

**Condensed Consolidated Statement of Comprehensive Income
for the financial year ended 31 December 2020**

	3 months ended 31.12.2020 RM'000 (Unaudited)	3 months ended 31.12.2019 RM'000 (Unaudited)	Cumulative 12 months ended 31.12.2020 RM'000 (Unaudited)	Cumulative 12 months ended 31.12.2019 RM'000 (Audited)
Revenue	1,818,922	1,678,270	6,686,868	6,886,453
Cost of sales	(1,706,600)	(1,613,020)	(6,327,648)	(6,595,159)
Gross profit	112,322	65,250	359,220	291,294
Finance income	5,880	1,036	12,451	4,234
Other operating income	967	(19)	2,666	2,046
Administrative expenses	(20,493)	(16,299)	(65,861)	(60,005)
Selling & distribution expenses, net of reversal	134	(351)	(823)	(1,288)
Finance costs	(5,037)	(4,077)	(17,223)	(15,366)
Share of results in joint ventures	672	22,705	413	21,230
Profit before zakat and taxation	94,445	68,245	290,843	242,145
Zakat expenses	(875)	(875)	(3,500)	(3,500)
Tax expense	(24,341)	(9,442)	(74,721)	(48,540)
Net profit for the financial period/year	69,229	57,928	212,622	190,105
Other comprehensive income/(loss) (net of tax):				
<i>Items that will be reclassified to profit or loss</i>				
Cash flow hedge of a joint venture	636	(168)	(1,585)	6,458
Total comprehensive income for the financial period/year	69,865	57,760	211,037	196,563
Net profit attributable to owners of the Parent	69,229	57,928	212,622	190,105
Total comprehensive income attributable to owners of the Parent	69,865	57,760	211,037	196,563
Earnings per share				
Basic (Sen)	5.39	4.51	16.56	14.81
Diluted (Sen)	5.39	4.51	16.56	14.81

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019.

**Condensed Consolidated Statement of Financial Position
as at 31 December 2020**

	As at 31.12.2020 RM'000 (Unaudited)	As at 31.12.2019 RM'000 (Audited)
Non-Current Assets		
Property, plant and equipment	1,431,477	1,361,431
Right-of-use of lease assets	19,055	16,903
Investment in joint ventures	66,251	67,308
Other receivables	17,690	87,612
Deferred tax assets	2,156	-
	<u>1,536,629</u>	<u>1,533,254</u>
Current Assets		
Trade and other receivables	770,656	796,384
Tax recoverable	21,621	-
Investment funds with licensed financial institutions	77,000	123,281
Deposits, bank and cash balances	232,835	169,145
	<u>1,102,112</u>	<u>1,088,810</u>
Total Assets	<u>2,638,741</u>	<u>2,622,064</u>
Equity		
Equity attributable to owners of the Parent		
Share capital	642,000	642,000
Cash flow hedge reserve	2,829	4,414
Retained profits	435,281	396,641
Total Equity	<u>1,080,110</u>	<u>1,043,055</u>
Non-Current Liabilities		
Redeemable preference share	-	-
Deferred tax liabilities	175,452	163,535
Contract liabilities	8,491	11,911
Borrowings	111,000	181,000
Lease liabilities	3,280	1,778
	<u>298,223</u>	<u>358,224</u>
Current Liabilities		
Trade and other payables	946,393	1,010,641
Contract liabilities	4,529	4,529
Borrowings	285,720	201,839
Lease liabilities	1,125	494
Tax payable	22,641	3,282
	<u>1,260,408</u>	<u>1,220,785</u>
Total Liabilities	<u>1,558,631</u>	<u>1,579,009</u>
Total Equity and Liabilities	<u>2,638,741</u>	<u>2,622,064</u>
Net assets per share attributable to ordinary equity holders of the Parent (Sen)	84.12	81.23

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 2019.

