

**Condensed Consolidated Statement of Comprehensive Income
for the financial year ended 31 December 2021**

	3 months ended 31.12.2021 RM'000 (Unaudited)	3 months ended 31.12.2020 RM'000 (Unaudited)	Cumulative 12 months ended 31.12.2021 RM'000 (Unaudited)	Cumulative 12 months ended 31.12.2020 RM'000 (Audited)
Revenue	1,940,458	1,818,922	5,851,600	6,686,868
Cost of sales	(1,831,657)	(1,706,600)	(5,451,249)	(6,327,648)
Gross profit	108,801	112,322	400,351	359,220
Finance income	1,037	5,880	5,209	12,451
Other operating income	759	967	2,367	2,666
Administrative expenses	(15,600)	(20,493)	(65,798)	(68,596)
Selling & distribution expenses, net of reversal	(186)	134	(629)	(823)
Finance costs	(2,378)	(5,037)	(10,431)	(14,488)
Share of results in joint ventures	(417)	672	(671)	413
Profit before zakat and taxation	92,016	94,445	330,398	290,843
Zakat expenses	(875)	(875)	(3,500)	(3,500)
Tax expense	(21,849)	(24,341)	(77,276)	(74,721)
Net profit for the financial period/year	69,292	69,229	249,622	212,622
Other comprehensive income/(loss) (net of tax):				
Items that will be reclassified to profit or loss				
Cash flow hedge of a joint venture	343	636	618	(1,585)
Total comprehensive income for the financial period/year	69,635	69,865	250,240	211,037
Net profit attributable to owners of the Parent	69,292	69,229	249,622	212,622
Total comprehensive income attributable to owners of the Parent	69,635	69,865	250,240	211,037
Earnings per share				
Basic (Sen)	5.40	5.39	19.44	16.56
Diluted (Sen)	5.40	5.39	19.44	16.56

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 31 December 2021**

	As at 31.12.2021 RM'000 (Unaudited)	As at 31.12.2020 RM'000 (Audited)
Non-Current Assets		
Property, plant and equipment	1,532,554	1,448,326
Right-of-use of lease assets	17,440	19,055
Investments in joint ventures	66,377	66,251
Other receivables	16,959	17,690
Deferred tax assets	1,714	2,156
	<u>1,635,044</u>	<u>1,553,478</u>
Current Assets		
Trade and other receivables	750,486	770,656
Tax recoverable	26,950	23,074
Investment funds with licensed financial institutions	413,000	77,000
Deposits, bank and cash balances	42,947	232,835
	<u>1,233,383</u>	<u>1,103,565</u>
Total Assets	<u>2,868,427</u>	<u>2,657,043</u>
Equity		
Equity attributable to owners of the Parent		
Share capital	642,000	642,000
Cash flow hedge reserve	3,447	2,829
Retained profits	484,599	435,281
Total Equity	<u>1,130,046</u>	<u>1,080,110</u>
Non-Current Liabilities		
Redeemable preference share	-	-
Deferred tax liabilities	199,036	175,452
Contract liabilities	3,622	8,491
Borrowings	11,000	111,000
Lease liabilities	2,236	3,389
	<u>215,894</u>	<u>298,332</u>
Current Liabilities		
Trade and other payables	1,191,881	963,242
Contract liabilities	4,529	4,529
Borrowings	320,198	285,720
Lease liabilities	936	1,016
Tax payable	4,943	24,094
	<u>1,522,487</u>	<u>1,278,601</u>
Total Liabilities	<u>1,738,381</u>	<u>1,576,933</u>
Total Equity and Liabilities	<u>2,868,427</u>	<u>2,657,043</u>
Net assets per share attributable to ordinary equity holders of the Parent (Sen)	88.01	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 year ended 31 December 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 year	-	-	-	249,622	249,622
Other comprehensive income for the financial year	-	-	618	-	618
Total comprehensive income for the financial year	-	-	618	249,622	250,240
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)
- First interim dividend for the financial year ended 31 December 2021	-	-	-	(61,632)	(61,632)
	-	-	-	(200,304)	(200,304)
At 31 December 2021	1,284	642,000	3,447	484,599	1,130,046

* 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.

Audited 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 2020.

