profit before zakat and taxation	234,119	214,684	9.1
Profit after zakat and taxation	180,392	160,654	12.3
Profit attributable to owners of the Parent	180,392	161,141	11.9

The Group's revenue for the financial year ended 31 December 2018 was RM6,233.2 million compared to RM5,315.3 million in the corresponding period in 2017, representing an increase of 17.3% due to the higher natural gas tariff and higher volume of natural gas sold.

The profit before zakat and taxation for the financial year ended 31 December 2018 was RM234.1 million, an increase by 9.1% compared to RM214.7 million in the corresponding period last year. This was mainly due to higher gross profit which is in line with the increase in volume of natural gas sold.

17. Variation of results against preceding quarter

The Group recorded a higher profit before zakat and taxation of RM61.2 million in the current quarter as compared to RM54.4 million in the preceding quarter mainly due to higher gas contribution in line with higher volume of natural gas sold and lower operating expenses.

18. Current prospects

The growth in revenue for the financial year ended 31 December 2018 was primarily driven by the increase in volume of natural gas sold and revision in gas tariff. The Board anticipates that the yearly increase in natural gas sale volume and number of customers will sustain for the financial year 2019. The profitability of the Group for the financial year ending 31 December 2019 is expected to be in tandem with the level reflecting the prevailing tariff setting mechanism framework.

19. Profit before zakat and taxation

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

	Fourth quarter ended		Financial year ended	
	31.12.18 RM' 000	31.12.17 RM' 000	31.12.18 RM' 000	31.12.17 RM' 000
Depreciation and amortisation	17,475	15,627	66,530	61,364
Gain on disposal of property, plant & equipment	(295)	-	(992)	-
Impairment of trade receivables	20	239	20	10,292
Write back of impairment of trade receivables	(9,407)	(77)	(9,407)	(5,792)

Included in the revenue for the financial year ended 31 December 2018 is an amount relating to assets contributed by customers amounting to RM6,157,000 (31 December 2017: RM1,508,000), of which the remaining amount of RM13.5 million (31 December 2017: RM16.9 million) of deferred revenue had been recognised as contract liabilities in the statement of financial position at the end of the reporting period.

20. Profit forecast or profit guarantee

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

21. Tax expense

	3 months ended 31.12.18 <u>RM' 000</u>	3 months ended 31.12.17 <u>RM' 000</u>	Cumulative 12 months ended 31.12.18 <u>RM' 000</u>	Cumulative 12 months ended 31.12.17 <u>RM' 000</u>
Current income tax	(2,494)	(17,749)	(48,183)	(27,849)
Deferred tax - origination and reversal of temporary timing differences	<u>(6,793)</u>	<u>(922)</u>	<u>(2,044)</u>	<u>(22,681)</u>
	<u>(9,287)</u>	<u>(18,671)</u>	<u>(50,227)</u>	<u>(50,530)</u>

The Group's effective tax rate for the three months period ended 31 December 2018 of 15.4% is lower than the statutory income tax rate in Malaysia due to the over-provision of tax in respect of prior financial year.

The Group's effective tax rate for the financial year ended 31 December 2018 of 21.8% is lower than the statutory income tax rate in Malaysia due to the over-provision of tax in respect of prior financial year and income not subject to tax.

22. GCPT in tariff revision

Included in the "Trade and other receivables" is a receivable for the recovery of natural 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 receivable 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 2017.

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").

23. Status of corporate proposals

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

24. Borrowing

The outstanding borrowings of the Group are analysed as follows:

	As at 31.12.18 RM' 000	As at 31.12.17 RM' 000
<u>Current (unsecured):</u>		
Islamic Medium Term Notes	100,000	-
Term Loan	-	2,990
	100,000	2,990
<u>Non-current (unsecured):</u>		
Islamic Medium Term Notes	181,000	200,000
Term Loan	-	8,970
	181,000	208,970
Total borrowings	281,000	211,960

25. Material litigation

As at 31 December 2018, 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>31.12.18</u>	3 months ended <u>31.12.17</u> (Restated)	Cumulative 12 months ended <u>31.12.18</u>	Cumulative 12 months ended <u>31.12.17</u> (Restated)
Profit for the period/year attributable to owners of the Parent (RM'mil)	51.1	61.3	180.4	161.1
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)	3.98	4.77	14.05	12.55
Diluted earnings per ordinary share (Sen)	3.98	4.77	14.05	12.55

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

27. Dividend declared

The Directors have declared on 14 February 2019, a single-tier second interim dividend of 4.50 sen per share on the 1,284,000,000 ordinary shares, amounting to RM57,780,000 in respect of financial year ended 31 December 2018, payable on 28 March 2019. The entitlement to dividend will be determined on the basis of the Record of Depositors of the Company as at 11 March 2019.

For the corresponding financial year ended 31 December 2017, a single-tier second interim dividend of 4.00 sen per share on the 1,284,000,000 ordinary shares, amounting to RM51,360,000 was declared by the Directors on 14 February 2018.

28. Authorisation for issue

The condensed consolidated interim financial statements has been authorised for issue by the Board of Directors in accordance with their resolution on 14 February 2019.

By Order of the Board,

Yanti Irwani Binti Abu Hassan (MACS 01349)

Noor Raniz Bin Mat Nor (MAICSA 7061903)

Company Secretaries

Shah Alam

Dated: 14 February 2019