Unaudited Condensed Consolidated Statement of Changes in Equity for the financial year ended 31 December 2020

	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 2020	1,284	642,000	4,414	396,641	1,043,055
Net profit for the financial year	-	-	-	212,622	212,622
Other comprehensive loss for the financial year	-	-	(1,585)	-	(1,585)
Total comprehensive income for the financial year	-	-	(1,585)	212,622	211,037
Dividends:					
- Second interim dividend for the financial year ended 31 December 2019	-	-	-	(61,632)	(61,632)
- Final dividend for the financial year ended 31 December 2019	-	-	-	(57,780)	(57,780)
- First interim dividend for the financial year ended 31 December 2020	-	-	-	(54,570)	(54,570)
	-	-	-	(173,982)	(173,982)
At 31 December 2020	1,284	642,000	2,829	435,281	1,080,110

* 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 2019.

Audited 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	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 2019.

**Condensed Consolidated Statement of Cash Flows
for the financial year ended 31 December 2020**

	12 months ended 31.12.2020 RM'000 (Unaudited)	12 months ended 31.12.2019 RM'000 (Audited)
Cash flows from operating activities		
Profit before zakat and taxation	290,843	242,145
Adjustments for:		
Depreciation and amortisation	87,289	79,160
Loss on disposal of property, plant and equipment	-	121
Property, plant and equipment written off	5,168	7,548
Impairment on property, plant and equipment	7,648	-
Impairment loss/(write back of impairment loss) on trade and other receivables	727	(1,759)
Share of results in joint ventures	(413)	(21,230)
Impairment of investment in a joint venture	282	-
Finance income	(12,451)	(4,234)
Finance costs	17,223	15,366
Operating profit before working capital changes	396,316	317,117
Changes in working capital:		
Receivables	94,998	(131,574)
Payables and contract liabilities	(67,870)	(12,363)
Cash generated from operations	423,444	173,180
Zakat paid	(3,500)	(3,500)
Tax paid	(67,224)	(51,232)
Tax refund	2	171
Net cash flows generated from operating activities	352,722	118,619
Cash flows from investing activities		
Investment in a joint venture	(1,057)	(3,500)
Purchase of property, plant and equipment	(168,647)	(176,860)
Government grant received	-	40,000
Proceeds from disposal of property, plant and equipment	-	111
Finance income received	12,376	4,269
Dividend income received from a joint venture	660	-
Withdrawal of investment funds with a licensed financial institutions	46,281	48,469
Net cash flows used in investing activities	(110,387)	(87,511)
Cash flows from financing activities		
Dividends paid	(173,982)	(177,192)
Issuance of Islamic Medium Term Notes and Islamic Commercial Papers	1,935,000	950,000
Repayment of Islamic Medium Term Notes and Islamic Commercial Papers	(1,920,000)	(850,000)
Lease liabilities paid	(1,288)	(1,724)
Finance cost paid	(18,375)	(15,801)
Net cash flows used in financing activities	(178,645)	(94,717)
Net change in cash and cash equivalents	63,690	(63,609)
Cash and cash equivalents at beginning of financial year	169,145	232,754
Cash and cash equivalents at end of financial year	232,835	169,145

Non-cash transactions:

Finance income receivable arising from deposits with financial institution amounting to RM162,000 (31 December 2019: RM87,000) had been included within other receivables as at the end of the reporting year.

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019.

**Condensed Consolidated Statement of Cash Flows
for the financial year ended 31 December 2020**

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

	Borrowings RM'000	Dividends payable RM'000	Lease liabilities RM'000	Total RM'000
At 1 January 2020	382,839	-	2,272	385,111
Cash flows - net of drawdown and repayment/payment	(3,375)	(173,982)	(1,288)	(178,645)
Non-cash items:				
- Dividends declared	-	173,982	-	173,982
- Finance cost	17,256	-	218	17,474
- Addition of lease liabilities	-	-	3,406	3,406
- Accrual for unpaid lease liabilities	-	-	(203)	(203)
At 31 December 2020	<u>396,720</u>	<u>-</u>	<u>4,405</u>	<u>401,125</u>
At 1 January 2019	283,966	-	2,708	286,674
Cash flows - net of drawdown and repayment/payment	84,199	(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	<u>382,839</u>	<u>-</u>	<u>2,272</u>	<u>385,111</u>

Notes to the interim financial statements

1. Basis of preparation

The condensed consolidated interim financial statements for the financial year ended 31 December 2020 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 2019, 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 2019.

