Condensed Consolidated Statement of Comprehensive Income
for the financial year ended 31 December 2019

	3 months ended 31.12.2019 RM'000 (Unaudited)	3 months ended 31.12.2018 RM'000 (Unaudited)	Cumulative 12 months ended 31.12.2019 RM'000 (Unaudited)	Cumulative 12 months ended 31.12.2018 RM'000 (Audited)
Revenue	1,678,270	1,738,527	6,886,453	6,233,243
Cost of sales	(1,613,020)	(1,665,691)	(6,595,159)	(5,940,538)
Gross profit	**65,250**	**72,836**	**291,294**	**292,705**
Finance income	1,036	1,997	4,234	6,822
Other operating (expenses)/income	(19)	414	2,046	1,542
Administrative expenses	(16,299)	(11,756)	(60,005)	(58,220)
Selling & distribution expenses	(351)	(376)	(1,288)	(1,273)
Finance costs	(4,077)	(2,602)	(15,366)	(12,310)
Share of results in joint ventures	22,705	727	21,230	4,853
Profit before zakat and taxation	**68,245**	**61,240**	**242,145**	**234,119**
Zakat expenses	(875)	(875)	(3,500)	(3,500)
Tax expense	(9,442)	(9,287)	(48,540)	(50,227)
Net profit for the period/year	**57,928**	**51,078**	**190,105**	**180,392**
Other comprehensive (loss)/income (net of tax):				
Items that will be reclassified to profit or loss				
Cash flow hedge of a joint venture	(168)	88	6,458	234
Total comprehensive income for the period/year	**57,760**	**51,166**	**196,563**	**180,626**
Net profit attributable to owners of the Parent	**57,928**	**51,078**	**190,105**	**180,392**
Total comprehensive income attributable to owners of the Parent	**57,760**	**51,166**	**196,563**	**180,626**
Earnings per share				
Basic (Sen)	4.51	3.98	14.81	14.05
Diluted (Sen)	4.51	3.98	14.81	14.05

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 31 December 2019

	As at 31.12.2019 RM'000 (Unaudited)	As at 31.12.2018 RM'000 (Audited)
Non-Current Assets		
Property, plant and equipment	1,361,431	1,313,169
Right-of-use of lease assets	16,903	-
Prepaid lease payments	-	16,026
Investment in joint ventures	67,308	36,120
Other receivables	87,612	-
	1,533,254	1,365,315
Current Assets		
Trade and other receivables	796,384	750,735
Investment funds with a licensed financial institution	123,281	171,750
Deposits, bank and cash balances	169,145	232,754
	1,088,810	1,155,239
Total Assets	**2,622,064**	**2,520,554**
Equity		
Equity attributable to owners of the Parent		
Share capital	642,000	642,000
Cash flow hedge reserve	4,414	(2,044)
Retained profits	396,641	384,176
Total Equity	1,043,055	1,024,132
Non-Current Liabilities		
Redeemable preference share	- #	- #
Deferred tax liabilities	163,535	157,322
Contract liabilities	11,911	15,205
Borrowings	181,000	181,000
Lease liabilities	1,778	-
	358,224	353,527
Current Liabilities		
Trade and other payables	1,012,480	1,026,082
Contract liabilities	4,529	4,655
Borrowings	200,000	100,000
Lease liabilities	494	-
Tax payable	3,282	12,158
	1,220,785	1,142,895
Total Liabilities	1,579,009	1,496,422
Total Equity and Liabilities	**2,622,064**	**2,520,554**
Net assets per share attributable to ordinary equity holders of the Parent (Sen)	81.23	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 year ended 31 December 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 year	-	-	-	190,105	**190,105**
Other comprehensive income for the financial year	-	-	6,458	-	**6,458**
Total comprehensive income for the financial year	-	-	6,458	190,105	**196,563**
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 ended 31 December 2019	-	-	-	(61,632)	**(61,632)**
	-	-	-	(177,192)	**(177,192)**
At 31 December 2019	**1,284**	**642,000**	**4,414**	**396,641**	**1,043,055**

* 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.

