

**Condensed Consolidated Statement of Comprehensive Income
for the financial period ended 30 June 2021**

	3 months ended 30.06.2021 RM'000 (Unaudited)	3 months ended 30.06.2020 RM'000 (Unaudited)	Cumulative 6 months ended 30.06.2021 RM'000 (Unaudited)	Cumulative 6 months ended 30.06.2020 RM'000 (Unaudited)
Revenue	1,375,292	1,539,640	2,527,974	3,145,845
Cost of sales	(1,275,318)	(1,466,471)	(2,335,575)	(2,988,792)
Gross profit	99,974	73,169	192,399	157,053
Finance income	1,458	1,600	3,116	4,041
Other operating income	383	340	734	1,182
Administrative expenses	(15,036)	(11,183)	(34,563)	(27,356)
Selling & distribution expenses	(178)	(329)	(342)	(629)
Finance costs	(2,402)	(4,171)	(5,262)	(7,254)
Share of results in joint ventures	(1,367)	(200)	(1,131)	(447)
Profit before zakat and taxation	82,832	59,226	154,951	126,590
Zakat expenses	(875)	(875)	(1,750)	(1,750)
Tax expense	(19,618)	(13,727)	(35,232)	(32,353)
Net profit for the financial period	62,339	44,624	117,969	92,487
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	45	491	444	(1,987)
Total comprehensive income for the financial period	62,384	45,115	118,413	90,500
Net profit attributable to owners of the Parent	62,339	44,624	117,969	92,487
Total comprehensive income attributable to owners of the Parent	62,384	45,115	118,413	90,500
Earnings per share				
Basic (Sen)	4.86	3.48	9.19	7.20
Diluted (Sen)	4.86	3.48	9.19	7.20

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020.

**Condensed Consolidated Statement of Financial Position
as at 30 June 2021**

	As at 30.06.2021 RM'000 (Unaudited)	As at 31.12.2020 RM'000 (Audited)
Non-Current Assets		
Property, plant and equipment	1,491,327	1,448,326
Right-of-use of lease assets	18,320	19,055
Investments in joint ventures	65,744	66,251
Other receivables	17,929	17,690
Deferred tax assets	1,458	2,156
	<u>1,594,778</u>	<u>1,553,478</u>
Current Assets		
Trade and other receivables	519,829	770,656
Tax recoverable	22,294	23,074
Investment funds with licensed financial institutions	252,000	77,000
Deposits, bank and cash balances	162,326	232,835
	<u>956,449</u>	<u>1,103,565</u>
Total Assets	<u>2,551,227</u>	<u>2,657,043</u>
Equity		
Equity attributable to owners of the Parent		
Share capital	642,000	642,000
Cash flow hedge reserve	3,273	2,829
Retained profits	414,578	435,281
Total Equity	<u>1,059,851</u>	<u>1,080,110</u>
Non-Current Liabilities		
Redeemable preference share	-	-
Deferred tax liabilities	180,865	175,452
Contract liabilities	6,781	8,491
Borrowings	111,000	111,000
Lease liabilities	2,926	3,389
	<u>301,572</u>	<u>298,332</u>
Current Liabilities		
Trade and other payables	840,685	963,242
Contract liabilities	4,529	4,529
Borrowings	250,253	285,720
Lease liabilities	936	1,016
Tax payable	24,065	24,094
Dividend payable	69,336	-
	<u>1,189,804</u>	<u>1,278,601</u>
Total Liabilities	<u>1,491,376</u>	<u>1,576,933</u>
Total Equity and Liabilities	<u>2,551,227</u>	<u>2,657,043</u>
Net assets per share attributable to ordinary equity holders of the Parent (Sen)	82.54	84.12

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 2020.

Unaudited Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 June 2021

	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 2021	1,284	642,000	2,829	435,281	1,080,110
Net profit for the financial period	-	-	-	117,969	117,969
Other comprehensive income for the financial period	-	-	444	-	444
Total comprehensive income for the financial period	-	-	444	117,969	118,413
Dividends:					
- Second interim dividend for the financial year ended 31 December 2020	-	-	-	(69,336)	(69,336)
- Final dividend for the financial year ended 31 December 2020	-	-	-	(69,336)	(69,336)
	-	-	-	(138,672)	(138,672)
At 30 June 2021	1,284	642,000	3,273	414,578	1,059,851

* 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 2020.

