Condensed Consolidated Statement of Comprehensive Income
for the financial period ended 30 September 2019

	3 months ended 30.09.2019 RM'000 (Unaudited)	3 months ended 30.09.2018 RM'000 (Unaudited)	Cumulative 9 months ended 30.09.2019 RM'000 (Unaudited)	Cumulative 9 months ended 30.09.2018 RM'000 (Unaudited)
Revenue	1,755,872	1,556,281	5,208,183	4,494,716
Cost of sales	(1,678,081)	(1,484,358)	(4,982,139)	(4,274,847)
Gross profit	**77,791**	**71,923**	**226,044**	**219,869**
Finance income	757	1,390	3,198	4,825
Other operating income	278	262	2,065	1,128
Administrative expenses	(17,949)	(17,233)	(43,706)	(46,464)
Selling & distribution expenses	(292)	(313)	(937)	(897)
Finance costs	(4,764)	(3,145)	(11,289)	(9,708)
Share of results in joint ventures	(2,664)	1,517	(1,475)	4,126
Profit before zakat and taxation	**53,157**	**54,401**	**173,900**	**172,879**
Zakat expenses	(875)	(875)	(2,625)	(2,625)
Tax expense	(10,285)	(12,498)	(39,098)	(40,940)
Net profit for the period	**41,997**	**41,028**	**132,177**	**129,314**
Other comprehensive income (net of tax):				
Items that will be reclassified to profit or loss				
Cash flow hedge of a joint venture	4,487	387	6,626	146
Total comprehensive income for the period	**46,484**	**41,415**	**138,803**	**129,460**
Net profit attributable to owners of the Parent	**41,997**	**41,028**	**132,177**	**129,314**
Total comprehensive income attributable to owners of the Parent	**46,484**	**41,415**	**138,803**	**129,460**
Earnings per share				
Basic (Sen)	3.27	3.20	10.29	10.07
Diluted (Sen)	3.27	3.20	10.29	10.07

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018.

Condensed Consolidated Statement of Financial Position
as at 30 September 2019

	As at 30.09.2019 RM'000 (Unaudited)	As at 31.12.2018 RM'000 (Audited)
Non-Current Assets		
Property, plant and equipment	1,311,867	1,313,169
Right-of-use of lease assets	17,155	-
Prepaid lease payments	-	16,026
Investment in joint ventures	44,771	36,120
	1,373,793	1,365,315
Current Assets		
Trade and other receivables	1,005,844	750,735
Investment funds with a licensed financial institution	70,098	171,750
Deposits, bank and cash balances	128,153	232,754
	1,204,095	1,155,239
Total Assets	**2,577,888**	**2,520,554**
Equity		
Equity attributable to owners of the Parent		
Share capital	642,000	642,000
Cash flow hedge reserve	4,582	(2,044)
Retained profits	338,713	384,176
Total Equity	985,295	1,024,132
Non-Current Liabilities		
Redeemable preference share	- #	- #
Deferred tax liabilities	164,225	157,322
Contract liabilities	12,766	15,205
Borrowings	181,000	181,000
Lease liabilities	1,910	-
	359,901	353,527
Current Liabilities		
Trade and other payables	1,053,144	1,026,082
Contract liabilities	4,529	4,655
Borrowings	100,000	100,000
Lease liabilities	494	-
Tax payable	12,893	12,158
Dividend payable	61,632	-
	1,232,692	1,142,895
Total liabilities	1,592,593	1,496,422
Total equity and liabilities	**2,577,888**	**2,520,554**
Net assets per share attributable to ordinary equity holders of the Parent (Sen)	76.74	79.76

# 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 2018.

Unaudited Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 September 2019

	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 2019, as previously stated	**1,284**	**642,000**	**(2,044)**	**384,176**	**1,024,132**
Effects of adoption of MFRS 16	-	-	-	(448)	**(448)**
At 1 January 2019, as restated	**1,284**	**642,000**	**(2,044)**	**383,728**	**1,023,684**
Net profit for the financial period	-	-	-	132,177	**132,177**
Other comprehensive income for the financial period	-	-	6,626	-	**6,626**
Total comprehensive income for the financial period	-	-	6,626	132,177	**138,803**
Dividends:					
- Second interim dividend for the financial year ended 31 December 2018	-	-	-	(57,780)	**(57,780)**
- Final dividend for the financial year ended 31 December 2018	-	-	-	(57,780)	**(57,780)**
- First interim dividend for the financial year ending 31 December 2019	-	-	-	(61,632)	**(61,632)**
	-	-	-	(177,192)	**(177,192)**
At 30 September 2019	**1,284**	**642,000**	**4,582**	**338,713**	**985,295**

* 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 2018.