Audited 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	**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 2018.

Condensed Consolidated Statement of Cash Flows
for the financial year ended 31 December 2019

	12 months ended 31.12.2019 RM'000 (Unaudited)	12 months ended 31.12.2018 RM'000 (Audited)
Cash flows from operating activities		
Profit before zakat and taxation	242,145	234,119
Adjustments for:		
Depreciation and amortisation	79,160	66,127
Loss/(gain) on disposal of property, plant and equipment	121	(295)
Property, plant and equipment written off	7,548	-
Impairment of trade receivables	43	20
Write back of impairment loss on trade receivables	(1,814)	(9,407)
Share of results in joint ventures	(21,230)	(4,853)
Amortisation of prepaid lease payments	-	403
Finance income	(4,234)	(6,822)
Finance costs	15,366	12,310
Operating profit before working capital changes	317,105	291,602
Changes in working capital:		
Receivables	(131,561)	50,109
Payables and contract liabilities	(15,895)	135,917
Cash generated from operations	169,649	477,628
Zakat paid	(3,500)	(3,500)
Tax paid	(51,232)	(30,862)
Tax refund	171	-
Net cash flows generated from operating activities	**115,088**	**443,266**
Cash flows from investing activities		
Investment in a joint venture	(3,500)	-
Purchase of property, plant and equipment	(173,329)	(158,106)
Government grant received	40,000	10,000
Proceeds from disposal of property, plant and equipment	111	313
Finance income received	4,269	6,700
Additions of prepaid lease payments	-	(9)
Withdrawal of investment funds with a licensed financial institution	48,469	-
Addition of investment funds with a licensed financial institution	-	(171,750)
Net cash flows used in investing activities	**(83,980)**	**(312,852)**
Cash flows from financing activities		
Dividends paid	(177,192)	(173,340)
Issuance of Islamic Medium Term Notes and Islamic Commercial Papers	950,000	631,000
Repayment of Islamic Medium Term Notes and Islamic Commercial Papers	(850,000)	(561,960)
Lease liability paid	(1,724)	-
Finance cost paid	(15,801)	(11,558)
Net cash flows used in financing activities	**(94,717)**	**(115,858)**
Net change in cash and cash equivalents	(63,609)	14,556
Cash and cash equivalents at beginning of financial year	232,754	218,198
Cash and cash equivalents at end of financial year	**169,145**	**232,754**

Non-cash transactions:

During the financial year, finance income receivable arising from deposits with financial institution amounting to RM87,000 (31 December 2018: RM122,000) and finance cost payable in respect of the Islamic Medium Term Notes amounting to RM1,839,000 (31 December 2018: RM2,966,000), 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 year ended 31 December 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 - (payment)/drawdown, net of repayment	(15,801)	100,000	-	(177,192)	(1,724)	(94,717)
Non-cash items:						
- Dividends declared	-	-	-	177,192	-	177,192
- Finance cost	14,674	-	-	-	1,270	15,944
- Addition of lease liabilities	-	-	-	-	18	18
At 31 December 2019	1,839	200,000	181,000	-	2,272	385,111
At 1 January 2018	1,751	2,990	208,970	-	-	213,711
Cash flows - (payment)/drawdown, net of repayment	(11,558)	97,010	(27,970)	(173,340)	-	(115,858)
Non-cash items:						
- Dividends declared	-	-	-	173,340	-	173,340
- Finance cost	12,773	-	-	-	-	12,773
At 31 December 2018	2,966	100,000	181,000	-	-	283,966

Notes to the interim financial statements

1. Basis of preparation

The condensed consolidated interim financial statements for the financial year ended 31 December 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 31 December 2019.

On 9 October 2019, 8 November 2019, 15 November 2019 and 13 December 2019, the Company issued Islamic Commercial Papers ("ICPs") under the Sukuk Murabahah Programme amounting to RM150.0 million, RM150.0 million, RM100.0 million and RM100.0 million respectively for a tenure of one month. The first three (3) ICPs issued were repaid during the quarter.

