



PETRONAS

PETRONAS GAS BERHAD

Quarterly Report

For the Fourth Quarter and Year Ended 31 December 2022

QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

Key Financial Highlights (In RM'000)	Year ended		Variance %
	2022	31 December 2021	
Revenue	6,160,176	5,648,602	+9.1
Gross profit	2,347,686	2,719,746	-13.7
Profit before taxation (PBT)	2,269,368	2,641,672	-14.1
Profit for the year	1,758,468	2,111,404	-16.7
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	3,244,519	3,558,270	-8.8
Earnings per share (EPS) (sen)	83.16	100.52	-17.3
Declared dividends per share (sen)	72.00	82.00	-12.2

- **PETRONAS Gas Berhad Group recorded resilient financial performance for the full year 2022** amidst challenging external environment on the back of increasing fuel gas price and unfavourable foreign exchange movement.
- **Group revenue increased by 9.1% or RM511.6 million to RM6,160.2 million** mainly driven by higher revenue from Utilities segment on the back of higher product prices.
- **Gross profit however declined by 13.7% or RM372.1 million** as a result of lower contribution from all segments following higher operating expenses, mainly fuel gas and internal gas consumption expenses.
- **PBT was RM2,269.4 million, decreased by 14.1% or RM372.3 million** in tandem with lower gross profit, coupled with impact of unfavourable foreign exchange movement and lower share of profit from joint venture companies. These were cushioned by higher interest income from fund investments.
- **Profit for the year lower by 16.7% or RM352.9 million** in line with lower PBT.
- **EBITDA was correspondingly declined by 8.8% or RM313.8 million** in tandem with PBT movement.
- **EPS decreased by 17.3%**, reflecting lower profit attributable to shareholders of the Company.
- **The Board of Directors has approved a fourth interim dividend** of 22 sen per ordinary share amounting to RM435.3 million in respect of the financial year ended 31 December 2022.

QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

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 fourth quarter and year ended 31 December 2022 that should be read in conjunction with the accompanying explanatory notes on pages 7 to 26.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Individual quarter ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
<i>In RM'000</i>					
Revenue		1,632,871	1,496,881	6,160,176	5,648,602
Cost of revenue		(1,164,494)	(881,909)	(3,812,490)	(2,928,856)
Gross profit		468,377	614,972	2,347,686	2,719,746
Administration expenses		(30,753)	(41,675)	(113,535)	(131,951)
Other expenses		(22,516)	(10,327)	(76,814)	(43,709)
Other income		141,226	60,012	162,748	115,436
Operating profit	34	556,334	622,982	2,320,085	2,659,522
Financing costs		(47,433)	(46,176)	(178,434)	(174,982)
Share of profit after tax of equity-accounted joint ventures and associate		18,562	47,430	127,717	157,132
Profit before taxation		527,463	624,236	2,269,368	2,641,672
Tax expense	22	(65,360)	(135,746)	(510,900)	(530,268)
PROFIT FOR THE PERIOD/YEAR		462,103	488,490	1,758,468	2,111,404
Profit attributable to:					
Shareholders of the Company		412,546	452,631	1,645,446	1,988,940
Non-controlling interests		49,557	35,859	113,022	122,464
PROFIT FOR THE PERIOD/YEAR		462,103	488,490	1,758,468	2,111,404
Basic and diluted earnings per ordinary share (sen)	32	20.85	22.87	83.16	100.52

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FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Note	Individual quarter ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
<i>In RM'000</i>					
Profit for the period/year		462,103	488,490	1,758,468	2,111,404
Other comprehensive income/(loss)					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Net movements from exchange differences		(19,328)	(11,908)	17,185	7,526
Share of cash flow hedge of an equity-accounted joint venture		(4,105)	(8,089)	9,448	(9,035)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR		438,670	468,493	1,785,101	2,109,895
Total comprehensive income attributable to:					
Shareholders of the Company		389,113	432,634	1,672,079	1,987,431
Non-controlling interests		49,557	35,859	113,022	122,464
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR		438,670	468,493	1,785,101	2,109,895