Unaudited Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 September 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	**1,284**	**642,000**	**(2,278)**	**377,124**	**1,016,846**
Net profit for the financial period	-	-	-	129,314	**129,314**
Other comprehensive income for the financial period	-	-	146	-	**146**
Total comprehensive income for the financial period	-	-	146	129,314	**129,460**
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 30 September 2018	**1,284**	**642,000**	**(2,132)**	**333,098**	**972,966**

* 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 2018.

Condensed Consolidated Statement of Cash Flows for the financial period ended 30 September 2019

	9 months ended 30.09.2019 RM'000 (Unaudited)	9 months ended 30.09.2018 RM'000 (Unaudited)
Cash flows from operating activities		
Profit before zakat and taxation	173,900	172,879
Adjustments for:		
Depreciation and amortisation	58,755	49,055
Gain on disposal of property, plant and equipment	(43)	(697)
Write back of impairment loss on trade receivables	(1,814)	-
Share of results in joint ventures	1,475	(4,126)
Finance income	(3,198)	(4,825)
Finance costs	11,289	9,708
Operating profit before working capital changes	240,364	221,994
Changes in working capital:		
Receivables	(253,364)	114,349
Payables and contract liabilities	2,611	24,627
Cash (used in)/generated from operations	(10,389)	360,970
Zakat paid	(2,625)	(2,625)
Tax paid	(31,489)	(28,804)
Tax refund	171	-
Net cash flows (used in)/generated from operating activities	**(44,332)**	**329,541**
Cash flows from investing activities		
Investment in a joint venture	(3,500)	-
Purchase of property, plant and equipment	(56,427)	(82,525)
Government grant received	20,000	5,000
Proceeds from disposal of property,plant and equipment	61	716
Withdrawal of investment funds from a licensed financial institution	101,652	-
Finance income received	3,230	4,668
Net cash flows generated from/(used in) investing activities	**65,016**	**(72,141)**
Cash flows from financing activities		
Dividends paid	(115,560)	(173,340)
Issuance of Islamic Medium Term Notes and Islamic Commercial Papers	350,000	580,000
Repayment of Islamic Commercial Papers	(350,000)	(552,990)
Lease liability paid	(1,130)	-
Finance cost paid	(8,595)	(7,459)
Net cash flows used in financing activities	**(125,285)**	**(153,789)**
Net change in cash and cash equivalents	(104,601)	103,611
Cash and cash equivalents at beginning of financial period	232,754	218,198
Cash and cash equivalents at end of financial period	**128,153**	**321,809**

Non-cash transactions:

During the financial period, finance income receivable arising from deposits with financial institution amounting to RM90,000 (30 September 2018: RM157,000) and finance cost payable in respect of the Islamic Medium Term Notes amounting to RM4,690,000 (30 September 2018: RM4,000,000), 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 2018.

Condensed Consolidated Statement of Cash Flows
for the financial period ended 30 September 2019

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	Lease liabilities RM'000	Total RM'000
At 1 January 2019	2,966	100,000	181,000	-	2,708	286,674
Cash flows - net of repayment	(8,595)	-	-	(115,560)	(1,130)	(125,285)
Non-cash items:						
- Dividends declared	-	-	-	177,192	-	177,192
- Finance cost	10,319	-	-	-	970	11,289
- Addition of lease liabilities	-	-	-	-	18	18
- Accrual for unpaid lease liabilities		-	-	-	(162)	(162)
At 30 September 2019	4,690	100,000	181,000	61,632	2,404	349,726
At 1 January 2018	1,751	2,990	208,970	-	-	213,711
Cash flows - net of repayment	(7,459)	-	27,010	(173,340)	-	(153,789)
Non-cash items:						
- Dividends declared	-	-	-	173,340	-	173,340
- Finance cost	9,708	-	-	-	-	9,708
At 30 September 2018	4,000	2,990	235,980	-	-	242,970

Notes to the interim financial statements

1. Basis of preparation

The condensed consolidated interim financial statements for the financial period ended 30 September 2019 have 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 2018, 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 2018, except for the following pronouncement due to the adoption of MFRS 16 “Leases”.