**Condensed Consolidated Statement of Cash Flows
for the financial year ended 31 December 2021**

	12 months ended 31.12.2021 RM'000 (Unaudited)	12 months ended 31.12.2020 RM'000 (Audited)
Cash flows from operating activities		
Profit before zakat and taxation	330,398	290,843
Adjustments for:		
Depreciation and amortisation	93,806	87,188
Impairment loss on trade and other receivables	-	140
Write back of impairment loss on trade receivables	-	(89)
Other receivables written off	-	727
Gain on disposal of property, plant and equipment	(515)	(55)
Property, plant and equipment written off	2,841	5,194
Impairment on property, plant and equipment	-	7,648
Impairment of investment in a joint venture	-	282
Share of results in joint ventures	671	(413)
Finance costs	10,431	14,488
Finance income	(5,209)	(12,451)
Operating profit before working capital changes	<u>432,423</u>	<u>393,502</u>
Changes in working capital:		
Receivables	20,819	94,947
Payables and contract liabilities	<u>223,743</u>	<u>(88,377)</u>
Cash generated from operations	676,985	400,072
Zakat paid	(3,500)	(3,500)
Tax paid	(76,277)	(67,224)
Tax refund	-	2
Net cash flows generated from operating activities	<u>597,208</u>	<u>329,350</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	547	55
Purchase of property, plant and equipment	(178,891)	(148,065)
Finance income received	5,291	12,376
Addition of investment funds with licensed financial institutions	(413,000)	(77,000)
Withdrawal of investment funds with licensed financial institutions	77,000	123,281
Dividend income received from a joint venture	660	660
Investment in a joint venture	(839)	(1,057)
Net cash flows used in investing activities	<u>(509,232)</u>	<u>(89,750)</u>
Cash flows from financing activities		
Dividends paid	(200,304)	(173,982)
Issuance of Islamic Commercial Papers	2,465,000	2,216,000
Repayment of Islamic Medium Term Notes and Islamic Commercial Papers	(2,530,000)	(2,201,000)
Lease liabilities paid	(1,390)	(1,288)
Finance cost paid	(11,170)	(15,640)
Net cash flows used in financing activities	<u>(277,864)</u>	<u>(175,910)</u>
Net change in cash and cash equivalents	(189,888)	63,690
Cash and cash equivalents at beginning of financial year	<u>232,835</u>	<u>169,145</u>
Cash and cash equivalents at end of financial year	<u>42,947</u>	<u>232,835</u>

Non-cash transactions:

Finance income receivable arising from deposits with financial institution amounting to RM80,000 (31 December 2020: RM162,000) 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 2020.

**Condensed Consolidated Statement of Cash Flows
for the financial year ended 31 December 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	(76,170)	(200,304)	(1,390)	(277,864)
Non-cash items:				
- Dividends declared	-	200,304	-	200,304
- Finance cost	10,648	-	184	10,832
- Accrual for unpaid lease liabilities	-	-	(27)	(27)
At 31 December 2021	<u>331,198</u>	<u>-</u>	<u>3,172</u>	<u>334,370</u>
At 1 January 2020	382,839	-	2,272	385,111
Cash flows - net of drawdown and repayment/payment	(640)	(173,982)	(1,288)	(175,910)
Non-cash items:				
- Dividends declared	-	173,982	-	173,982
- Finance cost	14,521	-	218	14,739
- 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>

Notes to the interim financial statements

1. Basis of preparation

The condensed consolidated interim financial statements for the financial year ended 31 December 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 31 December 2021.

On 1 October 2021, 1 November 2021 and 1 December 2021, the Group issued Islamic Commercial Papers ("iCPs") under the Sukuk Murabahah Programme amounting to RM180.0 million, RM180.0 million and RM220.0 million respectively for a tenure of one month.

On 1 October 2021, 1 November 2021 and 1 December 2021, the Group repaid the outstanding iCPs of RM190.0 million, RM180.0 million and RM180.0 million which were previously issued on 2 September 2021, 1 October 2021 and 1 November 2021 respectively.

On 10 December 2021, the Group repaid the outstanding Islamic Medium Term Notes of RM40.0 million which was previously issued on 12 December 2018.

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.

On 28 October 2021, 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 2021.

