



**PETRONAS**

# **PETRONAS GAS BERHAD**

## **Quarterly Report**

For the Second Quarter Ended 30 June 2021

# QUARTERLY REPORT

## FOR THE SECOND QUARTER ENDED 30 JUNE 2021

Key Financial Highlights (in RM'000)	Cumulative quarter ended		Variance %
	2021	30 June 2020	
Revenue	2,723,928	2,795,954	-2.6
Gross profit	1,312,125	1,284,358	+2.2
Profit before taxation (PBT)	1,247,371	1,160,881	+7.5
Profit for the period	1,003,902	921,734	+8.9
Earnings before interest, taxes, depreciation, and amortisation (EBITDA)	1,730,568	1,629,813	+6.2
Earnings per share (EPS) (sen)	48.29	46.25	+4.4
Declared dividends per share (sen)	32.00	82.00	-61.0

- **PETRONAS Gas Berhad revenue stood at RM2,723.9 million, a slight decrease of 2.6% or RM72.0 million** mainly attributable to lower revenue from Utilities segment in line with lower product prices amidst higher sales volume.
- **Gross profit nevertheless improved by 2.2% or RM27.8 million** with Utilities segment recording significantly higher contribution as a result of higher margins and lower operating costs.
- **PBT at RM1,247.4 million grew by 7.5% or RM86.5 million** as the higher gross profit was further supported by the impact of favourable foreign exchange movement.
- **Profit for the quarter and EBITDA were correspondingly higher by 8.9% or RM82.2 million at RM1,003.9 million and 6.2% or RM100.8 million at RM1,730.6 million** respectively in line with PBT.
- **EPS increased by 4.4%**, reflecting higher profit attributable to shareholders of the Company.
- **The Board of Directors has approved a second interim dividend** of 16 sen per ordinary share amounting to RM316.6 million in respect of the financial year ending 31 December 2021.

# QUARTERLY REPORT

FOR THE SECOND QUARTER ENDED 30 JUNE 2021

The Board of Directors of PETRONAS Gas Berhad (PGB or the Company) is pleased to announce the following unaudited condensed consolidated financial statements of PGB Group of Companies (PGB Group or the Group) for the second quarter ended 30 June 2021 that should be read in conjunction with the accompanying explanatory notes on pages 5 to 22.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In RM'000</i>	Note	As at 30 June 2021	As at 31 December 2020
<b>ASSETS</b>			
Property, plant and equipment		13,048,404	13,216,195
Investment in joint ventures		669,603	631,248
Investment in associate		152,381	142,482
Long term receivables		192,797	208,453
Deferred tax assets		204,520	217,915
<b>TOTAL NON-CURRENT ASSETS</b>		<b>14,267,705</b>	14,416,293
Trade and other inventories		45,740	44,940
Trade and other receivables	25	792,889	744,484
Cash and cash equivalents		3,455,247	3,138,898
<b>TOTAL CURRENT ASSETS</b>		<b>4,293,876</b>	3,928,322
<b>TOTAL ASSETS</b>		<b>18,561,581</b>	18,344,615
<b>EQUITY</b>			
Share capital		3,165,204	3,165,204
Reserves		9,581,676	9,469,553
<b>Total equity attributable to the shareholders of the Company</b>		<b>12,746,880</b>	12,634,757
Non-controlling interests		330,369	333,777
<b>TOTAL EQUITY</b>		<b>13,077,249</b>	12,968,534
<b>LIABILITIES</b>			
Borrowings	27	3,306,465	3,134,260
Deferred tax liabilities		1,213,998	1,240,578
Deferred income		1,654	2,127
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>4,522,117</b>	4,376,965
Trade and other payables		778,419	839,135
Borrowings	27	147,180	145,161
Tax payable		36,616	14,820
<b>TOTAL CURRENT LIABILITIES</b>		<b>962,215</b>	999,116
<b>TOTAL LIABILITIES</b>		<b>5,484,332</b>	5,376,081
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18,561,581</b>	18,344,615
<b>Net assets per share attributable to the shareholders of the Company (RM)</b>		<b>6.4419</b>	6.3853

The unaudited condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

# QUARTERLY REPORT

FOR THE SECOND QUARTER ENDED 30 JUNE 2021

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Individual quarter ended		Cumulative quarter ended	
	Note	2021	30 June 2020	2021	30 June 2020
<i>In RM'000</i>					
Revenue		1,383,918	1,399,818	2,723,928	2,795,954
Cost of revenue		(784,130)	(725,044)	(1,411,803)	(1,511,596)
<b>Gross profit</b>		<b>599,788</b>	674,774	<b>1,312,125</b>	1,284,358
Administration expenses		(33,874)	(27,720)	(60,990)	(57,430)
Other expenses		(15)	(3,825)	(36,454)	(131,438)
Other income		26,533	66,535	45,042	72,393
<b>Operating profit</b>	32	<b>592,432</b>	709,764	<b>1,259,723</b>	1,167,883
Financing costs		(41,580)	(56,157)	(83,357)	(110,540)
Share of profit after tax of equity- accounted joint ventures and associate		26,019	58,316	71,005	103,538
<b>Profit before taxation</b>		<b>576,871</b>	711,923	<b>1,247,371</b>	1,160,881
Tax expense	21	(112,974)	(138,208)	(243,469)	(239,147)
<b>PROFIT FOR THE PERIOD</b>		<b>463,897</b>	573,715	<b>1,003,902</b>	921,734
<b>Other comprehensive income/(expenses)</b>					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Net movement from exchange differences		(4,213)	(743)	7,356	6,862
Cash flow hedge		-	(1,683)	-	(15,509)
Share of cash flow hedge of an equity-accounted joint venture		(433)	(1,040)	154	7,548
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>459,251</b>	570,249	<b>1,011,412</b>	920,635
<b>Profit attributable to:</b>					
Shareholders of the Company		439,069	547,097	955,468	915,220
Non-controlling interests		24,828	26,618	48,434	6,514
<b>PROFIT FOR THE PERIOD</b>		<b>463,897</b>	573,715	<b>1,003,902</b>	921,734
<b>Total comprehensive income attributable to:</b>					
Shareholders of the Company		434,423	543,631	962,978	914,121
Non-controlling interests		24,828	26,618	48,434	6,514
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>459,251</b>	570,249	<b>1,011,412</b>	920,635
<b>Basic and diluted earnings per ordinary share (sen)</b>		<b>22.19</b>	27.65	<b>48.29</b>	46.25