The adoption of the following amendments to existing accounting standards that came into effect on or after 1 January 2020 which are applicable to the Group, did not have any significant financial impact on the condensed consolidated interim financial statements upon their initial application:

- 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"
- Amendments to MFRS 9, 139 and 7 on Interest Rate Benchmark Reform

The Malaysian Accounting Standards Board had issued the following 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 June 2020:
 - Amendments to MFRS 16 "COVID-19-Related Rent Concessions"

- (ii) Financial year beginning on or after 1 January 2021:
 - Amendments to MFRS 9, 139, 7 and 16 on Interest Rate Benchmark Reform - Phase 2

- (iii) Financial year beginning on or after 1 January 2022:
 - Amendments to MFRS 116 "Proceeds before Intended Use"
 - Amendments to MFRS 3 "Reference to the Conceptual Framework"
 - Annual Improvements to MFRS 1 "Subsidiary as First-time Adopter"
 - Annual Improvements to Illustrative Example accompanying MFRS 16 Leases: Lease Incentives
 - Annual Improvements to MFRS 9 "Fees in the '10 per cent' test for Derecognition of Financial Liabilities"
 - Amendments to MFRS 137 "Onerous Contracts - Cost of Fulfilling a Contract"

- (iv) Financial year beginning on or after 1 January 2023:
 - Amendments to MFRS 101 "Classification of liabilities as current or non-current"

(v) 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 has early adopted the amendments to MFRS 16 "COVID-19 Related Rent Concessions" in the current financial year and it has no financial impact to the Group upon its initial application. Other than the foregoing, the Group did not early adopt any of the other above amendments and annual improvements to the published accounting standards. The Group is in the midst of assessing the impact arising from the adoption of the above amendments and annual improvements to the published accounting standards in the year of initial application.

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 2019 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

Other than the impact of Covid-19 that is disclosed further in Note 18, there was no unusual or significant event/transaction which has taken place which 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 2020.

On 2 October 2020, the Group repaid an Islamic Medium Term Notes ("IMTN") amounting to RM100.0 million which was previously issued on 4 October 2017.

On 7 October 2020, 6 November 2020 and 4 December 2020, the Group issued Islamic Commercial Papers ("ICP") under the Sukuk Murabahah Programme amounting to RM240.0 million, RM230.0 million and RM215.0 million respectively for a tenure of one month.

On 7 October 2020, 6 November 2020 and 4 December 2020, the Group repaid the outstanding ICPs of RM170.0 million, RM240.0 million and RM230.0 million which were previously issued on 7 September 2020, 7 October 2020 and 6 November 2020 respectively.

8. Dividends paid

On 31 March 2020, the Company paid a second 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.

On 21 July 2020, 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 2019.

On 8 October 2020, the Company paid the first interim dividend of 4.25 sen per share on the 1,284,000,000 ordinary shares in issue, amounting to RM54,570,000 in respect of the financial year ended 31 December 2020.

9. Segment Reporting

The Group's segmental report for the financial year ended 31 December 2020 is as follows:

	Natural		
	<u>Gas & LPG</u>	<u>Others</u>	<u>Total</u>
	RM' 000	RM' 000	RM' 000
<u>31 December 2020</u>			
<u>Revenue:</u>			
Total segment revenue			
- external	6,686,868	-	6,686,868
	<u>6,686,868</u>	<u>-</u>	<u>6,686,868</u>
a) Sale of natural gas and LPG:			
- over time	6,676,781	-	6,676,781
b) Tolling fee:			
- over time	10,087	-	10,087
	<u>6,686,868</u>	<u>-</u>	<u>6,686,868</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	289,788	1,055	290,843
Finance income	(12,451)	-	(12,451)
Depreciation and amortisation	87,235	54	87,289
Earnings before finance income, zakat, taxation, depreciation and amortisation	<u>364,572</u>	<u>1,109</u>	<u>365,681</u>
<u>Assets and liabilities:</u>			
Segment assets	2,544,705	4,008	2,548,713
Investment in joint ventures	-	66,251	66,251
Tax recoverable	21,621	-	21,621
Deferred tax assets	2,156	-	2,156
Total assets	<u>2,568,482</u>	<u>70,259</u>	<u>2,638,741</u>
Segment liabilities	1,360,512	26	1,360,538
Taxation	22,639	2	22,641
Deferred tax liabilities	175,452	-	175,452
Total liabilities	<u>1,558,603</u>	<u>28</u>	<u>1,558,631</u>