9. Segment Reporting

The Group's segmental report for the financial year ended 31 December 2021 is as follows:

	Natural <u>Gas & LPG</u>	<u>Others</u>	<u>Total</u>
	RM' 000	RM' 000	RM' 000
<u>31 December 2021</u>			
<u>Revenue:</u>			
Total segment revenue			
- external	5,851,600	-	5,851,600
	<hr/>	<hr/>	<hr/>
a) Sale of natural gas and LPG:			
- over time	5,793,454	-	5,793,454
b) Tolling fee:			
- over time	58,146	-	58,146
	<hr/>	<hr/>	<hr/>
	<u>5,851,600</u>	<u>-</u>	<u>5,851,600</u>
<u>Results:</u>			
Profit before zakat and taxation	331,421	(1,023)	330,398
Finance income	(5,209)	-	(5,209)
Depreciation and amortisation	93,752	54	93,806
Earnings before finance income, zakat, taxation, depreciation and amortisation	<hr/>	<hr/>	<hr/>
	<u>419,964</u>	<u>(969)</u>	<u>418,995</u>

	Natural		
	<u>Gas & LPG</u>	<u>Others</u>	<u>Total</u>
	RM' 000	RM' 000	RM' 000
<u>Assets and liabilities:</u>			
Segment assets	2,769,385	4,001	2,773,386
Investments in joint ventures	-	66,377	66,377
Tax recoverable	26,936	14	26,950
Deferred tax assets	1,714	-	1,714
Total assets	<u>2,798,035</u>	<u>70,392</u>	<u>2,868,427</u>
Segment liabilities	1,534,379	23	1,534,402
Taxation	4,943	-	4,943
Deferred tax liabilities	199,036	-	199,036
Total liabilities	<u>1,738,358</u>	<u>20</u>	<u>1,738,381</u>

The Group's segmental report for the corresponding 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	<u>6,686,868</u>	<u>-</u>	<u>6,686,868</u>
a) Sale of natural gas and LPG:			
- over time	6,645,671	-	6,645,671
b) Tolling fee:			
- over time	41,197	-	41,197
	<u>6,686,868</u>	<u>-</u>	<u>6,686,868</u>

	Natural <u>Gas & LPG</u> RM' 000	<u>Others</u> RM' 000	<u>Total</u> RM' 000
<u>Results:</u>			
Profit before zakat and taxation	290,520	323	290,843
Finance income	(12,451)	-	(12,451)
Depreciation and amortisation	87,134	54	87,188
Earnings before finance income, zakat, taxation, depreciation and amortisation	<u>365,203</u>	<u>377</u>	<u>365,580</u>
<u>Assets and liabilities:</u>			
Segment assets	2,561,554	4,008	2,565,562
Investments in joint ventures	-	66,251	66,251
Deferred tax assets	2,156	-	2,156
Tax recoverable	23,074	-	23,074
Total assets	<u>2,586,784</u>	<u>70,259</u>	<u>2,657,043</u>
Segment liabilities	1,377,361	26	1,377,387
Tax payable	24,092	2	24,094
Deferred tax liabilities	175,452	-	175,452
Total liabilities	<u>1,576,905</u>	<u>28</u>	<u>1,576,933</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 31 December 2021 except for the issuance and repayment of iCPs by the Group as disclosed below:

- (i) On 4 January 2022 and 4 February 2022, the Group issued iCPs under the Sukuk Murabahah Programme amounting to RM220.0 million and RM220.0 million respectively for a tenure of one month.
- (ii) On 4 January 2022 and 4 February 2022, the Group repaid the outstanding iCPs of RM220.0 million and RM220.0 million which were previously issued on 1 December 2021 and 4 January 2022 respectively.

11. Changes in the composition of the Group

On 13 October 2021, Gas Malaysia Venture 1 Sdn Bhd ("GMV1"), a wholly owned subsidiary of Gas Malaysia Berhad entered into a joint venture agreement ("JVA") with Malakoff Technical Solution Sdn Bhd ("MTSSB"), a wholly owned subsidiary of Malakoff Corporation Berhad to undertake the business of operations and maintenance services of combined heat and power co-generation plants through the incorporation of a joint venture company.

On 12 November 2021, a joint venture company under the name of Malakoff Gas Malaysia Cogen O&M Sdn Bhd ("MGMCOM") was incorporated with an issued share capital of RM100 comprising 100 ordinary shares in which 49 ordinary shares are held by GMV1 and 51 ordinary shares are held by MTSSB. The eventual issued and paid-up capital of MGMCOM shall be increased to RM2,000,000 in accordance to the proportion of each joint venture party based on the JVA, which is 49% by GMV1 and 51% by MTSSB.