The unaudited condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

# QUARTERLY REPORT

## FOR THE SECOND QUARTER ENDED 30 JUNE 2021

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In RM'000	Attributable to shareholders of the Company								
	Non-distributable					Distributable		Non-controlling interests	Total
	Share capital	Hedging reserve	Foreign currency translation reserve	Other reserves	Retained profits	Total			
<b>Cumulative quarter ended 30 June 2021</b>									
Balance at 1 January 2021	3,165,204	34,706	9,948	520,801	8,904,098	12,634,757	333,777	12,968,534	
Net movement from exchange differences	-	-	7,356	-	-	7,356	-	7,356	
Share of cash flow hedge of an equity-accounted joint venture	-	154	-	-	-	154	-	154	
Profit for the period	-	-	-	-	955,468	955,468	48,434	1,003,902	
<b>Total comprehensive income for the period</b>	-	154	7,356	-	955,468	962,978	48,434	1,011,412	
Interim dividend declared and paid in respect of previous year	-	-	-	-	(534,258)	(534,258)	-	(534,258)	
Interim dividend declared and paid in respect of current year	-	-	-	-	(316,597)	(316,597)	(51,842)	(368,439)	
<b>Total transactions with shareholders of the Company</b>	-	-	-	-	(850,855)	(850,855)	(51,842)	(902,697)	
<b>Balance at 30 June 2021</b>	<b>3,165,204</b>	<b>34,860</b>	<b>17,304</b>	<b>520,801</b>	<b>9,008,711</b>	<b>12,746,880</b>	<b>330,369</b>	<b>13,077,249</b>	
<b>Cumulative quarter ended 30 June 2020</b>									
Balance at 1 January 2020	3,165,204	37,786	15,132	411,201	9,616,039	13,245,362	319,813	13,565,175	
Net movement from exchange differences	-	-	6,862	-	-	6,862	-	6,862	
Cash flow hedge	-	(15,509)	-	-	-	(15,509)	-	(15,509)	
Share of cash flow hedge of an equity-accounted joint venture	-	7,548	-	-	-	7,548	-	7,548	
Profit for the period	-	-	-	-	915,220	915,220	6,514	921,734	
<b>Total comprehensive (expense) /income for the period</b>	-	(7,961)	6,862	-	915,220	914,121	6,514	920,635	
Redemption of redeemable preference share in subsidiary	-	-	-	109,600	(109,600)	-	-	-	
Interim dividend declared and paid in respect of previous year	-	-	-	-	(633,194)	(633,194)	-	(633,194)	
Interim dividend declared and paid in respect of current year	-	-	-	-	(316,597)	(316,597)	(33,861)	(350,458)	
<b>Total transactions with shareholders of the Company</b>	-	-	-	109,600	(1,059,391)	(949,791)	(33,861)	(983,652)	
<b>Balance at 30 June 2020</b>	<b>3,165,204</b>	<b>29,825</b>	<b>21,994</b>	<b>520,801</b>	<b>9,471,868</b>	<b>13,209,692</b>	<b>292,466</b>	<b>13,502,158</b>	

**QUARTERLY REPORT**

FOR THE SECOND QUARTER ENDED 30 JUNE 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

		Cumulative quarter ended	
	Note	2021	30 June 2020
<i>In RM'000</i>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		1,247,371	1,160,881
<i>Adjustments for:</i>			
Depreciation and amortisation	32	507,245	525,645
Share of profit after tax of equity-accounted joint ventures and associate		(71,005)	(103,538)
Unrealised loss on foreign exchange	32	37,535	131,438
Interest income	32	(36,400)	(63,715)
Financing costs		83,357	110,540
Other non-cash items		484	24
<b>Operating profit before changes in working capital</b>		<b>1,768,587</b>	<b>1,761,275</b>
Change in trade and other receivables		(42,470)	65,775
Change in trade and other inventories		(772)	(1,668)
Change in trade and other payables		(33,718)	29,199
<b>Cash generated from operations</b>		<b>1,691,627</b>	<b>1,854,581</b>
Interest income		36,400	63,715
Taxation paid		(234,764)	(124,764)
<b>Net cash generated from operating activities</b>		<b>1,493,263</b>	<b>1,793,532</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Dividend received from joint ventures and associate		30,261	42,280
Proceeds from disposal of property, plant and equipment		335	8,447
Purchase of property, plant and equipment		(462,219)	(434,104)
Repayment of term loan due from a joint venture		9,251	-
<b>Net cash used in investing activities</b>		<b>(422,372)</b>	<b>(383,377)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividends paid to shareholders of the Company	9	(850,855)	(949,791)
Dividends paid to non-controlling interest		(51,842)	(33,861)
Drawdown of Islamic financing facility	27	262,587	-
Payment of loan from corporate shareholder of a subsidiary		-	(29,081)
Payment of lease liabilities	27	(28,210)	(53,823)
Interest expense paid		(86,222)	(110,392)
<b>Net cash used in financing activities</b>		<b>(754,542)</b>	<b>(1,176,948)</b>
<b>Net increase in cash and cash equivalents</b>		<b>316,349</b>	<b>233,207</b>
Cash and cash equivalents at beginning of the period		3,138,898	4,021,696
<b>Cash and cash equivalents at end of the period</b>		<b>3,455,247</b>	<b>4,254,903</b>

Included in the Group's cash and cash equivalents is RM114,522,000 (2020: nil) held in a finance service reserve account which is designated as security against a subsidiary's Islamic financing facility.

# QUARTERLY REPORT

## FOR THE SECOND QUARTER ENDED 30 JUNE 2021

### PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

#### 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared using historical cost basis except for certain financial assets and financial liabilities that are stated at fair value.

The condensed consolidated financial statements are unaudited and have been prepared in accordance with the requirements of IAS 34, *Interim Financial Reporting*, MFRS 134, *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

They should also be read in conjunction with the Group's audited consolidated financial statements and the accompanying notes for the year ended 31 December 2020. The explanatory notes attached to the condensed consolidated financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2020.

Within the context of these financial statements, the Group comprises the Company and its subsidiaries and the Group's interest in an associate and its joint ventures as at and for the period ended 30 June 2021.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

The financial information presented herein has been prepared in accordance with the accounting policies to be used in preparing the annual consolidated financial statements for the year ending 31 December 2021 under the Malaysian Financial Reporting Standards (MFRS) framework. These policies do not differ significantly from those used in the audited consolidated financial statements for the year ended 31 December 2020 except as described below.