Unaudited Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 June 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 period	-	-	-	92,487	92,487
Other comprehensive loss for the financial period	-	-	(1,987)	-	(1,987)
Total comprehensive income for the financial period	-	-	(1,987)	92,487	90,500
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)
	-	-	-	(119,412)	(119,412)
At 30 June 2020	1,284	642,000	2,427	369,716	1,014,143

* 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 2020.

**Condensed Consolidated Statement of Cash Flows
for the financial period ended 30 June 2021**

	6 months ended 30.06.2021 RM'000 (Unaudited)	6 months ended 30.06.2020 RM'000 (Unaudited)
Cash flows from operating activities		
Profit before zakat and taxation	154,951	126,590
Adjustments for:		
Depreciation and amortisation	45,375	42,703
Property, plant and equipment written off	-	126
Share of results in joint ventures	1,131	447
Finance income	(3,116)	(4,041)
Finance costs	5,262	7,254
Operating profit before working capital changes	<u>203,603</u>	<u>173,079</u>
Changes in working capital:		
Receivables	250,524	45,942
Payables and contract liabilities	<u>(124,267)</u>	<u>(87,337)</u>
Cash generated from operations	329,860	131,684
Zakat paid	(1,750)	(1,750)
Tax paid	<u>(28,370)</u>	<u>(24,498)</u>
Net cash flows generated from operating activities	<u>299,740</u>	<u>105,436</u>
Cash flows from investing activities		
Investment in a joint venture	(840)	-
Dividend income received from a joint venture	660	-
Purchase of property, plant and equipment	(87,387)	(66,150)
Finance income received	3,180	4,120
Addition of investment funds with licensed financial institutions	(252,000)	(63,207)
Withdrawal of investment funds with licensed financial institutions	<u>77,000</u>	<u>123,281</u>
Net cash flows used in investing activities	<u>(259,387)</u>	<u>(1,956)</u>
Cash flows from financing activities		
Dividends paid	(69,336)	(61,632)
Issuance of Islamic Commercial Papers	1,285,000	700,000
Repayment of Islamic Medium Term Notes and Islamic Commercial Papers	(1,320,000)	(800,000)
Lease liabilities paid	(631)	(719)
Finance cost paid	<u>(5,895)</u>	<u>(7,225)</u>
Net cash flows used in financing activities	<u>(110,862)</u>	<u>(169,576)</u>
Net change in cash and cash equivalents	(70,509)	(66,096)
Cash and cash equivalents at beginning of financial period	<u>232,835</u>	<u>169,145</u>
Cash and cash equivalents at end of financial period	<u>162,326</u>	<u>103,049</u>

Non-cash transactions:

Finance income receivable arising from deposits with financial institution amounting to RM98,000 (31 December 2020: RM162,000) had been included within other receivables 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 2020.

**Condensed Consolidated Statement of Cash Flows
for the financial period ended 30 June 2021**

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 2021	396,720	-	4,405	401,125
Cash flows - net of drawdown and repayment/payment	(40,895)	(69,336)	(631)	(110,862)
Non-cash items:				
- Dividends declared	-	138,672	-	138,672
- Finance cost	5,428	-	88	5,516
At 30 June 2021	<u>361,253</u>	<u>69,336</u>	<u>3,862</u>	<u>434,451</u>
At 1 January 2020	382,839	-	2,272	385,111
Cash flows - net of drawdown and repayment/payment	(107,225)	(61,632)	(719)	(169,576)
Non-cash items:				
- Dividends declared	-	119,412	-	119,412
- Finance cost	7,139	-	115	7,254
- Addition of lease liabilities	-	-	3,405	3,405
- Accrual for unpaid lease liabilities	-	-	(69)	(69)
At 30 June 2020	<u>282,753</u>	<u>57,780</u>	<u>5,004</u>	<u>345,537</u>

Notes to the interim financial statements

1. Basis of preparation

The condensed consolidated interim financial statements for the financial period ended 30 June 2021 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 2020, 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 2020.

The adoption of the following amendments to existing accounting standards that came into effect on or after 1 January 2021 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 7, 9, 16 and 139 on Interest Rate Benchmark Reform - Phase 2

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 January 2022:
- Amendment to MFRS 16 "COVID-19-Related Rent Concessions beyond 30 June 2021"
 - 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 3 "Reference to the Conceptual Framework"
 - Amendments to MFRS 116 "Proceeds before Intended Use"
 - Amendments to MFRS 137 "Onerous Contracts - Cost of Fulfilling a Contract"
- (ii) Financial year beginning on or after 1 January 2023:
- Amendments to MFRS 101 "Classification of liabilities as current or non-current"
 - Amendments to MFRS 101 "Presentation of financial statements" and MFRS Practice Statement 2 on disclosure of accounting policies
 - Amendments to MFRS 108 "Accounting policies, changes in accounting estimates and errors" on definition of accounting estimates
 - Amendments to MFRS 112 on "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"
- (iii) Effective date yet to be determined:
- Amendments to MFRS 10 "Consolidated Financial Statements" and MFRS 128 "Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures"

The Group did not early adopt any of the 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 2020 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 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 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 June 2021.

