

# Quarterly rpt on consolidated results for the financial period ended 31 Dec 2016

## GAS MALAYSIA BERHAD

Financial Year End 31 Dec 2016

Quarter 4 Qtr

Quarterly report for the financial period ended 31 Dec 2016

The figures have not been audited

### Attachments

[GMB 4Q16.pdf](#)  
437.9 kB

Default Currency

Other Currency

Currency: **Malaysian Ringgit (MYR)**

### SUMMARY OF KEY FINANCIAL INFORMATION 31 Dec 2016

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	1,050,003	1,167,078	4,052,969	3,619,769
2	Profit/(loss) before tax	67,802	17,608	212,845	143,560
3	Profit/(loss) for the period	51,168	10,242	164,420	106,055
4	Profit/(loss) attributable to ordinary equity holders of the parent	51,585	10,271	165,137	106,162
5	Basic earnings/(loss) per share (Subunit)	4.02	0.80	12.86	8.27
6	Proposed/Declared dividend per share (Subunit)	4.00	4.77	8.00	8.27
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7	Net assets per share attributable to ordinary equity holders of the parent (\$\$)	0.7945		0.7560	

Definition of Subunit:

*In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.  
Example for the subunit as follows:*

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Announcement Info	
Company Name	GAS MALAYSIA BERHAD
Stock Name	GASMSIA
Date Announced	15 Feb 2017
Category	Financial Results
Reference Number	FRA-15022017-00012

**Condensed Consolidated Statement of Comprehensive Income  
for the financial year ended 31 December 2016**

	<b>3 months ended 31.12.2016 RM' 000 (Unaudited)</b>	<b>3 months ended 31.12.2015 RM' 000 (Unaudited)</b>	<b>Cumulative 12 mths ended 31.12.2016 RM' 000 (Unaudited)</b>	<b>Cumulative 12 mths ended 31.12.2015 RM' 000 (Audited)</b>
Revenue	1,050,003	1,167,078	4,052,969	3,619,769
Cost of sales	(972,611)	(1,122,273)	(3,797,619)	(3,422,314)
<b>Gross profit</b>	<b>77,392</b>	<b>44,805</b>	<b>255,350</b>	<b>197,455</b>
Finance income	3,893	3,682	13,321	14,126
Other operating income	336	860	1,739	2,639
Administrative expenses	(11,825)	(29,700)	(51,486)	(62,299)
Selling & distribution expenses	(215)	(199)	(874)	(800)
Finance cost	(1,193)	(1,706)	(3,693)	(6,077)
Share of result in Joint Ventures	(586)	(134)	(1,512)	(1,484)
<b>Profit before zakat and taxation</b>	<b>67,802</b>	<b>17,608</b>	<b>212,845</b>	<b>143,560</b>
Zakat expenses	(875)	(875)	(3,500)	(3,500)
Tax expense	(15,759)	(6,491)	(44,925)	(34,005)
<b>Net profit for the period/year</b>	<b>51,168</b>	<b>10,242</b>	<b>164,420</b>	<b>106,055</b>
<b>Other comprehensive income (net of tax):</b>				
<i>Items that will be reclassified to profit or loss</i>				
Cash flow hedge	1,689	-	(3,094)	-
<b>Total comprehensive income for the period/year</b>	<b>52,857</b>	<b>10,242</b>	<b>161,326</b>	<b>106,055</b>
<b>Net profit attributable to:</b>				
Owners of the Parent	51,585	10,271	165,137	106,162
Non-controlling interest	(417)	(29)	(717)	(107)
	<b>51,168</b>	<b>10,242</b>	<b>164,420</b>	<b>106,055</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Parent	53,274	10,271	162,043	106,162
Non-controlling interest	(417)	(29)	(717)	(107)
	<b>52,857</b>	<b>10,242</b>	<b>161,326</b>	<b>106,055</b>
<b>Earnings per share</b>				
Basic (Sen)	4.02	0.80	12.86	8.27
Diluted (Sen)	4.02	0.80	12.86	8.27

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015.