On 1 November 2019, the Company repaid Islamic Medium Term Notes ("IMTN") under the Sukuk Murabahah Programme amounting to RM100.0 million which was previously issued on 1 November 2016. On 13 December 2019, the Company issued Islamic Medium Term Notes ("IMTN") under the Sukuk Murabahah Programme amounting to RM100.0 million for a tenure of three (3) years.

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.

On 30 October 2019, the Company paid 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 ended 31 December 2019.

9. Segment Reporting

The Group's segmental report for the financial year ended 31 December 2019 is as follows:

	Natural Gas & LPG	Others	Total
	RM'000	RM'000	RM'000
31 December 2019			
Revenue:			
Total segment revenue			
- external	6,886,453	-	6,886,453

	Natural Gas & LPG	Others	Total
	RM'000	RM'000	RM'000
Timing of revenue recognition:			
a) Sale of natural gas and LPG:			
– over time	6,875,492	-	6,875,492
b) Tolling fee:			
– over time	10,961	-	10,961
	6,886,453	-	6,886,453
Results:			
Profit before zakat and taxation	220,856	21,289	242,145
Finance income	(4,234)	-	(4,234)
Depreciation and amortisation	79,106	54	79,160
Earnings before finance income, zakat, taxation, depreciation and amortisation	295,728	21,343	317,071
Assets and liabilities:			
Segment assets	2,550,721	4,035	2,554,756
Investment in joint ventures	282	67,026	67,308
Total assets	2,551,003	71,061	2,622,064
Segment liabilities	1,412,177	15	1,412,192
Taxation	3,281	1	3,282
Deferred tax liabilities	163,535	-	163,535
Total liabilities	1,578,993	16	1,579,009

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

	Natural Gas & LPG	Others	Total
	RM'000	RM'000	RM'000
31 December 2018			
Revenue:			
Total segment revenue			
- external	6,233,243	-	6,233,243
Timing of revenue recognition:			
a) Sale of natural gas and LPG:			
- over time	6,219,050	-	6,219,050
b) Tolling fee:			
- over time	14,193	-	14,193
	6,233,243	-	6,233,243
Results:			
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	288,858	4,969	293,827

	Natural Gas & LPG	Others	Total
	RM'000	RM'000	RM'000
Assets and liabilities:			
Segment assets	2,480,343	4,091	2,484,434
Investment in joint ventures	320	35,800	36,120
Total assets	2,480,663	39,891	2,520,554
Segment liabilities	1,326,931	11	1,326,942
Taxation	12,157	1	12,158
Deferred tax liabilities	157,322	-	157,322
Total liabilities	1,496,410	12	1,496,422

The Group's operations are conducted within Peninsular Malaysia.

10. Events subsequent to the end of reporting period

Suruhanjaya Tenaga has granted, via a letter dated 26 December 2019, the following licences which will take effect commencing 1 January 2020, to the Company's wholly-owned subsidiaries pursuant to the implementation of Third-Party Access system:

i) Shipping Licence to Gas Malaysia Energy and Services Sdn. Bhd. ("GMES"), valid for a period of 10 years, which allows GMES to carry out activity of a shipping licensee including making an arrangement with a regasification, transportation or distribution licensee for gas to be processed or delivered through a regasification terminal, transmission pipeline or distribution pipeline to consumers' premises; and

ii) Distribution Licence to Gas Malaysia Distribution Sdn. Bhd. ("GMD"), valid for a period of 20 years, which permits GMD to carry out the activity of developing, operating and maintaining the distribution pipeline to deliver gas through the distribution pipeline.

These licences have been granted under the Gas Supply Act 1993 (as amended by the Gas Supply (Amendment) Act 2016).

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 2019.