On 2 April 2021, 3 May 2021 and 3 June 2021, the Group issued Islamic Commercial Papers ("iCPs") under the Sukuk Murabahah Programme amounting to RM230.0 million, RM220.0 million and RM210.0 million respectively for a tenure of one month.

On 2 April 2021, 3 May 2021 and 3 June 2021, the Group repaid the outstanding iCPs of RM200.0 million, RM230.0 million and RM220.0 million which were previously issued on 4 March 2021, 2 April 2021 and 3 May 2021 respectively.

8. Dividends paid

On 31 March 2021, the Company paid 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.

On 22 July 2021, the Company paid a final 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.

9. Segment Reporting

The Group's segmental report for the financial period ended 30 June 2021 is as follows:

	Natural		
	<u>Gas & LPG</u>	<u>Others</u>	<u>Total</u>
	RM' 000	RM' 000	RM' 000
<u>30 June 2021</u>			
<u>Revenue:</u>			
Total segment revenue			
- external	2,527,974	-	2,527,974

	Natural		<u>Total</u> RM' 000
	<u>Gas & LPG</u>	<u>Others</u>	
	RM' 000	RM' 000	
a) Sale of natural gas and LPG:			
- over time	2,522,921	-	2,522,921
b) Tolling fee:			
- over time	5,053	-	5,053
	<u>2,527,974</u>	<u>-</u>	<u>2,527,974</u>
<u>Results:</u>			
Profit before zakat and taxation	156,147	(1,196)	154,951
Finance income	(3,116)	-	(3,116)
Depreciation and amortisation	45,348	27	45,375
Earnings before finance income, zakat, taxation, depreciation and amortisation	<u>198,379</u>	<u>(1,169)</u>	<u>197,210</u>
<u>Assets and liabilities:</u>			
Segment assets	2,457,668	4,063	2,461,731
Investments in joint ventures	-	65,744	65,744
Tax recoverable	22,288	6	22,294
Deferred tax assets	1,458	-	1,458
Total assets	<u>2,481,414</u>	<u>69,813</u>	<u>2,551,227</u>
Segment liabilities	1,286,426	20	1,286,446
Taxation	24,065	-	24,065
Deferred tax liabilities	180,865	-	180,865
Total liabilities	<u>1,491,356</u>	<u>20</u>	<u>1,491,376</u>

The Group's segmental report for the corresponding financial period ended 30 June 2020 is as follows:

	Natural <u>Gas & LPG</u> RM' 000	<u>Others</u> RM' 000	<u>Total</u> RM' 000
<u>30 June 2020</u>			
<u>Revenue:</u>			
Total segment revenue			
- external	3,145,845	-	3,145,845
a) Sale of natural gas and LPG:			
- over time	3,140,600	-	3,140,600
b) Tolling fee:			
- over time	5,245	-	5,245
	<u>3,145,845</u>	<u>-</u>	<u>3,145,845</u>
<u>Results:</u>			
Profit before zakat and taxation	125,731	859	126,590
Finance income	(4,041)	-	(4,041)
Depreciation and amortisation	42,676	27	42,703
Earnings before finance income, zakat, taxation, depreciation and amortisation	<u>164,366</u>	<u>886</u>	<u>165,252</u>

	Natural		<u>Total</u> RM' 000
	<u>Gas & LPG</u>	<u>Others</u>	
	RM' 000	RM' 000	
<u>Assets and liabilities:</u>			
Segment assets	2,401,916	8,035	2,409,951
Investment in joint ventures	-	64,214	64,214
Total assets	<u>2,401,916</u>	<u>72,249</u>	<u>2,474,165</u>
Segment liabilities	1,285,336	14	1,285,350
Taxation	8,109	(7)	8,102
Deferred tax liabilities	166,570	-	166,570
Total liabilities	<u>1,460,015</u>	<u>7</u>	<u>1,460,022</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 30 June 2021 except for the issuance and repayment of iCPs by the Group as disclosed below.