**Condensed Consolidated Statement of Financial Position  
as at 31 December 2016**

	<b>As at 31.12.2016 RM' 000 (Unaudited)</b>	<b>As at 31.12.2015 RM' 000 (Audited)</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	1,121,145	1,045,124
Prepaid lease payments	16,822	17,225
Investment in joint ventures	26,900	25,274
Deferred tax assets	689	1,179
	<u>1,165,556</u>	<u>1,088,802</u>
<b>Current Assets</b>		
Trade and other receivables	471,195	641,019
Deposits, bank and cash balances	585,113	361,954
	<u>1,056,308</u>	<u>1,002,973</u>
<b>Total Assets</b>	<u><u>2,221,864</u></u>	<u><u>2,091,775</u></u>
<b>Equity</b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	642,000	642,000
Cash flow hedge reserve	(3,094)	-
Retained profits	381,256	328,726
	<u>1,020,162</u>	<u>970,726</u>
Non-controlling interest	478	1,195
<b>Total Equity</b>	<u>1,020,640</u>	<u>971,921</u>
<b>Non-Current Liabilities</b>		
Redeemable preference share	0 #	0 #
Deferred tax liabilities	133,286	158,291
Borrowings	107,990	-
	<u>241,276</u>	<u>158,291</u>
<b>Current Liabilities</b>		
Trade and other payables	912,084	826,145
Borrowings	3,040	130,000
Taxation	44,824	5,418
	<u>959,948</u>	<u>961,563</u>
<b>Total liabilities</b>	<u>1,201,224</u>	<u>1,119,854</u>
<b>Total equity and liabilities</b>	<u><u>2,221,864</u></u>	<u><u>2,091,775</u></u>
Net assets per share attributable to ordinary equity holders of the Parent (Sen)	79.45	75.60

# 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 2015.

**Unaudited Condensed Consolidated Statement of Changes in Equity for the financial year ended 31 December 2016**

	Number of Shares Million	Share Capital RM'000	Cash Flow Hedge Reserve RM'000	Retained Profits RM'000	Total RM'000	Non-controlling interest RM'000	Total Equity RM'000
<b>At 1 January 2016</b>	<b>1,284</b>	<b>642,000</b>	<b>-</b>	<b>328,726</b>	<b>970,726</b>	<b>1,195</b>	<b>971,921</b>
Net profit for the financial year	-	-	-	165,137	<b>165,137</b>	(717)	<b>164,420</b>
Other comprehensive loss for the financial year	-	-	(3,094)	-	<b>(3,094)</b>	-	<b>(3,094)</b>
Total comprehensive income for the financial year	-	-	(3,094)	165,137	<b>162,043</b>	(717)	<b>161,326</b>
Dividends:							
- Final dividend for the financial year ended 31 December 2015	-	-	-	(61,247)	<b>(61,247)</b>	-	<b>(61,247)</b>
- Interim dividend for the financial year ended 31 December 2016	-	-	-	(51,360)	<b>(51,360)</b>	-	<b>(51,360)</b>
	-	-	-	(112,607)	(112,607)	-	(112,607)
<b>At 31 December 2016</b>	<b>1,284</b>	<b>642,000</b>	<b>(3,094)</b>	<b>381,256</b>	<b>1,020,162</b>	<b>478</b>	<b>1,020,640</b>

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 2015.

**Audited Condensed Consolidated Statement of Changes in Equity for the financial year ended 31 December 2015**

	Number of Shares Million	Share Capital RM'000	Retained Profits RM'000	Total RM'000	Non-controlling interest RM'000	Total Equity RM'000
<b>At 1 January 2015</b>	<b>1,284</b>	<b>642,000</b>	<b>370,994</b>	<b>1,012,994</b>	<b>-</b>	<b>1,012,994</b>
Net profit/Total comprehensive income for the financial year	-	-	106,162	<b>106,162</b>	(107)	<b>106,055</b>
Dividends:						
- Second interim dividend for the financial year ended 31 December 2014	-	-	(51,360)	<b>(51,360)</b>	-	<b>(51,360)</b>
- Final dividend for the financial year ended 31 December 2014	-	-	(52,130)	<b>(52,130)</b>	-	<b>(52,130)</b>
- Interim dividend for the financial year ended 31 December 2015	-	-	(44,940)	<b>(44,940)</b>	-	<b>(44,940)</b>
	-	-	(148,430)	(148,430)	-	(148,430)
Equity contribution from non-controlling interest	-	-	-	-	1,302	<b>1,302</b>
<b>At 31 December 2015</b>	<b>1,284</b>	<b>642,000</b>	<b>328,726</b>	<b>970,726</b>	<b>1,195</b>	<b>971,921</b>

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 2015.