MFRS 16 “Leases”

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117 and did not have an impact for leases where the Group is the lessor.

The Group adopted MFRS 16 using modified retrospective method and comparatives are not restated.

Impact of the adoption of MFRS 16

In summary, the impact of the adoption of MFRS 16 to the opening balance of the statement of financial position as at 1 January 2019 are set out below:

	Carrying amount as at 01.01.19 RM'000	Remeasurements RM'000	MFRS 16 carrying amount as at 01.01.19 RM'000
Right-of-use of lease assets	-	18,144	18,144
Prepaid lease payments	16,026	(16,026)	-
Retained earnings	(384,176)	448	(383,728)
Deferred tax liabilities	(157,322)	142	(157,180)
Lease liabilities:			
- Short term	-	(434)	(434)
- Long term	-	(2,274)	(2,274)

The Group assesses whether a contract is or contains a lease based on the definition of a lease and related guidance set out in MFRS 16.

Leases previously classified as finance leases

For leases previously classified as finance leases, the Group recognised the carrying amount of the lease asset and the lease liability immediately before transition as the carrying amount of the right-of-use (“ROU”) of lease asset and the lease liabilities at the date of initial application. The measurement principles of MFRS 16 are only applied after that date. This resulted in reclassifications of prepaid lease payments to ROU of lease assets at the date of initial application.

Leases previously accounted for as operating leases

The Group recognised ROU assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases of less than 1 year and leases of low-value assets. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. On a lease-by-lease basis, the Group measures the associated ROU of lease asset on a retrospective basis at its carrying amount as if the new rules had always been applied, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised as at 31 December 2018.

The Group has also applied the available practical expedients wherein it:

a) used a single discount rate to a portfolio of leases with reasonably similar characteristics;
b) relied on its assessment of whether leases are onerous before the date of initial application;
c) excluded the initial direct costs from the measurement of the right-of-use of lease asset at the date of initial application; and

d) used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

In applying MFRS 16 for all leases, the Group as a lessee:

a) recognises right-of-use of lease assets and lease liabilities in the statement of financial position;
b) recognises amortisation and impairment losses, if any, of ROU of lease assets and finance cost on lease liabilities in profit or loss; and
c) separates the total amount of cash paid into a principal portion (presented within financing activities) and finance cost (presented within operating activities) in the statement of cash flows.

Other than the above, the adoption of the following IC Interpretation, amendments to existing accounting standards and annual improvements that came into effect on 1 January 2019 which are applicable to the Group, did not have any significant financial impact on the condensed consolidated interim financial statements upon their initial application:

- Amendments to MFRS 9 "Prepayment features with negative compensation"
- Amendments to MFRS 128 "Long-term Interests in Associates and Joint Ventures"
- Amendments to MFRS 119 "Plan amendment, curtailment and settlement"
- IC Interpretation 23 "Uncertainty over Income Tax Treatments"
- Annual improvements to MFRSs 2015 – 2017 cycle

The Malaysian Accounting Standards Board had issued the following amendments 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 2020:
- The Conceptual Framework for Financial Reporting (Revised 2018)
- Amendments to MFRS 101 and MFRS 108 "Definition of Material"
- Amendments to MFRS 3 "Definition of a Business"

(ii) 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 amendments to the existing accounting standards. The adoption of the amendments to the existing accounting standards is not expected to have a material financial 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 2018 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 current quarter ended 30 September 2019.

On 1 July 2019, 1 August 2019 and 30 August 2019, the Company issued Islamic Commercial Papers ("ICPs") under the Sukuk Murabahah Programme amounting to RM150.0 million, RM100.0 million and RM100.0 million respectively for a tenure of one month. These ICPs were all repaid during the current quarter.

8. Dividends paid

On 28 March 2019, the Company paid a second 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.