- (i) On 2 July 2021 and 2 August 2021, the Group issued iCPs under the Sukuk Murabahah Programme amounting to RM210.0 million and RM200.0 million respectively for a tenure of one month.
- (ii) On 2 July 2021 and 2 August 2021, the Group repaid the outstanding iCPs of RM210.0 million and RM210.0 million which were previously issued on 3 June 2021 and 2 July 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 2020.

13. Capital commitments

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

	As at
	30.06.21
	RM' 000
Property, plant and equipment:	
Authorised and contracted for	73,178
Authorised but not contracted for	179,220
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	252,398
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14. Related party transactions

Significant related party transactions for the financial period ended 30 June 2021:

	Cumulative 6 months ended 30.06.21 RM' 000	Cumulative 6 months ended 30.06.20 RM' 000
Parties transacted with:		
Petronas Energy & Gas Trading Sdn Bhd		
- Purchase of natural gas*	(2,244,558)	(2,909,502)
- Tolling fee income*	5,053	5,245
Petroliam Nasional Berhad		
- Cash contribution for Citygate construction paid*	-	(17,209)
Petronas Dagangan Berhad		
- Purchase of liquefied petroleum gas*	(4,381)	(1,947)
Central Sugar Refinery Sdn Bhd		
- Sale of natural gas**	30,237	41,747
Central Sugar Refinery (Padang Terap) Sdn Bhd		
- Sale of natural gas**	11,537	15,889
HICOM Automotive Manufacturers (Malaysia) Sdn. Bhd.		
- Sale of natural gas**	1,174	485
Perusahaan Otomobil Nasional Sdn. Bhd.		
- Sale of natural gas**	1,865	1,342
Gas Malaysia Energy Advance Sdn. Bhd.		
- Sale of natural gas**	42,014	49,857
Johor Port Logistic Sdn. Bhd.		
- Logistic services*	985	661

* The transactions have been entered into in the normal course of business and have been established under negotiated terms agreed by both parties.

** 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 June 2021, 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	-	252,000	-	252,000

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

	Second quarter ended		
	30.06.2021	30.06.2020	Variance
	RM'000	RM'000	%
Revenue	1,375,292	1,539,640	(10.7)
Operating profit	82,359	57,486	43.3
Profit before finance income, zakat and taxation	81,374	57,626	41.2
Profit before zakat and taxation	82,832	59,226	39.9
Profit after zakat and taxation	62,339	44,624	39.7
Profit attributable to ordinary equity holders of the Parent	62,339	44,624	39.7

The Group's revenue for the second quarter ended 30 June 2021 was RM1,375.3 million compared to RM1,539.6 million in the corresponding period in 2020, representing a decrease of 10.7%. This was in line with lower average natural gas tariff mitigated by higher volume of natural gas sold coupled with the recognition of revenue cap adjustment during the current quarter.

The profit before zakat and taxation for the second quarter ended 30 June 2021 was RM82.8 million, an increase of 39.9% as compared to the profit before zakat and taxation of RM59.2 million in the corresponding period last year. This was mainly due to higher gross profit and lower finance cost, offset by higher operating expenses as well as higher share of losses from the Group's joint ventures. The higher gross profit was in line with higher volume of natural gas sold coupled with the recognition of revenue cap adjustment in the current quarter, mitigated by higher overheads and depreciation being part of cost of sales.

	Financial period ended		
	30.06.2021	30.06.2020	Variance
	RM'000	RM'000	%
Revenue	2,527,974	3,145,845	(19.6)
Operating profit	152,232	121,814	25.0
Profit before finance income, zakat and taxation	151,835	122,549	23.9
Profit before zakat and taxation	154,951	126,590	22.4
Profit after zakat and taxation	117,969	92,487	27.6
Profit attributable to ordinary equity holders of the Parent	117,969	92,487	27.6

The Group's revenue for the financial period ended 30 June 2021 was RM2,528.0 million compared to RM3,145.8 million in the corresponding period in 2020, representing a decrease of 19.6%. This was in line with lower average natural gas tariff mitigated by higher volume of natural gas sold and the recognition of revenue cap adjustment.

The profit before zakat and taxation for the financial period ended 30 June 2021 was RM155.0 million, an increase of 22.4% as compared to the profit before zakat and taxation of RM126.6 million in the corresponding period last year. This was mainly due to higher gross profit and lower finance costs, offset by higher operating expenses as well as higher share of losses from the Group's joint ventures, lower finance and operating income. The higher gross profit was in line with higher volume of natural gas sold coupled with the recognition of revenue cap adjustment and mitigated by higher overheads and depreciation being part of cost of sales.