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

	Natural <u>Gas & LPG</u> RM' 000	<u>Others</u> RM' 000	<u>Total</u> RM' 000
<u>31 December 2019</u>			
<u>Revenue:</u>			
Total segment revenue			
- external	6,886,453	-	6,886,453
a) Sale of natural gas and LPG:			
- over time	6,875,492	-	6,875,492
b) Tolling fee:			
- over time	10,961	-	10,961
	<u>6,886,453</u>	<u>-</u>	<u>6,886,453</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	220,856	21,289	242,145
Finance income	(3,924)	(310)	(4,234)
Depreciation and amortisation	79,106	54	79,160
Earnings before finance income, zakat, taxation, depreciation and amortisation	<u>296,038</u>	<u>21,033</u>	<u>317,071</u>
<u>Assets and liabilities:</u>			
Segment assets	2,550,697	4,059	2,554,756
Investment in joint ventures	282	67,026	67,308
Total assets	<u>2,550,979</u>	<u>71,085</u>	<u>2,622,064</u>
Segment liabilities	1,412,177	15	1,412,192
Taxation	3,281	1	3,282
Deferred tax liabilities	163,535	-	163,535
Total liabilities	<u>1,578,993</u>	<u>16</u>	<u>1,579,009</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 2020 except for the issuance and repayment of ICPs by the Group as disclosed below:

- (i) On 4 January 2021 and on 4 February 2021, the Group issued ICPs under the Sukuk Murabahah Programme amounting to RM215.0 million and RM210.0 million respectively for a tenure of one month.
- (ii) On 4 January 2021 and 4 February 2021, the Group repaid the outstanding ICPs of RM215.0 million and RM215.0 million which were previously issued on 4 December 2020 and 4 January 2021 respectively.

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 31.12.20 RM' 000
Property, plant and equipment:	
Authorised and contracted for	148,427
Authorised but not contracted for	88,476
	<u>236,903</u>

14. Related party transactions

Significant related party transactions for the financial year ended 31 December 2020:

	Cumulative 12 months ended 31.12.20 RM' 000	Cumulative 12 months ended 31.12.19 RM' 000
Parties transacted with:		
Petronas Energy & Gas Trading Sdn Bhd		
- Purchase of natural gas**	(6,142,342)	-
- Tolling fee income*	10,087	-
Petroliam Nasional Berhad		
- Purchase of natural gas**	-	(6,434,564)
- Tolling fee income*	-	10,961
- Cash contribution for Citygate construction paid*	(20,630)	(20,085)
Petronas Dagangan Berhad		
- Purchase of liquefied petroleum gas*	(8,357)	(11,116)

Central Sugar Refinery Sdn Bhd		
- Sale of natural gas***	83,831	90,773
Central Sugar Refinery (Padang Terap) Sdn Bhd		
- Sale of natural gas***	34,285	27,176
HICOM Automotive Manufacturers (Malaysia) Sdn. Bhd.		
- Sale of natural gas***	1,383	2,635
Gas Malaysia Energy Advance Sdn. Bhd.		
- Sale of natural gas***	102,978	115,447
Johor Port Logistic Sdn. Bhd.		
- Logistic services*	(1,422)	(814)

* 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 in the normal course of business and have been established under negotiated terms agreed by both parties (2019: regulated price 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 2020, 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	<u>-</u>	<u>77,000</u>	<u>-</u>	<u>77,000</u>