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 31.12.21 RM' 000
Property, plant and equipment:	
Authorised and contracted for	116,816
Authorised but not contracted for	135,582
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	252,398
	<hr/>

14. Related party transactions

Significant related party transactions for the financial year ended 31 December 2021:

	Cumulative 12 months ended 31.12.21 RM' 000	Cumulative 12 months ended 31.12.20 RM' 000
Parties transacted with:		
Petronas Energy & Gas Trading Sdn Bhd		
– Purchase of natural gas*	(5,251,788)	(6,142,342)
– Tolling fee income**	6,074	10,087
Petroliam Nasional Berhad		
– Cash contribution for Citygate construction paid*	(4,161)	(20,630)

	Cumulative 12 months ended 31.12.21 RM' 000	Cumulative 12 months ended 31.12.20 RM' 000
Petronas Dagangan Berhad		
- Purchase of liquefied petroleum gas*	(8,591)	(8,357)
Central Sugar Refinery Sdn Bhd		
- Sale of natural gas**	74,209	83,831
Central Sugar Refinery (Padang Terap) Sdn Bhd		
- Sale of natural gas**	29,125	34,285
HICOM Automotive Manufacturers (Malaysia) Sdn. Bhd.		
- Sale of natural gas**	2,235	1,383
Perusahaan Otomobil Nasional Sdn. Bhd.		
- Sale of natural gas**	3,868	3,474
Gas Malaysia Energy Advance Sdn. Bhd.		
- Sale of natural gas**	95,239	102,978
Johor Port Logistic Sdn. Bhd.		
- Logistic services*	(986)	(1,422)

* 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 and charges of tolling fee 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 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	-	413,000	-	413,000
	<u> </u>	<u> </u>	<u> </u>	<u> </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		
	31.12.2021	31.12.2020	Variance
	RM'000	RM'000	%
Revenue	1,940,458	1,818,922	6.7
Operating profit	90,637	86,926	4.3
Profit before finance income, zakat and taxation	90,979	88,565	2.7
Profit before zakat and taxation	92,016	94,445	(2.6)
Profit after zakat and taxation	69,292	69,229	0.1
Profit attributable to ordinary equity holders of the Parent	69,292	69,229	0.1

The Group's revenue for the fourth quarter ended 31 December 2021 was RM1,940.5 million compared to RM1,818.9 million in the corresponding quarter in 2020, representing an increase of 6.7%. This was in line with higher average natural gas tariff, mitigated by lower volume of natural gas sold coupled with lower recognition of revenue cap during the current quarter.

The profit before zakat and taxation for the fourth quarter ended 31 December 2021 was RM92.0 million, a decrease of 2.6% as compared to the profit before zakat and taxation of RM94.4 million in the corresponding quarter last year. This was mainly due to lower gross profit, lower finance income and losses incurred by the Group's joint venture companies, offset by lower administrative expenses and finance cost. The lower gross profit was in line with lower recognition of revenue cap and lower volume of natural gas sold.

	Financial year ended		
	31.12.2021	31.12.2020	Variance
	RM'000	RM'000	%
Revenue	5,851,600	6,686,868	(12.5)
Operating profit	323,493	275,313	17.5
Profit before finance income, zakat and taxation	325,189	278,392	16.8
Profit before zakat and taxation	330,398	290,843	13.6
Profit after zakat and taxation	249,622	212,622	17.4
Profit attributable to ordinary equity holders of the Parent	249,622	212,622	17.4

The Group's revenue for the financial year ended 31 December 2021 was RM5,851.6 million compared to RM6,686.9 million in the corresponding year in 2020, representing a decrease of 12.5%. This was in line with lower average natural gas tariff mitigated by higher volume of natural gas sold and higher recognition of revenue cap.

The profit before zakat and taxation for the financial year ended 31 December 2021 was RM330.4 million, an increase of 13.6% as compared to the profit before zakat and taxation of RM290.8 million in the corresponding year in 2020. This was mainly due to higher gross profit, lower administrative expenses and lower finance costs, mitigated by losses incurred by the Group's joint venture companies as well as lower finance income. The higher gross profit was in line with higher volume of natural gas sold coupled with higher recognition of revenue cap, mitigated by higher overheads and depreciation being part of cost of sales.