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

QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In RM'000</i>	Note	As at 31 December 2022	As at 31 December 2021
ASSETS			
Property, plant and equipment		13,408,441	13,272,393
Investment in joint ventures		767,048	705,018
Investments in associate		175,435	151,780
Long term receivables		122,818	171,381
Deferred tax assets		134,914	167,525
TOTAL NON-CURRENT ASSETS		14,608,656	14,468,097
Trade and other inventories		42,573	45,951
Trade and other receivables	26	990,010	889,598
Tax recoverable		20,919	—
Cash and cash equivalents		4,026,244	3,782,457
TOTAL CURRENT ASSETS		5,079,746	4,718,006
TOTAL ASSETS		19,688,402	19,186,103
EQUITY			
Share capital		3,165,204	3,165,204
Reserves		9,982,879	9,933,360
Total equity attributable to the shareholders of the Company		13,148,083	13,098,564
Non-controlling interests		261,758	240,946
TOTAL EQUITY		13,409,841	13,339,510
LIABILITIES			
Borrowings	28	3,662,833	3,278,907
Deferred tax liabilities		1,207,184	1,240,275
Provisions		31,808	30,550
Deferred income		236	1,181
TOTAL NON-CURRENT LIABILITIES		4,902,061	4,550,913
Trade and other payables		1,203,591	1,069,012
Borrowings	28	172,909	168,209
Taxation		—	58,459
TOTAL CURRENT LIABILITIES		1,376,500	1,295,680
TOTAL LIABILITIES		6,278,561	5,846,593
TOTAL EQUITY AND LIABILITIES		19,688,402	19,186,103
Net assets per share attributable to the shareholders of the Company (RM)		6.6447	6.6197

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.

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FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In RM'000	Attributable to shareholders of the Company								Total Equity
	Non-distributable		Distributable		Retained Profits	Total	Non-controlling interests	Total Equity	
	Share Capital	Capital reserve	Foreign Currency Translation Reserve	Hedging reserve					
Year ended 31 December 2022									
Balance at 1 January 2022	3,165,204	520,801	17,474	25,671	9,369,414	13,098,564	240,946	13,339,510	
Net movements from exchange differences	—	—	17,185	—	—	17,185	—	17,185	
Share of cash flow hedge of an equity-accounted joint venture	—	—	—	9,448	—	9,448	—	9,448	
Profit for the year	—	—	—	—	1,645,446	1,645,446	113,022	1,758,468	
Total comprehensive income for the year	—	—	17,185	9,448	1,645,446	1,672,079	113,022	1,785,101	
Redemption of redeemable preference share in a subsidiary	—	—	—	—	—	—	(9,801)	(9,801)	
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	—	—	—	—	(989,366)	(989,366)	(82,409)	(1,071,775)	
Total transactions with shareholders of the Company	—	—	—	—	(1,622,560)	(1,622,560)	(92,210)	(1,714,770)	
Balance at 31 December 2022	3,165,204	520,801	34,659	35,119	9,392,300	13,148,083	261,758	13,409,841	
Year ended 31 December 2021									
Balance at 1 January 2021	3,165,204	520,801	9,948	34,706	8,904,098	12,634,757	333,777	12,968,534	
Net movements from exchange differences	—	—	7,526	—	—	7,526	—	7,526	
Share of cash flow hedge of an equity-accounted joint venture	—	—	—	(9,035)	—	(9,035)	—	(9,035)	
Profit for the year	—	—	—	—	1,988,940	1,988,940	122,464	2,111,404	
Total comprehensive income for the year	—	—	7,526	(9,035)	1,988,940	1,987,431	122,464	2,109,895	
Redemption of redeemable preference share in a subsidiary	—	—	—	—	—	—	(102,970)	(102,970)	
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	—	—	—	—	(989,366)	(989,366)	(112,325)	(1,101,691)	
Total transactions with shareholders of the Company	—	—	—	—	(1,523,624)	(1,523,624)	(215,295)	(1,738,919)	
Balance at 31 December 2021	3,165,204	520,801	17,474	25,671	9,369,414	13,098,564	240,946	13,339,510	