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

Additional information required by the Bursa Securities Listing Requirements

16. Review of performance

	Fourth quarter ended		
	31.12.2020	31.12.2019	Variance
	RM'000	RM'000	%
Revenue	1,818,922	1,678,270	8.4
Operating profit	86,926	44,523	95.2
Profit before finance income, zakat and taxation	88,565	67,209	31.8
Profit before zakat and taxation	94,445	68,245	38.4
Profit after zakat and taxation	69,229	57,928	19.5
Profit attributable to ordinary equity holders of the Parent	69,229	57,928	19.5

The Group's revenue for the fourth quarter ended 31 December 2020 was RM1,818.9 million compared to RM1,678.3 million in the corresponding period in 2019, representing an increase of 8.4%. This was in line with the higher volume of natural gas sold and the recognition of revenue cap adjustment in the current quarter.

The profit before zakat and taxation for the fourth quarter ended 31 December 2020 was RM94.4 million, an increase of 38.4% as compared to RM68.2 million in the corresponding period last year. This was mainly due to higher gross profit in line with higher volume of natural gas sold and the recognition of revenue cap adjustment in the current quarter, offset by higher overheads and depreciation being part of cost of sales. The higher finance income and operating income also contributed to the increase in profit before zakat and taxation. However, these were partially offset by higher operating expenses as well as lower contribution from the Group's joint ventures.

	Financial year ended		
	31.12.2020	31.12.2019	Variance
	RM'000	RM'000	%
Revenue	6,686,868	6,886,453	(2.9)
Operating profit	275,313	214,635	28.3
Profit before finance income, zakat and taxation	278,392	237,911	17.0
Profit before zakat and taxation	290,843	242,145	20.1
Profit after zakat and taxation	212,622	190,105	11.8
Profit attributable to ordinary equity holders of the Parent	212,622	190,105	11.8

The Group's revenue for the financial year ended 31 December 2020 was RM6,686.9 million compared to RM6,886.5 million in the corresponding year, representing a decrease of 2.9%. This was due to lower volume of natural gas sold, coupled with lower average gas selling price mitigated by the recognition of revenue cap adjustment in the current year.

The profit before zakat and taxation for the financial year ended 31 December 2020 was RM290.8 million, an increase of 20.1% as compared to RM242.1 million in the corresponding year. This was mainly due to higher gross profit in line with the recognition of revenue cap adjustment in the current year, despite slightly lower volume of natural gas sold and higher overheads and depreciation. In addition, higher finance income and higher operating income also contributed to the increase in profit before zakat and taxation. This was partially offset by higher operating expenses and lower contribution from the Group's joint ventures.

17. Variation of results against preceding quarter

The Group recorded a higher profit before zakat and taxation of RM94.4 million in the current quarter as compared to RM69.8 million in the preceding quarter. This was mainly attributed to higher gross profit in line with higher volume of natural gas sold and the recognition of revenue cap adjustment in the current quarter, offset by higher overheads. In addition, higher finance income, other income and share of profit from joint venture companies also contributed to the increase in profit before zakat and taxation. However, this was partially offset by higher operating expenses.

18. Current prospects

Revenue for the financial year ended 31 December 2020 compared to the corresponding year 2019 was impacted by the lower volume of natural gas consumed by the Group's customers as a consequent of the series of Movement Control Order ("MCO") imposed by the Government, in a bid to contain the spread of Covid-19.

The Board anticipates the financial year 2021 to remain challenging due to the reimplementation of lockdown in certain areas where some of the Group's customers operate in. Nonetheless, the Group will continue to be vigilant and take appropriate and timely measures to sustain the Group's profitability for the financial year 2021.

