

**Condensed Consolidated Statement of Comprehensive Income
for the financial period ended 30 June 2022**

| | 3 months ended 30.06.2022 RM'000 (Unaudited) | 3 months ended 30.06.2021 RM'000 (Unaudited) | Cumulative 6 months ended 30.06.2022 RM'000 (Unaudited) | Cumulative 6 months ended 30.06.2021 RM'000 (Unaudited) |
|--|---|---|--|--|
| Revenue | 1,777,111 | 1,375,292 | 3,561,264 | 2,527,974 |
| Cost of sales | (1,617,609) | (1,275,318) | (3,265,361) | (2,335,575) |
| Gross profit | 159,502 | 99,974 | 295,903 | 192,399 |
| Finance income | 2,494 | 1,458 | 4,046 | 3,116 |
| Other operating income | 462 | 383 | 904 | 734 |
| Administrative expenses | (16,956) | (15,036) | (33,247) | (34,563) |
| Selling & distribution expenses | (266) | (178) | (437) | (342) |
| Finance costs | (2,050) | (2,402) | (4,904) | (5,262) |
| Share of results in joint ventures | 890 | (1,367) | 2,136 | (1,131) |
| Profit before zakat and taxation | 144,076 | 82,832 | 264,401 | 154,951 |
| Zakat expenses | (875) | (875) | (1,750) | (1,750) |
| Tax expense | (35,861) | (19,618) | (63,994) | (35,232) |
| Net profit for the financial period | 107,340 | 62,339 | 198,657 | 117,969 |
| Other comprehensive income (net of tax): | | | | |
| <i>Items that will be reclassified to profit or loss</i> | | | | |
| Cash flow hedge of a joint venture | 551 | 45 | 437 | 444 |
| Total comprehensive income for the financial period | 107,891 | 62,384 | 199,094 | 118,413 |
| Net profit attributable to owners of the Parent | 107,340 | 62,339 | 198,657 | 117,969 |
| Total comprehensive income attributable to owners of the Parent | 107,891 | 62,384 | 199,094 | 118,413 |
| Earnings per share | | | | |
| Basic (Sen) | 8.36 | 4.86 | 15.47 | 9.19 |
| Diluted (Sen) | 8.36 | 4.86 | 15.47 | 9.19 |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021.

**Condensed Consolidated Statement of Financial Position
as at 30 June 2022**

| | As at 30.06.2022 RM'000 (Unaudited) | As at 31.12.2021 RM'000 (Audited) |
|---|--|--|
| Non-Current Assets | | |
| Property, plant and equipment | 1,553,073 | 1,532,554 |
| Right-of-use of lease assets | 17,734 | 17,440 |
| Investments in joint ventures | 68,290 | 66,377 |
| Other receivables | 16,838 | 16,959 |
| Deferred tax assets | 2,190 | 1,714 |
| | <u>1,658,125</u> | <u>1,635,044</u> |
| Current Assets | | |
| Trade and other receivables | 647,909 | 750,486 |
| Tax recoverable | 6,697 | 26,950 |
| Investment funds with licensed financial institutions | - | 413,000 |
| Deposits, bank and cash balances | 579,047 | 42,947 |
| | <u>1,233,653</u> | <u>1,233,383</u> |
| Total Assets | <u>2,891,778</u> | <u>2,868,427</u> |
| Equity | | |
| Equity attributable to owners of the Parent | | |
| Share capital | 642,000 | 642,000 |
| Cash flow hedge reserve | 3,884 | 3,447 |
| Retained profits | 518,005 | 484,599 |
| Total Equity | <u>1,163,889</u> | <u>1,130,046</u> |
| Non-Current Liabilities | | |
| Redeemable preference share | - | - |
| Deferred tax liabilities | 203,362 | 199,036 |
| Contract liabilities | - | 1,262 |
| Borrowings | 11,000 | 11,000 |
| Lease liabilities | 2,772 | 2,351 |
| | <u>217,134</u> | <u>213,649</u> |
| Current Liabilities | | |
| Trade and other payables | 1,092,175 | 1,191,881 |
| Contract liabilities | 4,703 | 6,889 |
| Borrowings | 320,187 | 320,198 |
| Lease liabilities | 1,256 | 821 |
| Tax payable | 4,223 | 4,943 |
| Dividend payable | 88,211 | - |
| | <u>1,510,755</u> | <u>1,524,732</u> |
| Total Liabilities | <u>1,727,889</u> | <u>1,738,381</u> |
| Total Equity and Liabilities | <u>2,891,778</u> | <u>2,868,427</u> |
| Net assets per share attributable to ordinary equity holders of the Parent (Sen) | 90.65 | 88.01 |