13. Capital commitments

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

	As at 31.12.19 RM'000
Property, plant and equipment:	
Authorised and contracted for	133,400
Authorised but not contracted for	101,777
	235,177

14. Related party transactions

Significant related party transactions for the financial year ended 31 December 2019:

	Cumulative 12 months ended 31.12.19 RM'000	Cumulative 12 months ended 31.12.18 RM'000
Parties transacted with:		
Petroliam Nasional Berhad		
– Purchase of natural gas**	(6,434,564)	(5,800,220)
– Tolling fee income*	10,961	14,193
– Cash contribution for Citygate construction paid*	(20,085)	(19,859)
Petronas Dagangan Berhad		
– Purchase of liquefied petroleum gas*	(11,115)	(14,138)
Central Sugar Refinery Sdn Bhd		
– Sale of natural gas***	90,773	79,628
Gula Padang Terap Sdn Bhd		
– Sale of natural gas***	27,170	24,469
HICOM Automotive Manufacturers (Malaysia) Sdn Bhd		
– Sales of natural gas***	2,635	3,072
Gas Malaysia Energy Advance Sdn. Bhd.		
– Sales of natural gas***	115,447	117,571
Johor Port Logistic Sdn. Bhd.		
– Logistic services*	814	480

* 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 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	-	123,281	-	123,281

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

	Fourth quarter ended		
	31.12.2019	31.12.2018	Variance
	RM'000	RM'000	%
Revenue	1,678,270	1,738,527	(3.5)
Operating profit	44,523	58,102	(23.4)
Profit before finance income, zakat and taxation	67,209	59,243	13.4
Profit before zakat and taxation	68,245	61,240	11.4
Profit after zakat and taxation	57,928	51,078	13.4
Profit attributable to ordinary equity holders of the Parent	57,928	51,078	13.4

The Group's revenue for the fourth quarter ended 31 December 2019 was RM1,678.3 million compared to RM1,738.5 million in the corresponding period in 2018, representing a decrease of 3.5%. The decrease in revenue was mainly due to adjustment made, based on Gas Cost Pass Through (“GCPT”) mechanism, during the current quarter, to correct the accruals for under recovery of gas cost. Consequently, the gas cost was reduced with the corresponding amount such that the Group and the Company remain financially neutral. However, the decrease in revenue was partially offset by the upward revision of natural gas tariff which took effect on 15 July 2019 and higher volume of gas sold in the current quarter.

The profit before zakat and taxation for the fourth quarter ended 31 December 2019 was RM68.2 million, an increase of 11.4% as compared to the profit before zakat and taxation of RM61.2 million in the corresponding period last year.

This was mainly due to higher share of results from joint venture companies which was partially offset by higher finance cost, operating expenses and administrative expenses during the current quarter.

	Financial year ended		
	31.12.2019	31.12.2018	Variance
	RM'000	RM'000	%
Revenue	6,886,453	6,233,243	10.5
Operating profit	214,635	220,902	(2.8)
Profit before finance income, zakat and taxation	237,911	227,297	4.7
Profit before zakat and taxation	242,145	234,119	3.4
Profit after zakat and taxation	190,105	180,392	5.4
Profit attributable to ordinary equity holders of the Parent	190,105	180,392	5.4

The Group’s revenue for the financial year ended 31 December 2019 was RM6,886.4 million compared to RM6,233.2 million in the corresponding year 2018, representing an increase of 10.5% 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 2019 was RM242.1 million, an increase by 3.4% compared to RM234.1 million in the corresponding year 2018.

This was mainly due to higher share of results in joint ventures companies which was partially offset by higher finance cost and administrative expenses during the current financial year.

17. Variation of results against preceding quarter

The Group recorded a higher profit before zakat and taxation of RM68.2 million in the current quarter as compared to RM53.2 million in the preceding quarter which was mainly attributed to higher share of results from joint venture companies and partially offset by higher overhead expenses resulting mainly from property, plant and equipment written off during the current quarter.