During the financial period, the Group has adopted the following amendments to MFRSs (pronouncements) that have been issued by the Malaysian Accounting Standards Board ("MASB"):

***Effective for annual periods beginning on or after 1 January 2021***

Amendments to MFRS 9 *Financial Instruments*, MFRS 139 *Financial Instruments: Recognition and Measurement*, MFRS 7 *Financial Instruments: Disclosures* and MFRS 16 *Leases (Interest Rate Benchmark Reform – Phase 2)*

***Effective for annual periods beginning on or after 1 April 2021***

Amendment to MFRS 16 *Leases (Covid-19-Related Rent Concessions beyond 30 June 2021)*

The initial application and adoption of the above-mentioned pronouncements do not have any material impact to the financial statements of the Group.

#### 3. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audited financial statements of the Group for the year ended 31 December 2020 were not subject to any audit qualification.

#### 4. SEASONAL OR CYCLICAL FACTORS

The Group's operations are not significantly affected by seasonal or cyclical fluctuations of the business/ industry.

#### 5. EXCEPTIONAL ITEMS

There were no exceptional items during the quarter under review.

# QUARTERLY REPORT

## FOR THE SECOND QUARTER ENDED 30 JUNE 2021

### PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

#### 6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of the amounts reported in the most recent annual financial statements of the Group for the year ended 31 December 2020 that may have a material effect on the results of the quarter under review.

#### 7. PROPERTY, PLANT AND EQUIPMENT

Freehold land and projects-in-progress are stated at cost less accumulated impairment losses and are not depreciated. Other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

#### 8. DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the period ended 30 June 2021, other than as disclosed in Note 27.

#### 9. DIVIDENDS

The following dividends were declared and paid by the Company:

<i>In RM'000</i>	Cumulative quarter ended	
	2021	30 June 2020
<b>Ordinary</b>		
Interim paid:		
2019 - Fourth interim dividend of 22 sen per ordinary share	-	435,321
2019 - Special interim dividend of 10 sen per ordinary share	-	197,873
2020 - First interim dividend of 16 sen per ordinary share	-	316,597
2020 - Fourth interim dividend of 22 sen per ordinary share	435,321	-
2020 - Special interim dividend of 5 sen per ordinary share	98,937	-
2021 - First interim dividend of 16 sen per ordinary share	316,597	-
	<b>850,855</b>	<b>949,791</b>

On 23 August 2021, the Directors of the Company approved a second interim dividend of 16 sen per ordinary share amounting to RM316.6 million, in respect of the financial year ending 31 December 2021.

The dividends are payable on 20 September 2021 to depositors registered in the Records of Depositors at the close of business on 8 September 2021.

A Depositor shall qualify for entitlement to the dividends only in respect of:

- Shares transferred into the Depositor's Securities Account before 4.30 pm on 8 September 2021 in respect of ordinary transfers.
- Shares brought on the Bursa Malaysia Securities Berhad on a cum entitlement basis accordingly to the rules of the Bursa Malaysia Securities Berhad.

The financial statements for the current quarter do not reflect these approved interim dividends. The dividends will be accounted for in equity as an appropriation of retained profits in the financial statements for the financial year ending 31 December 2021.

#### 10. CHANGES IN THE COMPOSITION OF THE GROUP

There was no change in the composition of the Group during the quarter under review.



# QUARTERLY REPORT

FOR THE SECOND QUARTER ENDED 30 JUNE 2021

## PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

### 11. FAIR VALUE INFORMATION

The carrying amounts of cash and cash equivalents, short-term receivables and payables reasonably approximate their fair values due to the relatively short nature of these financial instruments.

The following table analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position. The fair value hierarchy in the valuation technique are as follows:

- 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 (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable input).

The Group recognises transfers between levels of fair value hierarchy as at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 2 and 3 of the fair value valuation hierarchy during the financial period.

<i>In RM'000</i>	<b>Fair value of financial instruments carried at fair value Level 2</b>	<b>Fair value of financial instruments not carried at fair value Level 3</b>	<b>Total fair value</b>	<b>Carrying amounts</b>
<b>30 June 2021</b>				
<b>Financial assets</b>				
<i>Non-Current</i>				
Long term receivables	-	193,141	193,141	193,141
<b>Total financial assets</b>	<b>-</b>	<b>193,141</b>	<b>193,141</b>	<b>193,141</b>
<b>Financial liabilities</b>				
<i>Current</i>				
Secured Islamic financing facility	-	(90,000)	(90,000)	(90,000)
Derivative liabilities	(4)	-	(4)	(4)
	<b>(4)</b>	<b>(90,000)</b>	<b>(90,004)</b>	<b>(90,004)</b>
<i>Non-Current</i>				
Secured Islamic financing facility	-	(1,610,000)	(1,610,000)	(1,610,000)
Unsecured Islamic financing facility	-	(263,038)	(263,038)	(263,038)
	<b>-</b>	<b>(1,873,038)</b>	<b>(1,873,038)</b>	<b>(1,873,038)</b>
<b>Total financial liabilities</b>	<b>(4)</b>	<b>(1,963,038)</b>	<b>(1,963,042)</b>	<b>(1,963,042)</b>

# QUARTERLY REPORT

## FOR THE SECOND QUARTER ENDED 30 JUNE 2021

### PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

#### 11. FAIR VALUE INFORMATION (continued)

<i>In RM'000</i>	Fair value of financial instruments carried at fair value Level 2	Fair value of financial instruments not carried at fair value Level 3	Total fair value	Carrying amounts
<b>31 December 2020</b>				
<b>Financial assets</b>				
<i>Current</i>				
Derivative assets	15	-	15	15
<i>Non-Current</i>				
Long term receivables	-	208,856	208,856	208,856
<b>Total financial assets</b>	<b>15</b>	<b>208,856</b>	<b>208,871</b>	<b>208,871</b>
<b>Financial liabilities</b>				
<i>Current</i>				
Secured Islamic financing facility	-	(90,000)	(90,000)	(90,000)
Derivative liabilities	(161)	-	(161)	(161)
	(161)	(90,000)	(90,161)	(90,161)
<i>Non-Current</i>				
Secured Islamic financing facility	-	(1,610,000)	(1,610,000)	(1,610,000)
<b>Total financial liabilities</b>	<b>(161)</b>	<b>(1,700,000)</b>	<b>(1,700,161)</b>	<b>(1,700,161)</b>