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 2021.

Unaudited Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 June 2022

| | 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 2022 | 1,284 | 642,000 | 3,447 | 484,599 | 1,130,046 |
| Net profit for the financial period | - | - | - | 198,657 | 198,657 |
| Other comprehensive income for the financial period | - | - | 437 | - | 437 |
| Total comprehensive income for the financial period | - | - | 437 | 198,657 | 199,094 |
| Dividends: | | | | | |
| - Second interim dividend for the financial year ended 31 December 2021 | - | - | - | (77,040) | (77,040) |
| - Final dividend for the financial year ended 31 December 2021 | - | - | - | (88,211) | (88,211) |
| | - | - | - | (165,251) | (165,251) |
| At 30 June 2022 | 1,284 | 642,000 | 3,884 | 518,005 | 1,163,889 |

* 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 2021.

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 2021.

**Condensed Consolidated Statement of Cash Flows
for the financial period ended 30 June 2022**

| | 6 months ended 30.06.2022 RM'000 (Unaudited) | 6 months ended 30.06.2021 RM'000 (Unaudited) |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before zakat and taxation | 264,401 | 154,951 |
| Adjustments for: | | |
| Depreciation and amortisation | 50,162 | 45,375 |
| Gain on disposal of property, plant and equipment | (65) | - |
| Share of results in joint ventures | (2,136) | 1,131 |
| Finance income | (4,046) | (3,116) |
| Finance costs | 4,904 | 5,262 |
| Operating profit before working capital changes | 313,220 | 203,603 |
| Changes in working capital: | | |
| Receivables | 104,710 | 250,524 |
| Payables and contract liabilities | (102,216) | (124,267) |
| Cash generated from operations | 315,714 | 329,860 |
| Zakat paid | (1,750) | (1,750) |
| Tax paid | (40,611) | (28,370) |
| Net cash flows generated from operating activities | 273,353 | 299,740 |
| Cash flows from investing activities | | |
| Investment in a joint venture | - | (840) |
| Advance to a joint venture | (1,855) | - |
| Proceeds from disposal of property, plant and equipment | 65 | - |
| Purchase of property, plant and equipment | (70,810) | (87,387) |
| Finance income received | 3,889 | 3,180 |
| Dividend income received from a joint venture | 660 | 660 |
| Addition of investment funds with licensed financial institutions | - | (252,000) |
| Withdrawal of investment funds with licensed financial institutions | 413,000 | 77,000 |
| Net cash flows generated from/(used in) investing activities | 344,949 | (259,387) |
| Cash flows from financing activities | | |
| Dividends paid | (77,040) | (69,336) |
| Issuance of Islamic Commercial Papers | 1,320,000 | 1,285,000 |
| Repayment of Islamic Medium Term Notes and Islamic Commercial Papers | (1,320,000) | (1,320,000) |
| Lease liabilities paid | (836) | (631) |
| Finance cost paid | (4,326) | (5,895) |
| Net cash flows used in financing activities | (82,202) | (110,862) |
| Net change in cash and cash equivalents | 536,100 | (70,509) |
| Cash and cash equivalents at beginning of financial period | 42,947 | 232,835 |
| Cash and cash equivalents at end of financial period | 579,047 | 162,326 |

Non-cash transactions:

Finance income receivable arising from deposits with financial institution amounting to RM245,000 (31 December 2021: RM88,000) 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 2021.