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

QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In RM'000</i>	Note	Year ended 31 December 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,269,368	2,641,672
<i>Adjustments for:</i>			
Depreciation and amortisation	34	1,035,511	983,005
Share of profit after tax of equity-accounted joint ventures and associate		(127,717)	(157,132)
Unrealised loss on foreign exchange	34	67,672	38,355
Interest income	34	(120,218)	(84,257)
Financing costs		178,434	174,982
Other non-cash items		13,671	2,764
Operating profit before changes in working capital		3,316,721	3,599,389
Change in trade and other receivables		(92,426)	(137,108)
Change in trade and other inventories		(3,496)	(5,143)
Change in trade and other payables		176,000	115,276
Cash generated from operations		3,396,799	3,572,414
Interest income		120,218	84,257
Taxation paid		(590,758)	(436,542)
Net cash generated from operating activities		2,926,259	3,220,129
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from joint ventures and associate		68,665	76,642
Repayment of term loan due from a joint venture		46,316	38,139
Proceeds from disposal of property, plant and equipment		3,572	3,276
Purchase of property, plant and equipment		(1,169,163)	(1,031,708)
Net cash used in investing activities		(1,050,610)	(913,651)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to shareholders of the Company	9	(1,622,560)	(1,523,624)
Dividends paid to non-controlling interest		(82,409)	(112,325)
Drawdown of Islamic financing facility	28	457,000	409,100
Payment of lease liabilities	28	(67,362)	(57,484)
Repayment of Islamic financing facility		(110,000)	(90,000)
Interest expense paid		(196,730)	(185,616)
Payment to non-controlling interest on redemption of shares		(9,801)	(102,970)
Net cash used in financing activities		(1,631,862)	(1,662,919)
Net increase in cash and cash equivalents		243,787	643,559
Cash and cash equivalents at beginning of the year		3,782,457	3,138,898
Cash and cash equivalents at end of the year		4,026,244	3,782,457

Included in the Group's cash and cash equivalents are RM22,282,000 (2021: RM23,457,000) being designated as security and a fixed balance amounting to RM30,000 (2021: RM30,000) in a trustee reimbursable account in relation to a subsidiary's Islamic financing facility.

QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

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 2021. 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 2021.

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 year ended 31 December 2022.

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 ended 31 December 2022 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 2021 except as described below.

As of 1 January 2022, the Group has adopted the following amendments to MFRSs (pronouncements) which are effective for annual periods beginning on or after 1 January 2022:

Amendments to MFRS 3 *Business Combinations (Reference to the Conceptual Framework)*

Amendments to MFRS 9 *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*

Amendments to Illustrative Examples accompanying MFRS 16 *Leases (Annual Improvements to MFRS Standards 2018–2020)*

Amendments to MFRS 116 *Property, Plant and Equipment (Property, Plant and Equipment–Proceeds before Intended Use)*

Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts–Cost of Fulfilling a Contract)*

The initial application 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 2021 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 period under review.

QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

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 2021 that may have a material effect on the results of the period 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 was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the period under review other than as disclosed in Note 28.

9. DIVIDENDS

The following dividends were declared and paid by the Company:

<i>In RM'000</i>	Year ended 31 December	
	2022	2021
Ordinary		
Interim paid:		
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
2021 - Second interim dividend of 16 sen per ordinary share	—	316,597
2021 - Third interim dividend of 18 sen per ordinary share	—	356,172
2021 - Fourth interim dividend of 22 sen per ordinary share	435,321	—
2021 - Special interim dividend of 10 sen per ordinary share	197,873	—
2022 - First interim dividend of 16 sen per ordinary share	316,597	—
2022 - Second interim dividend of 16 sen per ordinary share	316,597	—
2022 - Third interim dividend of 18 sen per ordinary share	356,172	—
	1,622,560	1,523,624

On 16 February 2023, the Directors of the Company approved a fourth interim dividend of 22 sen per ordinary share amounting to RM435.3 million in respect of the financial year ended 31 December 2022.