The calculation of fair value for derivative and non-derivative assets and liabilities within financial instruments depends on the type of instruments as follows:

- Fair value of non-derivative financial instruments, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.
- Fair value of forward exchange contracts are estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

# QUARTERLY REPORT

FOR THE SECOND QUARTER ENDED 30 JUNE 2021

## PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

### 12. SEGMENTAL INFORMATION

The Group has four reporting segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because it requires different technology and marketing strategies. The following summary describes the operations in each of the Group's reporting segments:

- Gas Processing – activities include processing of natural gas from gas fields offshore the East Coast of Peninsular Malaysia into salesgas and other by-products such as ethane, propane and butane.
- Gas Transportation – activities include transportation of processed gas to gas shippers' end customers throughout Peninsular Malaysia and export to Singapore and provision of operations and maintenance services.
- Regasification – activities include regasification of liquefied natural gas (LNG) into the Peninsular Gas Utilisation pipeline network and provision of ancillary services comprising LNG reloading, truck loading and gassing up and cooling down services.
- Utilities – activities include manufacturing, marketing and supplying of industrial utilities to the petrochemical complexes in the Kertih and Gebeng Industrial Area and provision of operations and maintenance services.

Performance is measured based on segment gross profit, as included in the performance reports to the Board of Directors as the Company believes that such information is the most relevant in evaluating the results of the segments.

The segmental information in respect of the associate and joint ventures are not presented, as the contribution of the associate and joint ventures and the carrying amount of investment in the associate and joint ventures have been reflected in the statement of profit or loss and other comprehensive income and statement of financial position of the Group respectively.

<i>In RM'000</i>	Cumulative quarter ended				
	30 June 2021				
<b>Business Segment</b>	<b>Gas Processing</b>	<b>Gas Transportation</b>	<b>Regasification</b>	<b>Utilities</b>	<b>Total</b>
Revenue	856,826	579,700	700,609	586,793	2,723,928
Segment results	456,048	376,160	334,998	144,919	1,312,125
Unallocated expense					(52,402)
Operating profit					1,259,723
Financing costs					(83,357)
Share of profit after tax of equity-accounted associate and joint ventures					71,005
Profit before taxation					1,247,371

<i>In RM'000</i>	Cumulative quarter ended				
	30 June 2020				
<b>Business Segment</b>	<b>Gas Processing</b>	<b>Gas Transportation</b>	<b>Regasification</b>	<b>Utilities</b>	<b>Total</b>
Revenue	860,055	585,119	694,902	655,878	2,795,954
Segment results	472,246	396,086	332,819	83,207	1,284,358
Unallocated expense					(116,475)
Operating profit					1,167,883
Financing costs					(110,540)
Share of profit after tax of equity-accounted associate and joint ventures					103,538
Profit before taxation					1,160,881

# QUARTERLY REPORT

## FOR THE SECOND QUARTER ENDED 30 JUNE 2021

### PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

#### 12. SEGMENTAL INFORMATION (continued)

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated income/(expenses) mainly comprises foreign exchange gain or loss as well as other corporate income and expenses.

The Group's revenue from contracts with customers which also represents reportable segment revenue are further disaggregated as follows:

In RM'000	Cumulative quarter ended	
	2021	30 June 2020
<b>Geographical Locations</b>		
Peninsular Malaysia	2,720,147	2,788,814
Sabah and Sarawak	3,781	7,140
<b>Total</b>	<b>2,723,928</b>	<b>2,795,954</b>
<b>Products and Services</b>		
Gas processing services	856,826	860,055
Gas transportation services	578,130	579,647
Regasification services	689,853	693,660
Utilities		
- Electricity	240,313	285,126
- Steam	197,141	210,166
- Industrial gases	116,261	130,488
- Others <sup>1</sup>	32,450	29,492
Operations and maintenance services	2,198	6,078
LNG ancillary services	10,756	1,242
<b>Total</b>	<b>2,723,928</b>	<b>2,795,954</b>

<sup>1</sup> Others relates to water treatment services and sale of other utilities products.

#### 13. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the quarter.

#### 14. CONTINGENCIES

There were no material contingent liabilities and contingent assets subsequent to the audited financial statements for the year ended 31 December 2020.

# QUARTERLY REPORT

## FOR THE SECOND QUARTER ENDED 30 JUNE 2021

### PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

#### 15. CAPITAL COMMITMENTS

Outstanding commitments in respect of capital expenditure at the end of each reporting period not provided for in the interim financial statements are as follows:

<i>In RM'000</i>	<b>As at 30 June 2021</b>	<b>As at 31 December 2020</b>
Property, plant and equipment		
Approved and contracted for	746,122	453,686
Approved but not contracted for	3,658,450	3,979,712
	<u>4,404,572</u>	<u>4,433,398</u>
Share of capital expenditure of joint ventures		
Approved and contracted for	326	795
Approved but not contracted for	9,080	9,648
	<u>9,406</u>	<u>10,443</u>
	<u>4,413,978</u>	<u>4,443,841</u>

#### 16. RELATED PARTY TRANSACTIONS

There were no significant transactions with related parties in addition to the related party transactions disclosed in the audited financial statements for the year ended 31 December 2020.

# QUARTERLY REPORT

FOR THE SECOND QUARTER ENDED 30 JUNE 2021

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD**

## 17. REVIEW OF GROUP PERFORMANCE

### (a) Performance of current quarter against the corresponding quarter

In RM'000	Individual quarter ended		Variance %
	2021	30 June 2020	
Revenue	1,383,918	1,399,818	-1.1
Gross profit	599,788	674,774	-11.1
Profit before taxation (PBT)	576,871	711,923	-19.0
Profit for the quarter	463,897	573,715	-19.1
EBITDA*	833,980	940,075	-11.3

\* EBITDA refers to earnings before interest, taxation, depreciation and amortisation, share of profit of equity accounted associate and joint ventures and other significant non-cash items.

The Group maintained its world-class reliability performance across all its plants and facilities during the quarter under review.