**Condensed Consolidated Statement of Cash Flows
for the financial period ended 30 June 2022**

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 | Dividend payable RM'000 | Lease liabilities RM'000 | Total RM'000 |
|---|------------------------------|--|---|-------------------------|
| At 1 January 2022 | 331,198 | - | 3,172 | 334,370 |
| Cash flows - net of drawdown and repayment/payment | (4,326) | (77,040) | (836) | (82,202) |
| Non-cash items: | | | | |
| - Dividends declared | - | 165,251 | - | 165,251 |
| - Finance cost | 4,315 | - | 754 | 5,069 |
| - Addition of lease liabilities | - | - | 958 | 958 |
| - Accrual for unpaid lease liabilities | - | - | (20) | (20) |
| At 30 June 2022 | <u>331,187</u> | <u>88,211</u> | <u>4,028</u> | <u>423,426</u> |
| 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> |

Notes to the interim financial statements**1. Basis of preparation**

The condensed consolidated interim financial statements for the financial period ended 30 June 2022 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 2021, 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 2021.

The adoption of the following amendments and annual improvements to existing accounting standards that came into effect on or after 1 January 2022 which are applicable to the Group, did not have any significant financial impact on the condensed consolidated interim financial statements upon their initial application:

- 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"

The Malaysian Accounting Standards Board had issued the following amendments to existing accounting standards which are relevant to the Group and effective for the following financial years:

- (i) Financial year beginning on or after 1 January 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"
- (ii) Effective date yet to be determined:
- Amendments to MFRS 10 "Consolidated Financial Statements" and MFRS 128 "Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures"

The Group did not early adopt any of the above amendments to the published accounting standards. The Group is in the midst of assessing the impact arising from the adoption of the above amendments 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 2021 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 2022.

On 4 April 2022, 5 May 2022 and 3 June 2022, the Group issued Islamic Commercial Papers ("iCPs") under the Sukuk Murabahah Programme amounting to RM220.0 million each, for a tenure of one month.

On 4 April 2022, 5 May 2022 and 3 June 2022, the Group repaid the outstanding iCPs of RM220.0 million each, which were previously issued on 4 March 2022, 4 April 2022 and 5 May 2022 respectively.

8. Dividends paid

On 31 March 2022, the Company paid a second interim dividend of 6.00 sen per share on the 1,284,000,000 ordinary shares in issue, amounting to RM77,040,000 in respect of the financial year ended 31 December 2021.

On 27 July 2022, the Company paid a final dividend of 6.87 sen per share on the 1,284,000,000 ordinary shares in issue, amounting to RM88,211,000 in respect of the financial year ended 31 December 2021.

9. Segment Reporting

The Group's segmental report for the financial period ended 30 June 2022 is as follows:

| | Natural Gas & LPG | Others | Total |
|------------------------------------|----------------------|----------|------------------|
| | RM' 000 | RM' 000 | RM' 000 |
| <u>30 June 2022</u> | | | |
| <u>Revenue:</u> | | | |
| Total segment revenue | | | |
| - external | 3,561,264 | - | 3,561,264 |
| a) Sale of natural gas and LPG: | | | |
| - over time | 3,535,611 | - | 3,535,611 |
| b) Tolling fee: | | | |
| - over time | 25,653 | - | 25,653 |
| | <u>3,561,264</u> | <u>-</u> | <u>3,561,264</u> |

| | Natural | | |
|---|----------------------|---------------|------------------|
| | <u>Gas & LPG</u> | <u>Others</u> | <u>Total</u> |
| | RM' 000 | RM' 000 | RM' 000 |
| Profit before zakat and taxation | 262,337 | 2,064 | 264,401 |
| Finance income | (4,046) | - | (4,046) |
| Depreciation and amortisation | 50,134 | 28 | 50,162 |
| Earnings before finance income, zakat, taxation, depreciation and amortisation | <u>308,425</u> | <u>2,092</u> | <u>310,517</u> |
| <u>Assets and liabilities:</u> | | | |
| Segment assets | 2,808,369 | 6,232 | 2,814,601 |
| Investments in joint ventures | - | 68,290 | 68,290 |
| Deferred tax assets | 2,190 | - | 2,190 |
| Tax recoverable | 6,697 | - | 6,697 |
| Total assets | <u>2,817,256</u> | <u>74,522</u> | <u>2,891,778</u> |
| Segment liabilities | 1,520,263 | 41 | 1,520,304 |
| Tax payable | 4,223 | - | 4,223 |
| Deferred tax liabilities | 203,362 | - | 203,362 |
| Total liabilities | <u>1,727,848</u> | <u>41</u> | <u>1,727,889</u> |