The dividends are payable on 15 March 2023 to depositors registered in the Records of Depositors at the close of business on 6 March 2023.

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 6 March 2023 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 2023.

QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

10. CHANGES IN COMPOSITION OF THE GROUP

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

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 - Input 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>	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
31 December 2022				
Financial assets				
<i>Non-current</i>				
Long term receivables	—	131,597	131,597	123,066
Total financial assets	—	131,597	131,597	123,066
Financial liabilities				
<i>Current</i>				
Secured Islamic financing facility	—	(105,000)	(105,000)	(105,000)
Derivative liabilities	(10,432)	—	(10,432)	(10,432)
	(10,432)	(105,000)	(115,432)	(115,432)
<i>Non-current</i>				
Secured Islamic financing facility	—	(1,253,094)	(1,253,094)	(1,395,000)
Unsecured Islamic financing facility	—	(862,744)	(862,744)	(862,744)
	—	(2,115,838)	(2,115,838)	(2,257,744)
Total financial liabilities	(10,432)	(2,220,838)	(2,231,270)	(2,373,176)

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FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

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
31 December 2021				
Financial assets				
<i>Current</i>				
Derivative assets	1,104	–	1,104	1,104
<i>Non-current</i>				
Long term receivables	–	171,696	171,696	171,696
Total financial assets	1,104	171,696	172,800	172,800
Financial liabilities				
<i>Current</i>				
Secured Islamic financing facility	–	(110,000)	(110,000)	(110,000)
Derivative liabilities	(761)	–	(761)	(761)
	(761)	(110,000)	(110,761)	(110,761)
<i>Non-current</i>				
Secured Islamic financing facility	–	(1,500,000)	(1,500,000)	(1,500,000)
Unsecured Islamic financing facility	–	(405,940)	(405,940)	(405,940)
	–	(1,905,940)	(1,905,940)	(1,905,940)
Total financial liabilities	(761)	(2,015,940)	(2,016,701)	(2,016,701)

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 forward exchange rates and the contractual rate.

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FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

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 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 and provision of operations and maintenance services.
- Regasification – activities include regasification of liquefied natural gas (LNG) 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 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.

Business Segment					Year ended 31 December 2022
	Gas Processing	Gas Transportation	Regasification	Utilities	Total
Revenue	1,746,788	1,168,418	1,412,098	1,832,872	6,160,176
Segment results	892,410	563,338	750,913	141,025	2,347,686
Unallocated expense					(27,601)
Operating profit					2,320,085
Financing costs					(178,434)
Share of profit after tax of equity-accounted joint ventures and associate					127,717
Profit before taxation					2,269,368

Business Segment					Year ended 31 December 2021
	Gas Processing	Gas Transportation	Regasification	Utilities	Total
Revenue	1,719,813	1,169,914	1,413,473	1,345,402	5,648,602
Segment results	936,438	698,623	810,977	273,708	2,719,746
Unallocated expense					(60,224)
Operating profit					2,659,522
Financing costs					(174,982)
Share of profit after tax of equity-accounted joint ventures and associate					157,132
Profit before taxation					2,641,672

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FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

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 or expenses mainly comprise 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:

<i>In RM'000</i>	2022	Year ended 31 December 2021
Geographical Locations		
Peninsular Malaysia	6,152,551	5,640,977
Sabah	7,625	7,625
Total	6,160,176	5,648,602
Products and Services		
Gas processing services	1,746,788	1,719,813
Gas transportation services	1,162,381	1,165,712
Regasification services	1,391,139	1,391,139
Utilities		
- Electricity	631,181	542,298
- Steam	778,785	465,093
- Industrial gases	356,464	273,667
- Others ¹	66,099	63,017
LNG ancillary services	20,959	22,334
Operation and maintenance services	6,380	5,529
Total	6,160,176	5,648,602

¹ Others relates to sale of water and 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 2021.

QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

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>	As at 31 December 2022	As at 31 December 2021 Restated
Property, plant and equipment		
Approved and contracted for	436,700	222,578
Approved but not contracted for	4,586,240	4,977,548
	<u>5,022,940</u>	<u>5,200,126</u>
Share of capital expenditure of joint ventures		
Approved and contracted for	351	588
Approved but not contracted for	15,526	12,032
	<u>15,877</u>	<u>12,620</u>
	<u>5,038,817</u>	<u>5,212,746</u>

The prior year balances have been restated to conform with the basis of measurement of the current year balances.

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 2021.

17. DISCONTINUED OPERATIONS

There were no discontinued operations in the Group during the period under review.

QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

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

18. REVIEW OF GROUP PERFORMANCE

(a) Performance of current quarter against the corresponding quarter

In RM'000	Individual quarter ended 31 December		Variance %
	2022	2021	
Revenue	1,632,871	1,496,881	+9.1
Gross profit	468,377	614,972	-23.8
Profit before taxation (PBT)	527,463	624,236	-15.5
Profit for the quarter	462,103	488,490	-5.4
EBITDA*	790,769	815,970	-3.1

* 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.

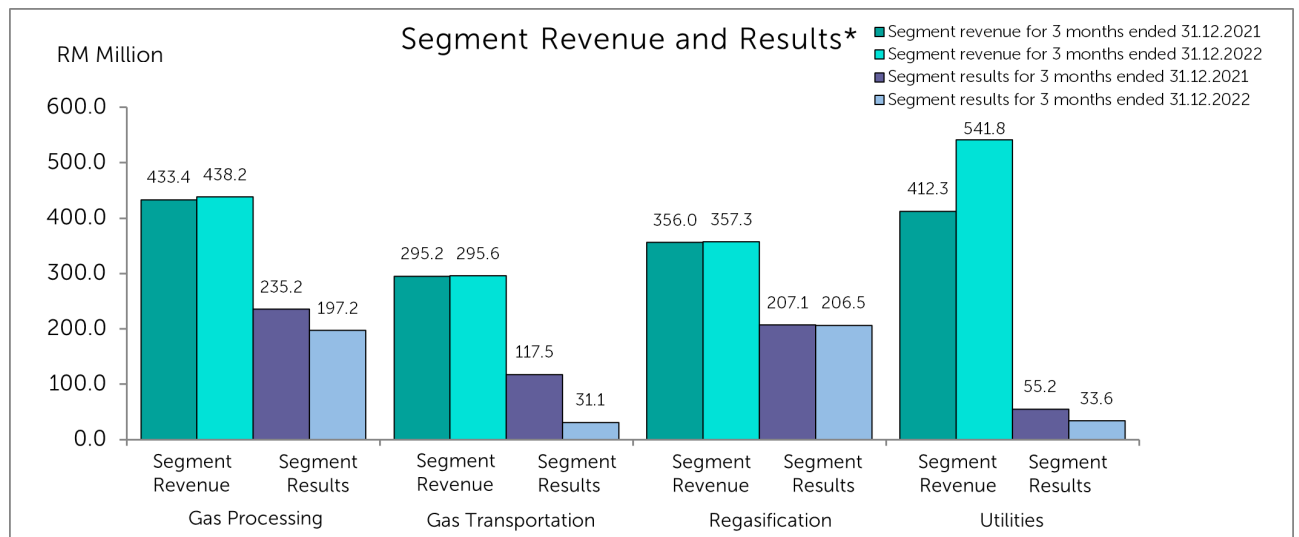
Group revenue rose by 9.1% or RM136.0 million to RM1,632.9 million mainly contributed by higher revenue from Utilities segment as a result of higher product prices in line with higher fuel gas price.