**Condensed Consolidated Statement of Cash Flows  
for the financial year ended 31 December 2016**

	<b>12 months ended 31.12.2016 RM'000 (Unaudited)</b>	<b>12 months ended 31.12.2015 RM'000 (Audited)</b>
<b>Cash flows from operating activities</b>		
Profit before zakat and taxation	212,845	143,560
Adjustments for:		
Depreciation and amortisation	57,836	54,003
Impairment of trade receivables	3,367	17,946
Gain on disposal of property, plant and equipment	(789)	(60)
Share of result in Joint Ventures	1,512	1,484
Finance income	(13,321)	(14,126)
Operating profit before working capital changes	261,450	202,807
Changes in working capital:		
Net change in receivables	166,457	(350,708)
Net change in payables	85,939	285,592
Cash generated from operations	513,846	137,691
Zakat paid	(3,500)	(3,500)
Tax paid	(30,034)	(37,078)
<b>Net cash flows generated from operating activities</b>	<b>480,312</b>	<b>97,113</b>
<b>Cash flows from investing activities</b>		
Investment in Joint Ventures	(6,232)	(15,211)
Purchase of property, plant and equipment	(133,454)	(77,478)
Proceeds from sale of property, plant and equipment	789	60
Finance income received	13,321	14,126
<b>Net cash flows used in investing activities</b>	<b>(125,576)</b>	<b>(78,503)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(112,607)	(148,430)
Drawdown of loans/MTN	111,030	130,000
Repayment of MTN	(130,000)	(70,000)
Equity contribution from non-controlling interest	-	1,302
<b>Net cash flows used in financing activities</b>	<b>(131,577)</b>	<b>(87,128)</b>
Net change in cash and cash equivalents	223,159	(68,518)
Cash and cash equivalents at beginning of financial year	361,954	430,472
<b>Cash and cash equivalents at end of financial year</b>	<b>585,113</b>	<b>361,954</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015.

## **Notes to the interim financial statements**

### **1. Basis of preparation**

The condensed consolidated interim financial information for the three months financial period ended 31 December 2016 has 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 information should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015, which have been prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 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 information are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2015.

The adoption of the following amendments and annual improvements to published standards that came into effect on 1 January 2016 did not have any significant impact on the condensed consolidated financial statements upon their initial application:

- Amendments to MFRS 11 "Joint arrangements" - Accounting for acquisition of interests in joint operations
- Amendments to MFRS 101 "Presentation of financial statements" - Disclosure initiative
- Amendments to MFRS 127 "Equity method in separate financial statements"
- Annual Improvements to MFRSs 2012 - 2014 Cycle



Malaysian Accounting Standards Board had issued the following amendments and new standards which are effective for the following financial years:

- (i) Financial year beginning on or after 1 January 2017:
  - Amendments to MFRS 107 "Statements of Cash Flows - Disclosure Initiative"
  - Amendments to MFRS 112 "Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses"
- (ii) Financial year beginning on or after 1 January 2018:
  - MFRS 9 "Financial Instruments"
  - MFRS 15 "Revenue from Contracts with Customers"
- (iii) Financial year beginning on or after 1 January 2019:
  - MFRS 16 "Leases"
- (iv) Effective date yet to be determined:
  - Amendments to MFRS 10 "Consolidated Financial Statements" and MFRS 128 "Investment in associates and joint ventures - Sale or contribution of assets between an investor and its associates/joint ventures".

The Group did not early adopt these new standards and is currently assessing the impact of adopting MFRS 9, MFRS 15 and MFRS 16.

**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 2015 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 individual unusual or significant transaction that has taken place that materially affects the financial performance or financial position of the Group since the end of the previous annual reporting period.

**6. Changes in estimates**

There was no material change in financial estimates reported in prior interim periods that could materially affect the current interim period's financial statements.

**7. Debt and equity securities**

On 29 April 2016, the Company completed the repayment of RM130.0 million in nominal value of Al-Murabahah Medium Term Notes ("MTN") pursuant to the MTN programme under the Shariah Principle of Al-Murabahah.