The Group's segmental report for the corresponding 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 |
| 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> |

| | Natural | | |
|--------------------------------|----------------------|---------------|------------------|
| | <u>Gas & LPG</u> | <u>Others</u> | <u>Total</u> |
| | RM'000 | RM'000 | RM'000 |
| <u>Assets and liabilities:</u> | | | |
| Segment assets | 2,457,668 | 4,063 | 2,461,731 |
| Investments in joint ventures | - | 65,744 | 65,744 |
| Deferred tax assets | 1,458 | - | 1,458 |
| Tax recoverable | 22,288 | 6 | 22,294 |
| 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 |
| Tax payable | 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 operations are conducted within Peninsular Malaysia.

10. Events subsequent to the end of reporting period

There was no material event which occurred subsequent to 30 June 2022 except for the issuance and repayment of iCPs by the Group as disclosed below:

- (i) On 5 July 2022, the Group issued iCPs under the Sukuk Murabahah Programme amounting to RM220.0 million, for a tenure of two months.
- (ii) On 5 July 2022, the Group repaid the outstanding iCPs of RM220.0 million which were previously issued on 3 June 2022.

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 2021.

13. Capital commitments

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

| | As at 30.06.22 RM' 000 |
|-----------------------------------|------------------------------|
| Property, plant and equipment: | |
| Authorised and contracted for | 70,036 |
| Authorised but not contracted for | 151,117 |
| | <hr/> |
| | 221,153 |
| | <hr/> <hr/> |

14. Related party transactions

Significant related party transactions for the financial period ended 30 June 2022:

| | Cumulative 6 months ended 30.06.22 RM' 000 | Cumulative 6 months ended 30.06.21 RM' 000 |
|---|--|--|
| Transaction with related parties: | | |
| Purchase of natural gas from: | | |
| - Petronas Energy & Gas Trading Sdn. Bhd. | (3,187,656)* | (2,244,558)* |
| Tolling fee income from: | | |
| - Petronas Energy & Gas Trading Sdn. Bhd. | 38,523** | 5,053** |
| Purchase of LPG from: | | |
| - Petronas Dagangan Berhad | (6,265)* | (4,381)* |
| Natural gas sales to: | | |
| - Central Sugar Refinery Sdn. Bhd. | 52,025* | 30,237** |
| - Gula Padang Terap Sdn. Bhd. | 21,892* | 11,537** |
| - Gas Malaysia Energy Advance Sdn. Bhd. | 64,450* | 42,014** |
| - HICOM Automotive Manufacturers (Malaysia) Sdn. Bhd. | 1,707* | 1,174* |
| - HICOM-Teck See Manufacturing (Malaysia) Sdn. Bhd. | 31* | -* |
| - Perusahaan Otomobil Nasional Sdn. Bhd. | 2,781* | 1,865* |
| Logistic services by: | | |
| - Johor Port Logistic Sdn. Bhd. | (143)* | (985)* |

* 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 prices.