Gross profit, nevertheless, declined by 23.8% or RM146.6 million due to lower contribution from all segments following higher operating expenses, mainly relating to fuel gas and internal gas consumption expenses.

PBT decreased by 15.5% or RM96.8 million in tandem with lower gross profit, coupled with lower share of profit from joint venture companies. These were cushioned by the impact of favourable foreign exchange movement as well as higher interest income from fund investments.

Profit for the quarter correspondingly lower by 5.4% or RM26.4 million in line with lower PBT.

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



*Note: Segment Results refers to Gross Profit

QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA
MALAYSIA SECURITIES BERHAD (continued)

18. 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 increased by 1.1% or RM4.8 million against corresponding quarter following higher internal gas consumption incentive achieved, supported by continuous operational optimisation efforts.

Conversely, segment results declined by 16.2% or RM38.0 million due to higher operating expenses in line with higher level of activities performed during the quarter.

Gas Transportation

The Group's pipeline network registered close to 100% reliability during the quarter under review.

Segment revenue was comparable at RM295.6 million while segment results fell by 73.5% or RM86.4 million due to higher operating expenses, mainly internal gas consumption expense in tandem with higher fuel gas price.

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 and segment results were comparable at RM357.3 million and RM206.5 million respectively.

Utilities

The Group's Utilities plants achieved close to 100% Product Delivery Reliability for steam, electricity, and industrial gases during the quarter under review.

Segment revenue grew by 31.4% or RM129.5 million, mainly attributable to higher product prices in line with the increase of fuel gas price, which is based on Malaysia Reference Price (MRP).

Segment results, nevertheless, declined by 39.1% or RM21.6 million attributable to tighter margins as a result of higher fuel gas costs. The adverse impact of higher fuel gas costs was partly mitigated by the favourable impact of improved terms in the contract renewals which allow a more balanced cost pass-through to customers.

QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

18. REVIEW OF GROUP PERFORMANCE (continued)

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

In RM'000	Year ended 31 December		Variance %
	2022	2021	
Revenue	6,160,176	5,648,602	+9.1
Gross profit	2,347,686	2,719,746	-13.7
Profit before taxation (PBT)	2,269,368	2,641,672	-14.1
Profit for the year	1,758,468	2,111,404	-16.7
EBITDA*	3,244,519	3,558,270	-8.8

* 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 year.

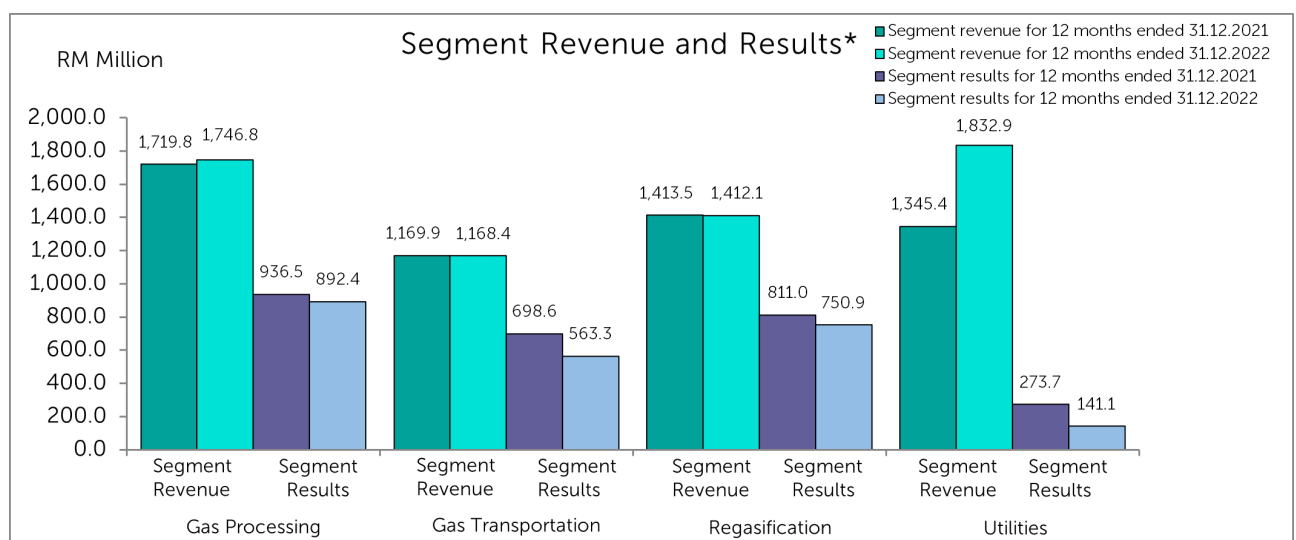
Group revenue increased by 9.1% or RM511.6 million to RM6,160.2 million mainly driven by higher revenue from Utilities segment on the back of higher product prices.