19. Profit before zakat and taxation

Profit before zakat and taxation is stated after charging the following items:

	Fourth quarter ended		Financial year ended	
	31.12.20 RM' 000	31.12.19 RM' 000	31.12.20 RM' 000	31.12.19 RM' 000
Depreciation and amortisation	22,235	20,405	87,289	79,160
Loss on disposal of property, plant and equipment	-	121	-	121
Property, plant and equipment written off	1,786	7,548	5,168	7,548
Impairment on property, plant and equipment	7,648	-	7,648	-
Impairment/(write back of impairment loss allowance) on trade and other receivables	-	55	727	(1,759)
(Reversal of impairment)/Impairment of investment in a joint venture	(208)	-	282	-

Included in the revenue for the financial year ended 31 December 2020 is an amount relating to assets contributed by customers amounting to RM3.4 million (31 December 2019: RM3.4 million), of which the remaining amount of RM13.0 million (31 December 2019: RM16.4 million) of deferred revenue had been recognised as contract liabilities in the statement of financial position as at the end of the reporting year.

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 31.12.20 RM' 000	3 months ended 31.12.19 RM' 000	Cumulative 12 months ended 31.12.20 RM' 000	Cumulative 12 months ended 31.12.19 RM' 000
Income tax:				
- Current financial period/year	(23,741)	(10,132)	(65,565)	(45,417)
- Over accrual in prior financial period/year	-	-	605	3,232
	(23,741)	(10,132)	(64,960)	(42,185)
Deferred tax:				
- Origination and reversal of temporary timing differences	(600)	690	(9,761)	(6,355)
	(24,341)	(9,442)	(74,721)	(48,540)

The Group's effective tax rate for the quarter ended 31 December 2020 of 26.0%, which is higher than the statutory income tax rate in Malaysia, was mainly attributed to the expenses not deductible for tax purpose.

The Group's effective tax rate for the financial year ended 31 December 2020 of 26.0%, which is higher than the statutory income tax rate in Malaysia, was mainly attributed to the under recognition of deferred tax liabilities arising from prior financial year and expenses not deductible for tax purpose.

22. Components within tariff revision

Included in the "Trade and other receivables" of the Group are receivables relating to:

- (i) Amount receivable pursuant to the Gas Cost Pass Through mechanism - this receivable represents the under-recovery of natural gas costs arising from the variances between the actual market price and the forecast market price used for determining the tariff rates under the Incentive-Based Regulation ("IBR") framework up to 31 December 2019; and
- (ii) Amount receivable pursuant to the revenue and price cap mechanism - this receivable represents under-recovery of revenues arising from the variances between actual and estimate firm capacity reservations used in the determination of tariff rates for the utilisation of the Natural Gas Distribution System ("NGDS") owned by Gas Malaysia Distribution Sdn Bhd ("GMD").

These receivables will be recovered principally through a surcharge to be imposed by GMD to the users of the NGDS in the future. The receivables were recognised on the basis that the Government has provided an undertaking to the Group in respect of the under/(over) recovery of the foregoing.

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 31.12.20 RM' 000	As at 31.12.19 RM' 000
<u>Current (unsecured):</u>		
Islamic Commercial Papers	215,000	100,000
Islamic Medium Term Notes	70,720	101,839
	<u>285,720</u>	<u>201,839</u>
<u>Non-current (unsecured):</u>		
Islamic Medium Term Notes	111,000	181,000
Total borrowings	<u>396,720</u>	<u>382,839</u>

25. Material litigation

As at 31 December 2020, 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 <u>31.12.20</u>	3 months ended <u>31.12.19</u>	Cumulative 12 months ended <u>31.12.20</u>	Cumulative 12 months ended <u>31.12.19</u>
Profit for the period/ year attributable to owners of the Parent (RM'mil)	69.2	57.9	212.6	190.1
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)	5.39	4.51	16.56	14.81
Diluted earnings per ordinary share (Sen)	5.39	4.51	16.56	14.81

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 26 February 2021, a second interim dividend of 5.40 sen per share on the 1,284,000,000 ordinary shares in issue, amounting to RM69,336,000 in respect of the financial year ended 31 December 2020, which will be paid on 31 March 2021.

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 26 February 2021.

By Order of the Board,

Yanti Irwani Binti Abu Hassan (MACS 01349)

Company Secretary

Shah Alam

Dated: 26 February 2021