Additional information required by the Bursa Securities Listing Requirements

15. Review of performance

| | Second quarter ended | | |
|--|----------------------|------------|----------|
| | 30.06.2022 | 30.06.2021 | Variance |
| | RM'000 | RM'000 | % |
| Revenue | 1,777,111 | 1,375,292 | 29.2 |
| Operating profit | 140,230 | 82,359 | 70.3 |
| Profit before finance income, zakat and taxation | 141,582 | 81,374 | 74.0 |
| Profit before zakat and taxation | 144,076 | 82,832 | 73.9 |
| Profit after zakat and taxation | 107,340 | 62,339 | 72.2 |
| Profit attributable to ordinary equity holders of the Parent | 107,340 | 62,339 | 72.2 |

The Group's revenue for the second quarter ended 30 June 2022 was RM1,777.1 million compared to RM1,375.3 million in the corresponding quarter in 2021, representing an increase of 29.2%. This was in line with higher average natural gas selling price, in tandem with global market price, mitigated by lower volume of natural gas sold during the current quarter. Further increase in revenue was also due to higher firm capacity reservations by shippers for the utilisation of the Natural Gas Distribution System ("NGDS") in the current quarter.

The profit before zakat and taxation for the second quarter ended 30 June 2022 was RM144.1 million, an increase of 73.9% as compared to the profit before zakat and taxation of RM82.8 million in the corresponding quarter last year. This was mainly due to higher gross profit, higher finance income, lower finance cost and higher contribution from the Group's joint venture companies, and partially offset by higher administrative expenses.

| | Financial period ended | | |
|--|------------------------|------------|----------|
| | 30.06.2022 | 30.06.2021 | Variance |
| | RM'000 | RM'000 | % |
| Revenue | 3,561,264 | 2,527,974 | 40.9 |
| Operating profit | 257,315 | 152,232 | 69.0 |
| Profit before finance income, zakat and taxation | 260,355 | 151,835 | 71.5 |
| Profit before zakat and taxation | 264,401 | 154,951 | 70.6 |
| Profit after zakat and taxation | 198,657 | 117,969 | 68.4 |
| Profit attributable to ordinary equity holders of the Parent | 198,657 | 117,969 | 68.4 |

The Group's revenue for the financial period ended 30 June 2022 was RM3,561.3 million compared to RM2,528.0 million in the corresponding period in 2021, representing an increase of 40.9%. This was in line with higher average natural gas selling price, in tandem with global market price, mitigated by lower volume of natural gas sold during the financial period ended 30 June 2022. Further increase in revenue was also due to higher firm capacity reservations by shippers for the utilisation of the NGDS in the financial period ended 30 June 2022.

The profit before zakat and taxation for the financial period ended 30 June 2022 was RM264.4 million, an increase of 70.6% as compared to the profit before zakat and taxation of RM155.0 million in the corresponding period last year. This was mainly due to higher gross profit, higher finance income, lower administrative expenses and higher contribution from the Group's joint venture companies.

16. Variation of results against preceding quarter

The Group recorded higher profit before zakat and taxation of RM144.1 million in the current quarter as compared to RM120.3 million in the preceding quarter. This was mainly attributed to higher gross profit, lower finance cost and higher finance income, partially offset by higher administrative expenses and lower contribution from the Group's joint venture companies.

17. Current prospects

Malaysia's economy is expected to continue to be resilient in 2022, supported by improving domestic demand as economic activity continued to normalise with the easing of containment measures. The Group will continue to take prudent measures to maintain its operational efficiency, to remain competitive and seek opportunity to grow its business.

Based on the above, the Board expects that the Group will deliver a satisfactory performance for the financial year 2022 in tandem with the expected economic growth.

18. Profit before zakat and taxation

Profit before zakat and taxation is stated after charging/(crediting) the following items:

| | Second quarter ended | | Financial period ended | |
|---|----------------------|---------------------|------------------------|---------------------|
| | 30.06.22 RM' 000 | 30.06.21 RM' 000 | 30.06.22 RM' 000 | 30.06.21 RM' 000 |
| Depreciation and amortisation | 25,303 | 22,919 | 50,162 | 45,375 |
| Gain on disposal of property, plant and equipment | - | - | (65) | - |

Included in the revenue for the financial period ended 30 June 2022 is an amount relating to assets contributed by customers amounting to RM3.4 million (30 June 2021: RM1.7 million). The remaining amount of deferred revenue of RM4.7 million had been recognised as contract liabilities in the condensed consolidated statement of financial position.

19. Profit forecast or profit guarantee

The Group did not issue any profit forecast or profit guarantee for the reporting period in a public document.