17. Variation of results against preceding quarter

The Group recorded higher profit before zakat and taxation of RM92.0 million in the current quarter as compared to RM83.4 million in the preceding quarter, in line with higher volume of natural gas sold, mitigated by higher overheads and losses incurred by the Group's joint venture companies.

18. Current prospects

Bank Negara Malaysia projected that Malaysia's economic growth is to improve by 5.5% to 6.5% in 2022, pursuant to the reopening of all economy sectors as all states in Malaysia transitioned into Phase 4 of the National Recovery Plan on 3 January 2022.

Nevertheless, uncertainties in the economic outlook for 2022 remain, arising from a weaker-than-expected global growth and the emergence of severe and vaccine-resistant Covid-19 variants of concern. Based on the above uncertainties and challenges arising from the full market liberalization of the natural gas industry, the Group will continue to take prudent measures to maintain its operational efficiency to remain competitive and seek opportunity to grow its business. With the measures in place, the Board expects that the Group will deliver a satisfactory performance for the financial year 2022 in tandem with the expected economic growth.

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	
	31.12.21 RM' 000	31.12.20 RM' 000	31.12.21 RM' 000	31.12.20 RM' 000
Depreciation and amortisation	24,682	22,235	93,806	87,188
Gain on disposal of property, plant and equipment	(31)	(55)	(515)	(55)
Property, plant and equipment written off	2,841	1,786	2,841	5,194
Impairment on property, plant and equipment	-	7,648	-	7,648
Impairment loss on trade and other receivables	-	-	-	140
Write back of impairment loss on trade receivables	-	-	-	(89)
(Reversal of impairment)/Impairment of investment in a joint venture	-	(208)	-	282

Included in the revenue for the financial year ended 31 December 2021 is an amount relating to assets contributed by customers amounting to RM4.9 million (31 December 2020: RM3.4 million. The remaining amount of deferred revenue of RM8.2 million (31 December 2020: RM13.0 million) had been recognised as contract liabilities in the statement of financial position.

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 31.12.21 RM' 000	3 months ended 31.12.20 RM' 000	Cumulative 12 months ended 31.12.21 RM' 000	Cumulative 12 months ended 31.12.20 RM' 000
Income tax:				
- Current financial period/year	(9,496)	(23,741)	(58,102)	(65,605)
- Over accrual in prior financial period/year	-	-	4,852	645
	<u>(9,496)</u>	<u>(23,741)</u>	<u>(53,250)</u>	<u>(64,960)</u>
Deferred tax:				
- Origination and reversal of temporary differences	(12,353)	(600)	(24,026)	(9,761)
	<u>(21,849)</u>	<u>(24,341)</u>	<u>(77,276)</u>	<u>(74,721)</u>

The Group's effective tax rate for the quarter ended 31 December 2021 of 24.0%, is the same with the statutory income tax rate in Malaysia.

The Group's effective tax rate for the financial year ended 31 December 2021 of 23.6%, 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 and items not subject to tax, mitigated by under recognition of deferred tax liabilities arising from prior year.

22. Revenue and price cap ("Revenue cap") in tariff revision

Included in the "Trade and other receivables" of the Group is an 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").

The receivable 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 based on GMD's rights under the Incentive Based Regulation ("IBR") guideline.

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 31.12.21 RM' 000	As at 31.12.20 RM' 000
<u>Current (unsecured):</u>		
Islamic Commercial Papers	220,000	215,000
Islamic Medium Term Notes	100,198	70,720
	320,198	285,720
<u>Non-current (unsecured):</u>		
Islamic Medium Term Notes	11,000	111,000
Total borrowings	331,198	396,720

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 31 December 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>31.12.21</u>	3 months ended <u>31.12.20</u>	Cumulative 12 months ended <u>31.12.21</u>	Cumulative 12 months ended <u>31.12.20</u>
Profit for the period/year attributable to owners of the Parent (RM'mil)	69.3	69.2	249.6	212.6
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)	5.40	5.39	19.44	16.56
Diluted earnings per ordinary share (Sen)	5.40	5.39	19.44	16.56

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 had declared on 16 February 2022, a second interim dividend of 6.00 sen per share on the 1,284,000,000 ordinary shares, amounting to RM77,040,000 in respect of the financial year ended 31 December 2021, which will be paid on 31 March 2022.

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 16 February 2022.

By Order of the Board,

Yanti Irwani Binti Abu Hassan (MACS 01349)

Company Secretary

Shah Alam

Dated: 16 February 2022