Gross profit was nonetheless lower by 13.7% or RM372.1 million at RM2,347.7 million as a result of lower contribution from all segments following higher operating expenses, mainly fuel gas and internal gas consumption expenses.

PBT declined by 14.1% or RM372.3 million in tandem with lower gross profit, coupled with the impact of unfavourable foreign exchange movement and lower share of profit from joint venture companies. These were cushioned by higher interest income from fund investments.

Profit for the year decreased by 16.7% or RM352.9 million in line with lower PBT.

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



*Note: Segment Results refers to Gross Profit

QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

18. 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 increased by 1.6% or RM27.0 million against corresponding year as a result of higher internal gas consumption incentive achieved, supported by continuous operational optimisation efforts.

Conversely, segment results declined by 4.7% or RM44.1 million due to higher operating expenses in line with higher level of activities performed during the year.

Gas Transportation

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

Segment revenue was comparable at RM1,168.4 million while segment results decreased by 19.4% or RM135.3 million due to higher operating expenses, mainly internal gas consumption expense in line with higher fuel gas price.

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 year.

Segment revenue was comparable at RM1,412.1 million while segment results declined by 7.4% or RM60.1 million as a result of higher operating expenses, mainly utilities expense. The utilities expense was lower in corresponding year due to discount received for prior year Take-or-Pay charges under RGTP electricity supply contract.

Utilities

The Group's Utilities plants achieved close to 100% Product Delivery Reliability for steam, electricity, and industrial gases during the year.

Segment revenue grew by 36.2% or RM487.5 million, mainly attributable to higher product prices. Product prices were higher in line with fuel gas price, which is based on Malaysia Reference Price (MRP).

Segment results, nevertheless, declined by 48.4% or RM132.6 million due to tighter margins as a result of higher fuel gas costs. The adverse impact of higher fuel gas costs was partly mitigated by the favourable impact of improved terms in the contract renewals which allow a more balanced cost pass-through to customers.

QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

19. COMPARISON AGAINST IMMEDIATE PRECEDING QUARTER RESULTS

In RM'000	Individual quarter ended		Variance %
	31 December 2022	30 September 2022	
Revenue	1,632,871	1,564,801	+4.4
Gross profit	468,377	643,948	-27.3
Profit before taxation (PBT)	527,463	595,266	-11.4
Profit for the quarter	462,103	443,293	+4.2
EBITDA*	790,769	826,445	-4.3

* 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 sustained its strong performance across all of its plants and facilities during the quarter under review.

Group revenue was higher by 4.4% or RM68.1 million against the preceding quarter mainly contributed by higher revenue from Utilities segment, driven by higher contribution from steam and industrial gases product sales following higher product prices in line with fuel gas price movement.

Gross profit was nonetheless lower by 27.3% or RM175.6 million as a result of lower contribution from Gas Transportation, Gas Processing and Utilities segments following higher operating expenses, mainly internal gas consumption, fuel gas and repair and maintenance expenses.

PBT for the quarter decreased by 11.4% or RM67.8 million in tandem with lower gross profit, coupled with lower share of profit from joint venture companies. These were cushioned by the impact of favourable foreign exchange movement, complemented by higher interest income from fund investments and higher other income.