On 3 July 2019, the Company paid a final 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 period ended 30 September 2019 is as follows:

	Natural Gas & LPG	Others	Total
	RM'000	RM'000	RM'000
30 September 2019			
Revenue:			
Total segment revenue			
- external	5,208,183	-	5,208,183
Timing of revenue recognition:			
a) Sale of natural gas and LPG:			
– over time	5,199,719	-	5,199,719
b) Tolling fee:			
– over time	8,464	-	8,464
	5,208,183	-	5,208,183
Results:			
Profit before zakat and taxation	175,351	(1,451)	173,900
Finance income	(3,198)	-	(3,198)
Depreciation and amortisation	58,714	41	58,755
Earnings before finance income, zakat, taxation, depreciation and amortisation	230,867	(1,410)	229,457

	Natural Gas & LPG	Others	Total
	RM'000	RM'000	RM'000
Assets and liabilities:			
Segment assets	2,529,073	4,044	2,533,117
Investment in joint ventures	210	44,561	44,771
Total assets			2,577,888
Segment liabilities	1,415,462	13	1,415,475
Taxation	12,905	(12)	12,893
Deferred tax liabilities	164,225	-	164,225
Total liabilities			1,592,593

The Group's segmental report for the corresponding financial period ended 30 September 2018 is as follows:

	Natural Gas & LPG	Others	Total
	RM'000	RM'000	RM'000
30 September 2018			
Revenue:			
Total segment revenue			
- external	4,494,716	-	4,494,716
Timing of revenue recognition:			
a) Sale of natural gas and LPG:			
- over time	4,483,665	-	4,483,665
b) Tolling fee:			
- over time	11,051	-	11,051
	4,494,716	-	4,494,716

	Natural Gas & LPG	Others	Total
	RM'000	RM'000	RM'000
Results:			
Profit before zakat and taxation	168,818	4,061	172,879
Finance income	(4,825)	-	(4,825)
Depreciation and amortisation	49,014	41	49,055
Earnings before finance income, zakat, taxation, depreciation and amortisation	213,007	4,102	217,109
Assets and liabilities:			
Segment assets	2,270,675	4,099	2,274,774
Investment in joint ventures	332	34,973	35,305
Total assets			2,310,079
Segment liabilities	1,174,846	16	1,174,862
Taxation	11,734	(12)	11,722
Deferred tax liabilities	150,529	-	150,529
Total liabilities			1,337,113

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 financial period ended 30 September 2019.

11. Changes in the composition of the Group

On 3 September 2019, Gas Malaysia Venture 1 Sdn Bhd (an indirect wholly-owned subsidiary of Gas Malaysia Berhad) ("GMV1") had subscribed to its proportion of equity interest in Gas Malaysia Synergy Drive Sdn Bhd ("GMSD"), a joint venture of the Group, pursuant to the Joint Venture Agreement between GMV1 and Sime Darby Energy Solutions Sdn Bhd ("SDES") whereby the eventual shareholding in GMSD would be in the proportion of 70% and 30% which will be held by GMV1 and SDES respectively. Accordingly, the subscription of 3,499,999 shares at a consideration of RM3,499,999 by GMV1 in the current quarter had resulted in the increase of Group's effective equity interest in GMSD from 50% to 70%.

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 2018.

13. Capital commitments

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

	As at 30.09.19 RM'000
Property, plant and equipment:	
Authorised and contracted for	95,596
Authorised but not contracted for	139,581
	235,177

14. Related party transactions

Significant related party transactions for the financial period 30 September 2019:

	Cumulative 9 months ended 30.09.19 RM'000	Cumulative 9 months ended 30.09.18 RM'000
Parties transacted with:		
Petroliam Nasional Berhad		
– Purchase of natural gas**	(4,878,762)	(4,174,932)
– Tolling fee income*	8,463	11,051
– Cash contribution for Citygate construction paid*	(11,876)	(13,568)
Petronas Dagangan Berhad		
– Purchase of liquefied petroleum gas*	(8,566)	(10,762)
Central Sugar Refinery Sdn Bhd		
– Sale of natural gas***	66,747	58,046
Gula Padang Terap Sdn Bhd		
– Sale of natural gas***	20,301	18,107
HICOM Automotive Manufacturers (Malaysia) Sdn Bhd		
- Sales of natural gas***	2,077	2,362

* 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 30 September 2019, 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	-	70,098	-	70,098

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

Additional information required by the Bursa Securities Listing Requirements

16. Review of performance

	Third quarter ended		
	30.09.2019	30.09.2018	Variance
	RM'000	RM'000	%
Revenue	1,755,872	1,556,281	12.8
Operating profit	54,786	51,232	6.9
Profit before finance income, zakat and taxation	52,400	53,011	(1.2)
Profit before zakat and taxation	53,157	54,401	(2.3)
Profit after zakat and taxation	41,997	41,028	2.4
Profit attributable to ordinary equity holders of the Parent	41,997	41,028	2.4

The Group’s revenue for the third quarter ended 30 September 2019 was RM1,755.9 million compared to RM1,556.3 million in the corresponding period in 2018, representing an increase of 12.8%. This was mainly due to the higher volume of natural gas sold and higher natural gas tariff.