17. Variation of results against preceding quarter

The Group recorded a higher profit before zakat and taxation of RM82.8 million in the current quarter as compared to RM72.1 million in the preceding quarter mainly attributed to higher gross profit following the recognition of revenue cap adjustment in the current quarter, mitigated by lower volume of natural gas sold compared to the preceding quarter. In addition, the lower operating expenses partially mitigated by higher share of losses from the Group's joint ventures also contributed to the increase in profit before zakat and taxation.

18. Current prospects

The Covid-19 pandemic continues to have a profound impact across the business activities and the Malaysia economy. The re-imposition of mandatory control order measures from 1 June 2021 to curb the resurgence in Covid-19 cases is expected to dampen the growth momentum. The degree of the impact to the economy is contingent on the duration and strictness of these measures.

Bank Negara Malaysia on 13 August 2021, has revised its 2021 gross domestic product growth for Malaysia, to be between 3.0% and 4.0%, after taking into account the reimposition of nationwide containment measures. Moving forward, the gradual easing of these measures together with the progress of the country's vaccination programme is expected to support and promote the economic recovery.

Amidst prevailing uncertainties, 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:

	Second quarter ended		Financial period ended	
	30.06.21 RM'000	30.06.20 RM'000	30.06.21 RM'000	30.06.20 RM'000
Depreciation and amortisation	22,919	21,615	45,375	42,703
Property, plant and equipment written off	-	126	-	126

Included in the revenue for the financial period ended 30 June 2021 is an amount relating to assets contributed by customers amounting to RM1.7 million (30 June 2020: RM1.7 million), of which the remaining amount of RM11.3 million (30 June 2020: RM14.7 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 30.06.21 RM'000	3 months ended 30.06.20 RM'000	Cumulative 6 months ended 30.06.21 RM'000	Cumulative 6 months ended 30.06.20 RM'000
Income tax:				
- Current financial period	(17,046)	(13,675)	(31,104)	(29,923)
- Over accrual in prior financial period	-	-	1,983	605
	<u>(17,046)</u>	<u>(13,675)</u>	<u>(29,121)</u>	<u>(29,318)</u>
Deferred tax:				
- Origination and reversal of temporary timing differences	(2,572)	(52)	(6,111)	(3,035)
	<u>(19,618)</u>	<u>(13,727)</u>	<u>(35,232)</u>	<u>(32,353)</u>

The Group's effective tax rate for the quarter ended 30 June 2021 of 23.9%, approximates the statutory income tax rate in Malaysia.

The Group's effective tax rate for the financial period ended 30 June 2021 of 23.0%, which is lower than the statutory income tax rate in Malaysia, was mainly attributed to the reversal of over provision for prior year's income tax.

22. Gas Cost Pass Through ("GCPT") in 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 or 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 30.06.21 RM' 000	As at 31.12.20 RM' 000
<u>Current (unsecured):</u>		
Islamic Commercial Papers	210,000	215,000
Islamic Medium Term Notes	40,253	70,720
	<u>250,253</u>	<u>285,720</u>
<u>Non-current (unsecured):</u>		
Islamic Medium Term Notes	111,000	111,000
Total borrowings	<u>361,253</u>	<u>396,720</u>

The Islamic Commercial Papers ("iCPs") and Islamic Medium Term Notes ("iMTNs") were issued under the Shariah principle of Murabahah by a wholly owned subsidiary, Gas Malaysia Distribution Sdn. Bhd.

The Sukuk Murabahah Programmes have a combined issuance limit of up to RM1.0 billion in nominal value and are secured by way of a corporate guarantee provided by the holding company, Gas Malaysia Berhad.

25. Material litigation

As at 30 June 2021, 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>30.06.21</u>	3 months ended <u>30.06.20</u>	Cumulative 6 months ended <u>30.06.21</u>	Cumulative 6 months ended <u>30.06.20</u>
Profit for the period attributable to owners of the Parent (RM'mil)	62.3	44.6	118.0	92.5
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)	4.86	3.48	9.19	7.20
Diluted earnings per ordinary share (Sen)	4.86	3.48	9.19	7.20

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 17 August 2021, an interim dividend of 4.80 sen per share on the 1,284,000,000 ordinary shares, amounting to RM61,632,000 in respect of the financial year ending 31 December 2021, payable on 28 October 2021. The entitlement to dividend will be determined on the basis of the Record of Depositors of the Company as at 4 October 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 17 August 2021.

By Order of the Board,

Yanti Irwani Binti Abu Hassan (MACS 01349)

Company Secretary

Shah Alam

Dated: 17 August 2021