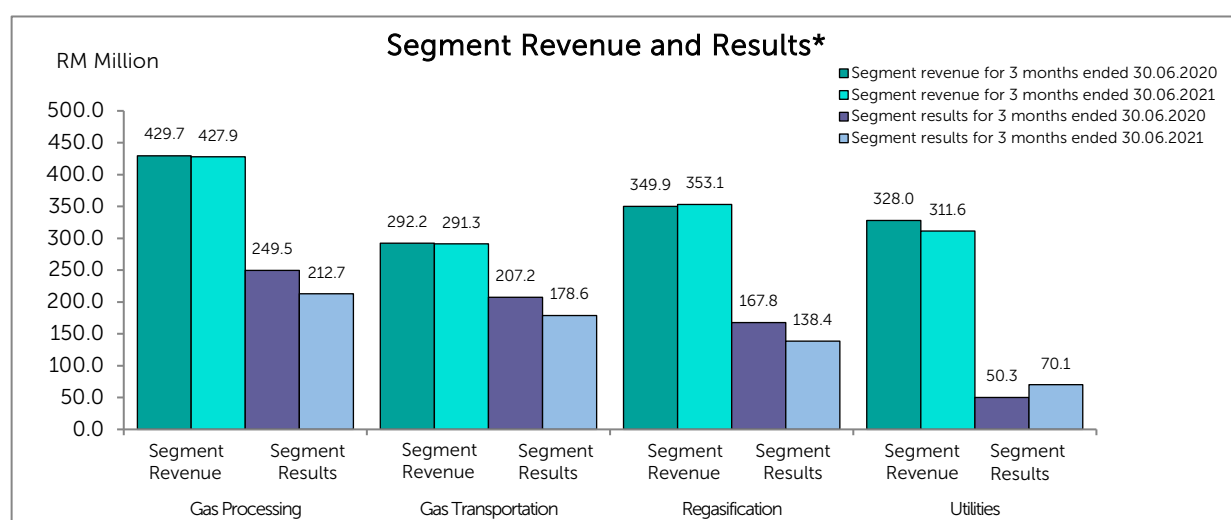
Group revenue declined slightly by 1.1% or RM15.9 million to RM1,383.9 million mainly attributable to lower revenue from Utilities segment in line with lower product prices amidst higher sales volumes.

Gross profit was lower by 11.1% or RM75.0 million due to higher operating costs of Gas Processing, Gas Transportation, and Regasification segments, relating to depreciation, maintenance, and internal gas consumption. These were offset by higher contribution by Utilities segment due to stronger margins and lower operating costs, mainly fuel gas.

PBT reduced by 19.0% or RM135.1 million in tandem with lower gross profit, coupled with unfavourable movement on foreign exchange and lower share of profit from two of the Group's joint venture companies, Kimanis Power Sdn Bhd (KPSB) and Pengerang Gas Solutions Sdn Bhd (PGSSB). During the quarter, KPSB was affected by unfavourable movement on foreign exchange whilst PGSSB recorded lower sales volume.

Correspondingly, profit for the quarter decreased by 19.1% or RM109.8 million.

The following section provides further analysis of the Group performance by operating segments.



\*Note: Segment Results refers to Gross Profit

# QUARTERLY REPORT

## FOR THE SECOND QUARTER ENDED 30 JUNE 2021

### PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

#### 17. REVIEW OF GROUP PERFORMANCE (continued)

##### (a) Performance of current quarter against the corresponding quarter (continued)

###### Gas Processing

The Group's Gas Processing plants maintained its world class operational performance, recording close to 100% reliability.

Segment revenue was comparable at RM427.9 million while segment results declined by 14.7% or RM36.8 million due to higher operating costs, mainly depreciation expense.

###### Gas Transportation

The Group's pipeline network continued to achieve close to 100% reliability, comparable to the corresponding quarter.

Segment revenue was comparable at RM291.3 million while segment results decreased by 13.8% or RM28.6 million due to higher operating costs, mainly maintenance costs in line with higher level of planned activities.

###### Regasification

The Group's LNG regasification terminals in Sg. Udang, Melaka (RGTSU) and Pengerang, Johor (RGTP) sustained their strong reliability performance at close to 100% during the quarter.

Segment revenue grew by 0.9% or RM3.2 million with the introduction of new revenue streams from LNG reloading at RGTSU and truck loading at RGTP.

Segment results however declined by 17.5% or RM29.4 million as a result of higher operating costs, largely attributable to internal gas consumption cost.

###### Utilities

The Group Utilities plant achieved 100% Product Delivery Reliability for steam, electricity, and industrial gases during the quarter under review.

Segment revenue fell by 5.0% or RM16.4 million, mainly attributable to lower product prices following downward revision of fuel gas price as a result of changes in pricing from regulated price to reference market price amidst higher sales volumes from new customers. With the exception of electricity, Utilities product pricing allows for cost pass-through.

Conversely, segment results surged by 39.4% or RM19.8 million attributable to favourable margin impact of lower fuel gas costs as well as lower depreciation expense.

# QUARTERLY REPORT

FOR THE SECOND QUARTER ENDED 30 JUNE 2021

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD**

**17. REVIEW OF GROUP PERFORMANCE (continued)**

**(b) Performance of current year to date against the corresponding year to date**

In RM'000	Cumulative quarter ended		Variance %
	2021	30 June 2020	
Revenue	2,723,928	2,795,954	-2.6
Gross profit	1,312,125	1,284,358	+2.2
Profit before taxation (PBT)	1,247,371	1,160,881	+7.5
Profit for the period	1,003,902	921,734	+8.9
EBITDA*	1,730,568	1,629,813	+6.2

\* EBITDA refers to earnings before interest, taxation, depreciation and amortisation, share of profit of equity accounted associate and joint ventures and other significant non-cash items.

The Group maintained its world-class reliability performance across all its plants and facilities during the period.