The Company announced on 30 September 2016, that with the execution of the transaction documents, the Company has established an Islamic Commercial Papers ("ICPs") Programme ("ICP Programme") and an Islamic Medium Term Notes ("IMTNs") Programme ("IMTN Programme") with a combined aggregate limit of up to RM700 million in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement) (collectively, the "Sukuk Murabahah Programmes").

The ICP Programme and the IMTN Programme have a tenure of seven (7) years and ten (10) years respectively from the date of the first issue under the respective programmes. The ICPs and IMTNs are unsecured and are not listed on Bursa Securities or on any other stock exchange.

The proceeds raised under the Sukuk Murabahah Programmes will be utilised by the Company to:

- (i) repay/refinance the borrowings/financing of the Group;
- (ii) to finance present and future Shariah-compliant investments;
- (iii) to finance the Company's Shariah-compliant working capital and capital expenditure requirements; and/or
- (iv) to pay fees, expenses, costs, and all other amounts payable in relation to the Sukuk Murabahah Programmes, all of which shall be Shariah-compliant.

Subsequently on 1 November 2016, the Company issued ICPs and IMTNs under the Sukuk Murabahah Programmes as follows:

Sukuk Murabahah	Nominal Value	Tenure
ICPs	RM1.0 million	Nine (9) months
IMTNs	RM100.0 million	Three (3) years

## 8. Dividends Paid

On 16 June 2016, the Company paid a single-tier final dividend of 4.77 sen per share on the 1,284,000,000 ordinary shares of RM0.50 each in issue, amounting to RM61,246,800 in respect of financial year ended 31 December 2015.

On 21 September 2016, the Company paid a single-tier interim dividend of 4.00 sen per share on the 1,284,000,000 ordinary shares of RM0.50 each in issue, amounting to RM51,360,000 in respect of financial year ended 31 December 2016.

## 9. Segment Reporting

The Group's segmental report for the financial year ended 31 December 2016 is as follows:

	Natural Gas & LPG RM' 000	Others RM' 000	Total RM' 000
<u>31 December 2016</u>			
<u>Revenue:</u>			
Total segment revenue			
-external	4,052,969	-	4,052,969
<u>Results:</u>			
Profit/(loss) before zakat and taxation	214,491	(1,646)	212,845
Finance income	(13,321)	-	(13,321)
Depreciation and amortisation	57,781	55	57,836
Earnings before finance income, zakat, taxation, depreciation and amortisation	258,951	(1,591)	257,360

The Group's segmental report for the corresponding financial year ended 31 December 2015 is as follows:

	Natural		
	<u>Gas &amp; LPG</u>	<u>Others</u>	<u>Total</u>
	RM' 000	RM' 000	RM' 000
<u>31 December 2015</u>			
<u>Revenue:</u>			
Total segment revenue			
-external	3,619,769	-	3,619,769
<u>Results:</u>			
Profit/(loss) before zakat			
and taxation	145,180	(1,620)	143,560
Finance income	(14,126)	-	(14,126)
Depreciation and			
amortisation	53,948	55	54,003
Earnings before finance			
income, zakat, taxation,			
depreciation and			
amortisation	185,002	(1,565)	183,437

The Group's operations are conducted within Peninsular Malaysia.

#### 10. Events subsequent to the end of reporting period

On 31 January 2017, the Companies Act 2016 in Malaysia ("new Act") was gazetted and came into operation, except for Section 241 and Division 8 of Part III.

The Company had, after considering the circular issued on 2 February 2017, by Malaysian Institute of Accountants ("MIA"), determined that the Company would comply with the provisions of the Companies Act, 1965 in Malaysia as only companies with financial year ending on or after 31 January 2017 would be required to comply with the new Act.