18. Current prospects

The growth in revenue for the financial year ended 31 December 2019 compared to the corresponding year 2018, was primarily driven by the increase in volume of natural gas sold and revision in natural gas tariff. The Board anticipates that the yearly increase in natural gas sale volume and number of customers will sustain for the financial year 2020. The profitability of the Group for the financial year ending 31 December 2020 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	
	31.12.19 RM'000	31.12.18 RM'000	31.12.19 RM'000	31.12.18 RM'000
Depreciation and amortisation	20,405	17,475	79,160	66,530
Loss/(Gain) on disposal of property, plant and equipment	121	(295)	121	(295)
Property, plant and equipment written off	7,548	-	7,548	-
Impairment of trade receivables	43	20	43	20
Write back of impairment loss on trade receivables	(1,814)	(9,407)	(1,814)	(9,407)

Included in the revenue for the financial year ended 31 December 2019 is an amount relating to assets contributed by customers amounting to RM3,420,000 (31 December 2018: RM6,157,000), of which the remaining amount of RM16.4 million (31 December 2018: RM19.9 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 31.12.19	3 months ended 31.12.18	Cumulative 12 months ended 31.12.19	Cumulative 12 months ended 31.12.18
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- Current financial period/year	(10,132)	(4,398)	(45,417)	(50,087)
- Over accrual in prior financial period/year	-	1,904	3,232	1,904
	(10,132)	(2,494)	(42,185)	(48,183)
Deferred tax - origination and reversal of temporary timing differences	690	(6,793)	(6,355)	(2,044)
	(9,442)	(9,287)	(48,540)	(50,227)

The Group's effective tax rate for the three months period ended 31 December 2019 of 14.0% which is lower than the statutory income tax rate in Malaysia, was mainly attributed to the effects of income not subject to tax and higher share of results in joint venture companies.

The Group's effective tax rate for the financial year ended 31 December 2019 of 20.3%, which is lower than the statutory income tax rate in Malaysia, was mainly attributed to the effects of income not subject to tax, overprovision in respect of prior year's taxation as well as higher share of results in joint venture companies.

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").

In view of the implementation of Third Party Access ("TPA") framework effective from 1 January 2020, the Government has issued a directive, via letter from ST dated 6 December 2019 for the Company to effect the approval of the average Base Tariff of RM1.88 per MMBtu for the utilization of the natural gas distribution system of Gas Malaysia's wholly-owned subsidiary, Gas Malaysia Distribution Sdn Bhd ("GMD") under the TPA framework. The average Base Tariff will be applicable for the Regulatory Period for the next three years beginning from 1 January 2020 to 31 December 2022.

In addition, the Government had also provided an undertaking to the Company that it will be able to recover its GCPT amount for the variation in gas cost incurred up to 31 December 2019 through a surcharge to GMD's average Base Tariff over the next two years. The approved surcharge to GMD's average Base Tariff for the period beginning 1 January 2020 to 31 December 2021 is RM0.62 per MMBtu.

23. Status of corporate proposals

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

24. Borrowings

The outstanding borrowings of the Group are analysed as follows:

	As at 31.12.19 RM'000	As at 31.12.18 RM'000
Current (unsecured):		
Islamic Commercial Papers	100,000	-
Islamic Medium Term Notes	100,000	100,000
	200,000	100,000
Non-current (unsecured):		
Islamic Medium Term Notes	181,000	181,000
Total borrowings	381,000	281,000

25. Material litigation

As at 31 December 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 31.12.19	3 months ended 31.12.18	Cumulative 12 months ended 31.12.19	Cumulative 12 months ended 31.12.18
Profit for the period/ year attributable to owners of the Parent (RM'mil)	57.9	51.1	190.1	180.4
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)	4.51	3.98	14.81	14.05
Diluted earnings per ordinary share (Sen)	4.51	3.98	14.81	14.05

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 13 February 2020, a second interim dividend of 4.80 sen per share on the 1,284,000,000 ordinary shares, amounting to RM61,632,000 in respect of financial year ended 31 December 2019, payable on 31 March 2020. The entitlement to dividend will be determined on the basis of the Record of Depositors of the Company as at 13 March 2020.

28. Authorisation for issue

The condensed consolidated interim financial statements have been authorised for issue by the Board of Directors in accordance with their resolution on 13 February 2020.

By Order of the Board,

Yanti Irwani Binti Abu Hassan (MACS 01349)
Company Secretary
Shah Alam
Dated: 13 February 2020