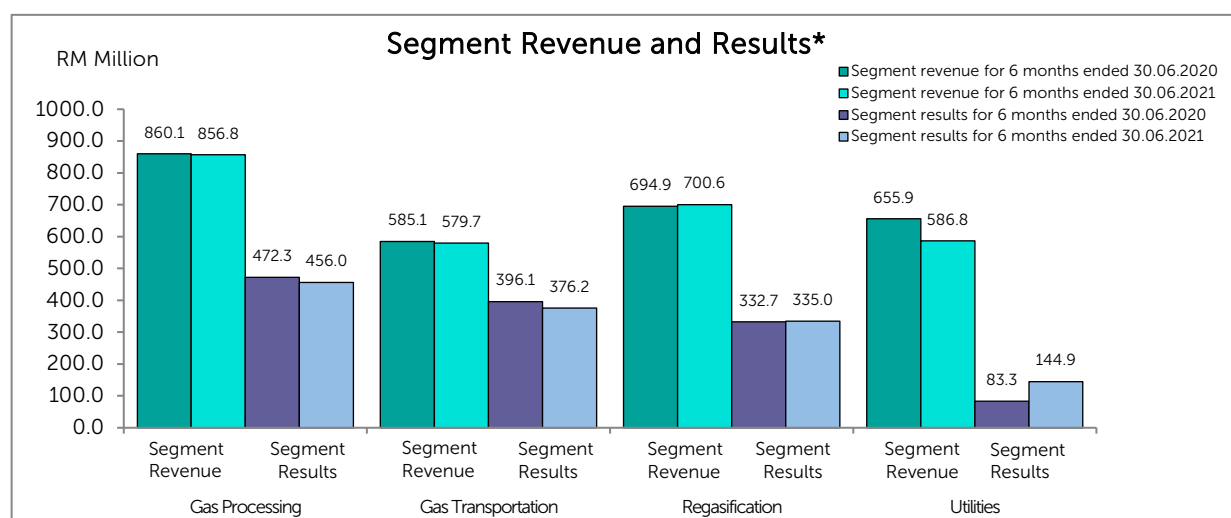
Group revenue declined slightly by 2.6% or RM72.0 million to RM2,723.9 million mainly attributable to lower revenue from Utilities segment in line with lower product prices amidst higher sales volumes.

Gross profit was nonetheless higher by 2.2% or RM27.8 million with Utilities segment recording improved contribution on stronger margins and lower operating costs, mainly relating to fuel gas and depreciation.

PBT grew by 7.5% or RM86.5 million in tandem with higher gross profit, complemented by favourable movement on foreign exchange.

Correspondingly, profit for the period grew by 8.9% or RM82.2 million.

The following section provides further analysis of the Group performance by operating segments.



\*Note: Segment Results refers to Gross Profit



# QUARTERLY REPORT

## FOR THE SECOND QUARTER ENDED 30 JUNE 2021

### PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

#### 17. REVIEW OF GROUP PERFORMANCE (continued)

##### (b) Performance of current year to date against the corresponding year to date (continued)

###### Gas Processing

The Group's Gas Processing plants maintained its world class operational performance, recording close to 100% reliability.

Segment revenue was comparable at RM856.8 million while segment results declined slightly by 3.5% or RM16.3 million due to higher operating costs, mainly depreciation expense.

###### Gas Transportation

The Group's pipeline network continued to achieve close to 100% reliability, comparable to the corresponding period.

Segment revenue was slightly lower by 0.9% or RM5.4 million mainly due to lower number of operating days compared to corresponding period coupled with lower operations and maintenance services (O&M) revenue.

Segment results decreased by 5.0% or RM19.9 million due to higher operating costs, mainly maintenance costs in line with higher level of planned activities.

###### Regasification

The Group's LNG regasification terminals in Sg. Udang, Melaka (RGTSU) and Pengerang, Johor (RGTP) sustained their strong reliability performance at close to 100% during the period.

Segment revenue grew marginally by 0.8% or RM5.7 million with the introduction of new revenue streams from LNG reloading at RGTSU and truck loading at RGTP.

Segment results similarly registered a 0.7% or RM2.3 million increase in tandem with higher revenue.

###### Utilities

The Group Utilities plant achieved 100% Product Delivery Reliability for steam, electricity, and industrial gases during the period.

Segment revenue fell by 10.5% or RM69.1 million, mainly attributable to lower product prices following downward revision of fuel gas price as a result of changes in pricing from regulated price to reference market price amidst higher sales volumes from new customers. With the exception of electricity, Utilities product pricing allows for cost pass-through.

Conversely, segment results surged by 73.9% or RM61.6 million attributable to favourable margin impact of lower fuel gas costs as well as lower depreciation expense.

# QUARTERLY REPORT

## FOR THE SECOND QUARTER ENDED 30 JUNE 2021

### PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

#### 18. COMPARISON AGAINST IMMEDIATE PRECEDING QUARTER RESULTS

<i>In RM'000</i>	Individual quarter ended		Variance %
	30 June 2021	31 March 2021	
Revenue	1,383,918	1,340,010	+3.3
Gross profit	599,788	712,337	-15.8
Profit before taxation (PBT)	576,871	670,500	-14.0
Profit for the quarter	463,897	540,005	-14.1
EBITDA*	833,980	896,588	-7.0

\* EBITDA refers to earnings before interest, taxation, depreciation, and amortisation, share of profit of equity accounted associate and joint ventures and other significant non-cash items.

The Group sustained its strong performance across all of its plant and facilities during the quarter under review.

Group revenue was higher by 3.3% or RM43.9 million against the preceding quarter attributable to higher revenue from Utilities segment as a result of higher product prices to customers while volumes were sustained.

Gross profit nevertheless declined by 15.8% or RM112.5 million driven by higher operating costs largely attributable to higher internal gas consumption, fuel gas and maintenance costs.

PBT and profit for the quarter were lower by 14.0% or RM93.6 million and 14.1% or RM76.1 million respectively as a result of lower gross profit coupled with lower share of profit from joint venture companies mainly due to higher provision of taxes at Kimanis Power Sdn Bhd, offset by favourable impact of foreign exchange movement.

#### 19. REVIEW OF GROUP FINANCIAL POSITION

<i>In RM'000</i>	As at 30 June 2021	As at 31 December 2020	Variance %
	Total assets	18,561,581	18,344,615
Total equity attributable to the shareholders of the Company	12,746,880	12,634,757	+0.9
Total liabilities	5,484,332	5,376,081	+2.0
Return on equity (%)	16.1	15.9	+0.2

The Group's total assets at RM18.6 billion was higher by 1.2% or RM217.0 million following higher cash and cash equivalents and trade and other receivables offset by lower property, plant and equipment balances due to depreciation.

Total equity attributable to shareholders of the Company was comparable at RM12.7 billion as profit for the year was offset by dividends paid.

Total liabilities increased by 2.0% or RM108.3 million following drawdown from new Islamic financing facility obtained by the Company during the year, offset by settlement of trade and other payables.

# QUARTERLY REPORT

FOR THE SECOND QUARTER ENDED 30 JUNE 2021

## PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

### 20. REVIEW OF GROUP CASH FLOWS

<i>In RM'000</i>	Cumulative quarter ended		Variance %
	2021	30 June 2020	
Net cash generated from operating activities	1,493,263	1,793,532	-16.7
Net cash used in investing activities	(422,372)	(383,377)	+10.2
Net cash used in financing activities	(754,542)	(1,176,948)	-35.9
<b>Net increase in cash and cash equivalents</b>	<b>316,349</b>	<b>233,207</b>	<b>+35.7</b>

Net cash generated from operating activities was lower by 16.7% or RM300.3 million due to higher taxation paid, coupled with higher settlement of trade and other payables.