**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 2015.

**13. Capital commitments**

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

	As at
	31.12.16
	RM' 000
Property, plant and equipment:	
Authorised and contracted for	103,850
Authorised but not contracted for	38,944
	<hr/>
	142,794
	<hr/>

**14. Related party transactions**

Significant related party transactions for the financial year ended 31 December 2016:

	Cumulative 12 months ended 31.12.16 RM' 000	Cumulative 12 months ended 31.12.15 RM' 000
Parties transacted with:		
Petroliam Nasional Berhad		
- Purchase of natural gas**	(3,676,426)	(3,080,801)
- Tolling fee income*	25,827	14,473
- Cash contribution for Citygate construction paid*	(6,182)	(10,857)
Petronas Dagangan Berhad		
- Purchase of liquefied petroleum gas*	(10,319)	(11,948)
Central Sugar Refinery Sdn Bhd		
- Sales of natural gas***	75,301	52,905
Gula Padang Terap Sdn Bhd		
- Sales of natural gas***	29,870	16,757
Senai Airport City Sdn Bhd (formerly known as Enigma Harmoni Sdn Bhd)		
- Cash contribution for pipeline construction received*	-	4,408
Honda Malaysia Sdn Bhd		
- Cash contribution for pipeline construction received*	-	4,424

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

\*\* The transactions have been entered into based on regulated and market prices.

\*\*\* The sales of natural gas have been entered into based on regulated price.



**Additional information required by the Bursa Securities Listing Requirements****15. Review of performance**

The Group's revenue for the fourth quarter ended 31 December 2016 was RM1,050.0 million compared to RM1,167.1 million in the corresponding quarter in 2015, representing a decrease of 10.0%. This was mainly due to the over-recovery of gas cost of RM97.5 million in the current quarter and RM236.1 million arising from deferment of tariff in the corresponding quarter. The over-recovery and under-recovery of gas costs is the variance between the actual market price and the forecasted market price used for determining the current tariffs. The gas price variance will be adjusted in future tariff revisions using the Gas Cost Pass Through ("GCPT") mechanism by the Government and based on its undertaking to ensure that the Group and the Company remains financially neutral from gas price fluctuation. However, the decrease was offsetted by the upward revision of natural gas tariff which took effect on 1 January 2016 and 15 July 2016 and higher volume of gas sold in the current quarter.

The Group's revenue for the financial year ended 31 December 2016 was RM4,053.0 million compared to RM3,619.8 million in the corresponding year in 2015, representing an increase of 12.0% similarly due to the upward revisions of natural gas tariff effective 1 January 2016 and 15 July 2016 and higher volume of gas sold.

The profit before zakat and taxation for the fourth quarter ended 31 December 2016 was RM67.8 million, an increase by 285.2% compared to the profit before zakat and taxation of RM17.6 million in the corresponding quarter in 2015. This was mainly due to higher gross profit in line with the increases in volume of gas sold, tolling fees and assets contributed by customers. Furthermore, in the corresponding quarter, there was an additional billing for price differential between market prices and regulated prices for LNG volume supplied from its gas supplier.

The profit before zakat and taxation for the financial year ended 31 December 2016 was RM212.8 million, an increase by 48.2% compared to RM143.6 million in the corresponding year in 2015. This was due to higher gross profit in line with the increases in volume of gas sold, tolling fees, assets contributed by customers and lower operating expenses.

#### **16. Variation of results against preceding quarter**

The Group recorded a higher profit before zakat and taxation of RM67.8 million in the current quarter as compared to RM55.6 million in the preceding quarter mainly due to higher gross profit in line with the increase in volume of gas sold and tolling fees.

#### **17. Current prospects**

The growth in revenue for the financial year ended 31 December 2016 was primarily driven by the increase in volume of gas sold and revisions in gas tariff.

The Board anticipates that the yearly increase in gas volume and number of customers to sustain for financial year 2017. The profitability of the Group for the financial year ending 31 December 2017 is expected to be in tandem with the level reflecting the prevailing tariff setting mechanism framework.

**18. Profit before zakat and taxation**

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

	Fourth Quarter Ended		Financial Year Ended	
	31.12.16 RM' 000	31.12.15 RM' 000	31.12.16 RM' 000	31.12.15 RM' 000
Depreciation and amortisation	14,695	13,625	57,836	54,003
Write back of trade receivables	(2,675)	-	(8,385)	(11)
Impairment of trade receivables	295	17,883	3,367	17,946

Included in the revenue for the financial year ended 31 December 2016 is an amount relating to assets contributed by customers amounting to RM25,628,000 (31 December 2015: RM15,228,000).