20. Tax expense

| | 3 months ended 30.06.22 RM' 000 | 3 months ended 30.06.21 RM' 000 | Cumulative 6 months ended 30.06.22 RM' 000 | Cumulative 6 months ended 30.06.21 RM' 000 |
|---|--|--|--|--|
| Income tax: | | | | |
| - Current financial period | (33,799) | (17,046) | (60,148) | (31,104) |
| - Over accrual in prior financial period | - | - | 4 | 1,983 |
| | <u>(33,799)</u> | <u>(17,046)</u> | <u>(60,144)</u> | <u>(29,121)</u> |
| Deferred tax: | | | | |
| - Origination and reversal of temporary differences | <u>(2,062)</u> | <u>(2,572)</u> | <u>(3,850)</u> | <u>(6,111)</u> |
| | <u>(35,861)</u> | <u>(19,618)</u> | <u>(63,994)</u> | <u>(35,232)</u> |

The Group's effective tax rate for the quarter ended 30 June 2022 of 25.0%, which is higher than the statutory income tax rate in Malaysia, was mainly attributed to the impact of Cukai Makmur of 33% on chargeable income exceeding RM100 million for certain subsidiaries within the Group.

The Group's effective tax rate for the financial period ended 30 June 2022 of 24.4%, which is higher than the statutory income tax rate in Malaysia, was mainly attributed to the impact of Cukai Makmur of 33% on chargeable income exceeding RM100 million for certain subsidiaries within the Group, mitigated by items not subject to tax.

21. Revenue and price 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 estimated firm capacity reservations used in the determination of tariff rates for the utilisation of the 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 receivable was recognised based on GMD's rights under the Incentive Based Regulation guideline.

22. Status of corporate proposals

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

23. Borrowings

The outstanding borrowings of the Group are analysed as follows:

| | As at 30.06.22 RM' 000 | As at 31.12.21 RM' 000 |
|---------------------------------|------------------------------|------------------------------|
| <u>Current (unsecured):</u> | | |
| Islamic Commercial Papers | 220,000 | 220,000 |
| Islamic Medium Term Notes | 100,187 | 100,198 |
| | <u>320,187</u> | <u>320,198</u> |
| <u>Non-current (unsecured):</u> | | |
| Islamic Medium Term Notes | 11,000 | 11,000 |
| Total borrowings | <u>331,187</u> | <u>331,198</u> |

The Islamic Commercial Papers and Islamic Medium Term Notes were issued under the Shariah principle of Murabahah by a wholly owned subsidiary, GMD.

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.

24. Material litigation

As at 30 June 2022, neither the Company nor its subsidiaries is engaged in any material litigation or arbitration, either as plaintiff or defendant.

25. Earnings per ordinary share

Basic/Diluted Earnings per Ordinary Share ("EPS"):

| | 3 months ended | 3 months ended | Cumulative 6 months ended | Cumulative 6 months ended |
|---|-------------------|-------------------|---------------------------------|---------------------------------|
| | <u>30.06.22</u> | <u>30.06.21</u> | <u>30.06.22</u> | <u>30.06.21</u> |
| Profit for the period attributable to owners of the Parent (RM'mil) | 107.3 | 62.3 | 198.7 | 117.9 |
| 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) | 8.36 | 4.86 | 15.47 | 9.19 |
| Diluted earnings per ordinary share (Sen) | 8.36 | 4.86 | 15.47 | 9.19 |

The Group has no dilutive potential ordinary shares and therefore the diluted EPS is the same as the basic EPS.

26. Dividend declared

The Directors had declared on 18 August 2022, the first interim dividend of 5.90 sen per share on the 1,284,000,000 ordinary shares, amounting to RM75,756,000 in respect of the financial year ending 31 December 2022, which will be paid on 28 October 2022. The entitlement to dividend will be determined on the basis of the Record of Depositors of the Company as at 7 October 2022.

27. 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 18 August 2022.

By Order of the Board,

Yanti Irwani Binti Abu Hassan (MACS 01349)

Company Secretary

Shah Alam

Dated: 18 August 2022