Net cash used in investing activities increased by 10.2% or RM39.0 million in line with higher spending on capital expenditure, offset by lower dividends received from joint ventures and associate.

Net cash used in financing activities declined by 35.9% or RM422.4 million mainly due to drawdown on the Company's new Islamic financing facility.

### 21. TAX EXPENSE

Tax expense comprises the following:

<i>In RM'000</i>	Individual quarter ended		Cumulative quarter ended	
	2021	30 June 2020	2021	30 June 2020
<b>Current tax expenses</b>				
Malaysia				
- current period	118,738	114,927	256,560	216,376
<b>Deferred tax expenses</b>				
- origination and reversal of temporary differences	(5,764)	23,281	(13,091)	22,771
<b>Total tax expenses</b>	<b>112,974</b>	<b>138,208</b>	<b>243,469</b>	<b>239,147</b>

The effective tax rate (ETR) for the quarter and six months period ended 30 June 2021 was lower than the statutory tax rate of 24% mainly due to tax incentives granted for LNG regasification terminal in Pengerang, Johor.

# QUARTERLY REPORT

FOR THE SECOND QUARTER ENDED 30 JUNE 2021

## PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

### 22. COMMENTARY ON PROSPECTS

PGB Group's performance in 2021 is expected to remain resilient despite the ongoing pandemic as the Group's business model and long-term contracts ensures steady revenue streams, particularly for Gas Processing, Gas Transportation and Regasification business segments.

The Group's Gas Transportation and Regasification business segments are anticipated to continue contributing positively to the Group's earnings under the RP1 tariffs.

The Group's Gas Processing segment is expected to remain stable on the back of its strong and sustainable income stream under the 2nd Term of the 20-year Gas Processing Agreement effective from 2019 until 2023.

The Group's Utilities segment contribution will be driven by customer demand, underpinned by economic conditions.

### 23. PROFIT FORECAST

There was no profit forecast published by the Group as at the date of this report.

### 24. STATUS OF CORPORATE PROPOSAL ANNOUNCED BUT NOT COMPLETED

There was no corporate proposal announced but not completed as at the date of this report.

### 25. TRADE AND OTHER RECEIVABLES

<i>In RM'000</i>	<b>As at 30 June 2021</b>	<b>As at 31 December 2020</b>
<b>Trade receivables</b>		
- Third party	17,131	11,257
- Related companies	629,298	611,382
- Joint ventures	752	914
- Related parties	24,230	15,428
	<b>671,411</b>	638,981
<b>Other receivables</b>	<b>121,567</b>	105,564
Less: Impairment loss	(89)	(61)
<b>Trade and other receivables</b>	<b>792,889</b>	744,484

Average credit term for trade receivables granted to related parties and third parties is 30 days.

The ageing of trade receivables as at reporting date are as follows:

<i>In RM'000</i>	<b>As at 30 June 2021</b>	<b>As at 31 December 2020</b>
Current	671,413	638,981
Past due 1 to 30 days	-	-
Past due 31 to 60 days	-	-
Past due 61 to 90 days*	(2)	-
Past due more than 90 days	-	-
<b>Trade receivables</b>	<b>671,411</b>	638,981

\*Balances represent credit note issued to a customer.

With respect to the Group's trade receivables, there are no indications as at reporting date that the debtors will not meet their payment obligations.

# QUARTERLY REPORT

## FOR THE SECOND QUARTER ENDED 30 JUNE 2021

### PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

#### 25. TRADE AND OTHER RECEIVABLES (continued)

##### Significant related party trade receivables

Related parties	Nature of transactions
<b>a. Holding company</b> Petroliam Nasional Berhad	Provision of gas processing services.
<b>b. Related companies</b> PETRONAS Energy & Trading Sdn Bhd	Provision of gas transportation services and LNG regasification services.
PETRONAS Chemical Derivatives Sdn Bhd	Sales of industrial utilities.
PETRONAS Chemical MTBE Sdn Bhd	Sales of industrial utilities.
PETRONAS Chemical Ammonia Sdn Bhd	Sales of industrial utilities.

#### 26. FOREIGN EXCHANGE EXPOSURE / HEDGING POLICY

The Group operates predominantly in Malaysia and transacts mainly in Ringgit Malaysia. Nevertheless, the Group is exposed to varying levels of foreign exchange risk when it enters into transactions that are not denominated in the respective companies' functional currencies and when foreign currency monetary assets and liabilities are translated at the reporting date. As at 30 June 2021, the Group foreign currency liabilities largely relate to USD lease liabilities for floating storage units at its LNG Regasification Terminal, Sg. Udang amounting to USD221.6 million (31 December 2020: USD227.1 million) and for jetty usage at its LNG Regasification Terminal, Pengerang amounting to USD134.1 million (31 December 2020: USD161.7 million).

The Group's foreign currency management policy is to minimise economic and significant transactional exposure arising from currency movements. Residual net positions are actively managed and monitored against prescribed policies and control procedures. When deemed necessary and appropriate, the Group will enter derivative financial instruments to hedge and minimise their exposure to the foreign currency movements.

#### 27. BORROWINGS

Particulars of Group's borrowings are as follows:

<i>In RM'000</i>	As at 30 June 2021	As at 31 December 2020
<b>Non-Current</b>		
<b>Secured</b>		
Islamic financing facility	1,610,000	1,610,000
Lease liabilities	1,433,427	1,524,260
<b>Unsecured</b>		
Islamic financing facility	263,038	-
	<b>3,306,465</b>	<b>3,134,260</b>
<b>Current</b>		
<b>Secured</b>		
Islamic financing facility	90,000	90,000
Lease liabilities	57,180	55,161
	<b>147,180</b>	<b>145,161</b>
	<b>3,453,645</b>	<b>3,279,421</b>
<i>In RM'000</i>		
<b>By Currency</b>		
RM	1,975,770	1,712,966
USD	1,477,875	1,566,455
Closing exchange rate (RM/USD)	4.1545	4.0285

**QUARTERLY REPORT**

FOR THE SECOND QUARTER ENDED 30 JUNE 2021

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD****27. BORROWINGS (continued)**

In RM'000	Total	Less than 1 year	Between 1-5 years	More than 5 years
<b>Secured</b>				
Islamic financing facility	1,700,000	90,000	445,000	1,165,000
Lease liabilities	1,490,607	57,180	309,077	1,124,350
<b>Unsecured</b>				
Islamic financing facility	263,038	-	263,038	-
	<b>3,453,645</b>	<b>147,180</b>	<b>1,017,115</b>	<b>2,289,350</b>

<sup>1</sup> The secured Islamic financing facility (Murabahah Islamic Medium Term Notes) bear profit rates ranging from 2.03% to 3.74% per annum and is repayable at various due dates annually from 2021 to 2040.