The profit before zakat and taxation for the third quarter ended 30 September 2019 was RM53.2 million, a decrease of 2.3% as compared to the profit before zakat and taxation of RM54.4 million in the corresponding period last year. This was mainly due to the higher operating expenses and higher finance costs despite the increase in gross profit, coupled with share of losses from joint venture companies.

	Financial period ended		
	30.09.2019	30.09.2018	Variance
	RM'000	RM'000	%
Revenue	5,208,183	4,494,716	15.9
Operating profit	170,112	162,800	4.5
Profit before finance income, zakat and taxation	170,702	168,054	1.6
Profit before zakat and taxation	173,900	172,879	0.6
Profit after zakat and taxation	132,177	129,314	2.2
Profit attributable to ordinary equity holders of the Parent	132,177	129,314	2.2

The Group’s revenue for the financial period ended 30 September 2019 was RM5,208.2 million compared to RM4,494.7 million in the corresponding period in 2018, representing an increase of 15.9% due to the higher natural gas tariff and higher volume of natural gas sold.

The profit before zakat and taxation for the financial period ended 30 September 2019 was RM173.9 million, an increase by 0.6% compared to RM172.9 million in the corresponding period last year. This was due to higher gross profit, which is in line with the increase in volume of natural gas sold, and lower operating expenditure. However, this was partially offset by lower finance income and share of losses from joint venture companies.

17. Variation of results against preceding quarter

The Group recorded a lower profit before zakat and taxation of RM53.2 million in the current quarter as compared to RM65.8 million in the preceding quarter which was mainly attributed to higher overheads, higher operating expenditure as well as share of losses from joint venture companies.

18. Current prospects

The growth in revenue for the financial period ended 30 September 2019 compared to the corresponding period in 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:

	Third quarter ended		Financial period ended	
	30.09.19 RM'000	30.09.18 RM'000	30.09.19 RM'000	30.09.18 RM'000
Depreciation and amortisation	19,947	16,642	58,755	49,055
Write back of impairment loss on trade receivables	-	-	(1,814)	-

Included in the revenue for the financial period ended 30 September 2019 is an amount relating to assets contributed by customers amounting to RM2,565,000 (30 September 2018: RM5,314,000), of which the remaining amount of RM17.3 million (30 September 2018: RM14.3 million) of deferred revenue had been recognised as contract liabilities in the statement of financial position as 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 30.09.19	3 months ended 30.09.18	Cumulative 9 months ended 30.09.19	Cumulative 9 months ended 30.09.18
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- Current financial period/year	(8,507)	(11,070)	(35,285)	(45,689)
- Over accrual in prior financial period/year	3,232	-	3,232	-
	(5,275)	(11,070)	(32,053)	(45,689)
Deferred tax - origination and reversal of temporary timing differences	(5,010)	(1,428)	(7,045)	4,749
	(10,285)	(12,498)	(39,098)	(40,940)

The Group's effective tax rate for three months period ended 30 September 2019 of 19.7% is lower than the statutory income tax rate in Malaysia due to the effects of items not subject to tax and over provision in respect of prior year's tax.

The Group's effective tax rate for the nine months financial period ended 30 September 2019 of 22.8% is lower than the statutory income tax rate in Malaysia due to the effects of items not subject to tax and over provision in respect of prior year's 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 30.09.19 RM'000	As at 31.12.18 RM'000
Current (unsecured):		
Islamic Medium Term Notes	100,000	100,000
Non-current (unsecured):		
Islamic Medium Term Notes	181,000	181,000
Total borrowings	281,000	281,000

25. Material litigation

As at 30 September 2019, neither the Company nor its subsidiaries is 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 30.09.19	3 months ended 30.09.18	Cumulative 9 months ended 30.09.19	Cumulative 9 months ended 30.09.18
Profit for the period attributable to owners of the Parent (RM'mil)	42.0	41.0	132.2	129.3
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)	3.27	3.20	10.29	10.07
Diluted earnings per ordinary share (Sen)	3.27	3.20	10.29	10.07

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 19 August 2019, a first interim dividend of 4.80 sen per share on the 1,284,000,000 ordinary shares in issue, amounting to RM61,632,000 in respect of the financial year ending 31 December 2019, which has been paid on 30 October 2019.

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 November 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 November 2019