**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 31.12.16 RM' 000	3 months ended 31.12.15 RM' 000	Cumulative 12 months ended 31.12.16 RM' 000	Cumulative 12 months ended 31.12.15 RM' 000
Current tax expense	(37,805)	(7,163)	(69,440)	(36,586)
Deferred tax - origination and reversal of temporary timing differences	22,046	672	24,515	2,581
	<u>(15,759)</u>	<u>(6,491)</u>	<u>(44,925)</u>	<u>(34,005)</u>

The Group's effective tax rate for three months period ended 31 December 2016 of 23.6% is lower than the statutory income tax rate in Malaysia due to the effect of items not subject to tax and reduction of deferred tax liabilities due to timing differences.

The Group's effective tax rate for the financial year ended 31 December 2016 of 21.5% is lower than the statutory income tax rate in Malaysia due to the effect of items not subject to tax and reduction of deferred tax liabilities due to timing differences.

During the current financial year, the change in corporation tax rate in Malaysia from 24% to a range between 20% to 24% (staggered rate based on the incremental increase in the estimated chargeable income of the Company) was based on the Budget 2017. The change in the corporation tax will be effective only for years of assessment 2017 and 2018, and as such the relevant deferred tax balances has been remeasured taking into consideration the period when the deferred tax is expected to be realised.

**21. GCPT in tariff revision**

Included under 'Trade and other payables' is an amount of RM97.5 million representing an accrual for over recovery of gas cost arising from the variance between the actual market price and the forecast market price which was used for determining the current tariffs. This accrual is based on the Government's undertaking to the Company that it remains financially neutral from the resultant gas price fluctuations following the GCPT mechanism which was implemented on 1 January 2016.

The GCPT mechanism is an integral component of the Incentive Based Regulations ("IBR"), an economic regulation framework approved by the Government, and its implementation is regulated by Suruhanjaya Tenaga ("ST").

**22. Status of corporate proposals**

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

**23. Borrowing**

The outstanding borrowings of the Group are analysed as follows:

	As at 31.12.16 RM'000	As at 31.12.15 RM'000
<u>Current (unsecured):</u>		
Al-Murabahah Medium Term Notes	-	130,000
Islamic Commercial Papers	1,000	-
Term Loan	2,040	-
	<hr/>	<hr/>
	3,040	130,000
	<hr/>	<hr/>

Non-current (unsecured):

Islamic Medium Term Notes	100,000	-
Term Loan	7,990	-
	<hr/>	<hr/>
	107,990	-
	<hr/>	<hr/>
Total borrowings	111,030	130,000
	<hr/>	<hr/>

**24. Realised and unrealised profit/(losses) disclosure**

The retained profits as at 31 December 2016 is analysed as follows:

	As at 31.12.16 RM'000	As at 31.12.15 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	517,349	487,822
- Unrealised	(132,597)	(157,112)
Total share of accumulated losses from joint ventures:		
- Realised	(3,496)	(1,984)
	<hr/>	<hr/>
Total retained profits	381,256	328,726
	<hr/>	<hr/>

**25. Material litigation**

As at 31 December 2016, neither the Company nor its subsidiaries are 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>31.12.16</u>	3 months ended <u>31.12.15</u>	Cumulative 12 months ended <u>31.12.16</u>	Cumulative 12 months ended <u>31.12.15</u>
Profit for the period attributable to owners of the Parent (RM'mil)	51.6	10.3	165.1	106.2
Number of ordinary shares in issue (mil)	1,284.0	1,284.0	1,284.0	1,284.0
Basic earnings per ordinary share (Sen)	4.02	0.80	12.86	8.27
Diluted earnings per ordinary share (Sen)	4.02	0.80	12.86	8.27

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

**27. Dividend proposed**

The Directors have declared on 15 February 2017 a single-tier second interim dividend of 4.00 sen per share on the 1,284,000,000 ordinary shares of RM0.50 each, amounting to RM51,360,000 in respect of financial year ended 31 December 2016.

**28. Authorisation for issue**

The condensed consolidated interim financial information has been authorised for issue by the Board of Directors in accordance with their resolution on 15 February 2017.

By Order of the Board

Yanti Irwani Binti Abu Hassan (MACS 01349)

Noor Raniz Bin Mat Nor (MAICSA 7061903)

Company Secretaries

Shah Alam

Dated: 15 February 2017