<sup>2</sup> The lease liabilities bear interest at rates between 7.2% to 9.1% (2020: between 7.2% to 9.1%) per annum.

<sup>3</sup> The unsecured Islamic financing facility (Commodity Murabahah Term Financing) bears a profit rate of 2.44% per annum and is repayable in full in March 2024.

Reconciliation of liabilities arising from financing activities:

In RM'000	At 1 January 2021	Net changes from financing cash flows	Non-cash changes*	At 30 June 2021
Secured Islamic financing facility	1,700,000	-	-	1,700,000
Lease liabilities	1,579,421	(28,210)	(60,604)	1,490,607
Unsecured Islamic financing facility	-	262,587	451	263,038
	<b>3,279,421</b>	<b>234,377</b>	<b>(60,153)</b>	<b>3,453,645</b>

\*Non-cash changes consist of foreign exchange translation, lease adjustment and other amortisation.

**Islamic financing facilities**

In RM'000	As at 30 June 2021	Group As at 31 December 2020
Secured RM Murabahah Medium Term Notes	1,700,000	1,700,000
Unsecured RM Commodity Murabahah Term Financing	263,038	-
	<b>1,963,038</b>	<b>1,700,000</b>

On 22 February 2021, PETRONAS Gas Berhad (PGB) obtained a 3-year unsecured Commodity Murabahah term financing facility for a maximum aggregate principal of up to RM1.3 billion.

**Lease liabilities**

Lease liabilities mainly represent future obligation to make lease payments for the right to use the Group's floating storage unit in Sg. Udang, Melaka and jetty facilities in Pengerang, Johor.

# QUARTERLY REPORT

## FOR THE SECOND QUARTER ENDED 30 JUNE 2021

### PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

#### 28. DERIVATIVES

Outstanding derivatives as at the date of the statement of financial position are as follows:

	Notional/Contract Value		Fair Value	
	As at 30 June 2021 USD'000	As at 31 December 2020 USD'000	As at 30 June 2021 RM'000	As at 31 December 2020 RM'000
Forward exchange contract - Less than 1 year	-*	64	(4)	(146)

\*Consists of derivatives contract with cumulative notional value less than USD1,000.

There were no changes to the requirements and nature of the outstanding derivatives as disclosed since the last audited financial statements for the year ended 31 December 2020, other than as disclosed above.

#### 29. MATERIAL LITIGATION

On 25 November 2019, PETRONAS Gas Berhad ("the Company") was served a Notice of Arbitration by PBJV Group Sdn Bhd ("PBJV"). The claim amounting to RM179.8 million is in relation to the procurement, construction, and commissioning of Pengerang Gas Pipeline Project ("the Project") where a Consortium was appointed by the Company as the contractor for the Project. PBJV was one of the Consortium partners for the Project.

On 24 December 2019, the Company has responded to the Notice of Arbitration and denied all PBJV claims as baseless allegation and without any merit as the Global Settlement Agreement agreed by both Consortium partners recorded the settlement terms in relation to the Project. The matter is currently ongoing.

There has been no other material litigation since the last audited consolidated financial statements for the year ended 31 December 2020.

#### 30. EARNINGS PER SHARE

Basic earnings per share (EPS) is derived based on the net profit attributable to shareholders of the Company and the number of ordinary shares outstanding during the period.

	Individual quarter ended		Cumulative quarter ended	
	2021	30 June 2020	2021	30 June 2020
Net profit for the period attributable to ordinary shareholders of the Company (RM'000)	439,069	547,097	955,468	915,220
Number of ordinary shares in issue ('000)	1,978,732	1,978,732	1,978,732	1,978,732
<b>EPS (sen)</b>	<b>22.19</b>	27.65	<b>48.29</b>	46.25

As at the date of the statement of financial position, the Company has not issued any dilutive potential ordinary shares and hence, the diluted EPS is the same as the basic EPS.

#### 31. AUDITOR REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

As disclosed in Note 3.

# QUARTERLY REPORT

## FOR THE SECOND QUARTER ENDED 30 JUNE 2021

### PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

#### 32. OPERATING PROFIT FOR THE PERIOD

In RM'000	Individual quarter ended		Cumulative quarter ended	
	2021	30 June 2020	2021	30 June 2020
<b>Operating profit includes the following charges:</b>				
Depreciation of property, plant and equipment*	260,320	259,766	507,245	525,645
Loss on disposal of property, plant and equipment	13	-	-	-
Unrealised loss on foreign exchange	-	-	37,535	131,438
Impairment loss – expected credit loss	20	75	-	56
<b>and crediting:</b>				
Gain on disposal of property, plant and equipment	-	-	69	31
Realised gain on foreign exchange	4,046	6,024	3,548	395
Unrealised gain on foreign exchange	521	20,520	-	-
Interest income from fund investments	18,772	29,455	36,400	63,715
Impairment write back – expected credit loss	-	-	32	-

\* Includes depreciation on right-of-use (ROU) assets and amortisation of prepaid lease payments.

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

#### 33. DIVIDENDS

As disclosed in Note 9.

#### 34. EXCHANGE RATE

USD/MYR	Individual quarter ended			Cumulative quarter ended		
	30.06.2021	31.03.2021	30.06.2020	30.06.2021	30.06.2020	31.12.2020
Average rate	4.1288	4.0647	4.3233	4.0968	4.2514	4.2036
Closing rate	4.1545	4.1530	4.2850	4.1545	4.2850	4.0285

#### 35. AUTHORISED FOR ISSUE

The quarterly report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 23 August 2021.

#### BY ORDER OF THE BOARD

Tengku Mazura Tengku Ismit (MACS 01585)  
Yeap Kok Leong (MAICSA 0862549)  
Company Secretaries  
Kuala Lumpur  
23 August 2021