Despite lower PBT, profit for the quarter improved by 4.2% or RM18.8 million due to lower tax expense following reversal of a tax provision during the quarter.

20. REVIEW OF GROUP FINANCIAL POSITION

In RM'000	As at	As at	Variance %
	31 December 2022	31 December 2021	
Total assets	19,688,402	19,186,103	+2.6
Total equity attributable to the shareholders of the Company	13,148,083	13,098,564	+0.4
Total liabilities	6,278,561	5,846,593	+7.4
Return on equity (%)	12.5	15.2	-2.7

The Group's total assets at RM19.7 billion was higher by 2.6% or RM502.3 million following higher cash and cash equivalents, property, plant and equipment and trade and other receivables.

Total equity attributable to shareholders of the Company was comparable at RM13.2 billion mainly attributable to profit for the year offset by dividends declared and paid to shareholders of the Company.

Total liabilities increased by 7.4% or RM432.0 million due to drawdown from Islamic financing facility as well as higher trade and other payables.

QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

21. REVIEW OF GROUP CASH FLOWS

<i>In RM'000</i>	Year ended 31 December		Variance
	2022	2021	%
Net cash generated from operating activities	2,926,259	3,220,129	-9.1
Net cash used in investing activities	(1,050,610)	(913,651)	+15.0
Net cash used in financing activities	(1,631,862)	(1,662,919)	-1.9
Net increase in cash and cash equivalents	243,787	643,559	-62.1

Net cash generated from operating activities was lower by 9.1% or RM293.9 million in line with lower profit.

Net cash used in investing activities increased by 15.0% or RM137.0 million in line with higher spending on capital expenditure.

Net cash used in financing activities decreased by 1.9% or RM31.1 million mainly driven by higher drawdown from Islamic financing facility during the year.

22. TAX EXPENSE

<i>In RM'000</i>	Individual quarter ended 31 December		Year ended 31 December	
	2022	2021	2022	2021
Current tax expenses				
Malaysia				
- current period	111,391	93,394	511,976	472,516
- under/(over) provision in prior years	—	7,665	(596)	7,665
	111,391	101,059	511,380	480,181
Deferred tax expenses				
- origination and reversal of temporary differences	(46,119)	51,218	(5,830)	66,618
- under/(over) provision in prior years	88	(16,531)	5,350	(16,531)
	(46,031)	34,687	(480)	50,087
Total tax expenses	65,360	135,746	510,900	530,268

The effective tax rates for the quarter and year ended 31 December 2022 were lower than the statutory tax rate of 24% mainly due to tax incentive granted for LNG regasification terminal in Pengerang, Johor. This was negated by one-off tax rate of 33% on chargeable income of the Company exceeding RM100 million for the year of assessment 2022 in accordance with the provision of Malaysian Finance Act 2021 ("Prosperity Tax").

QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

23. COMMENTARY ON PROSPECTS

The Government of Malaysia through Energy Commission has approved the Incentive-based Regulation (IBR) tariffs for the Regulatory Period 2 for the Gas Transportation and Regasification services which commencing from 1 January 2023 to 31 December 2025. While the new tariffs are expected to translate into lower Group's Transportation and Regasification business segment revenues, both segments are anticipated to continue contributing positively to Group's earnings.

The Group's Gas Processing segment is expected to remain stable on the back of long-term contracts.

The Government has also announced the imbalance cost pass-through surcharge for the first half of the year 2023 that will help to partly mitigate the adverse impact of elevating Malaysia Reference Price (MRP) to the Utilities segment performance which highly correlate with fuel gas price movement.

The overall Group performance for 2023 is expected to remain robust underpinned by the stable earning contracts while the volatility of the foreign exchange and gas price movement may also have an impact to Group's result. The Group will continue its efforts to deliver operational excellence and focus on executing our growth plans to ensure sustained level of returns to our shareholders.

24. PROFIT FORECAST OR PROFIT GUARANTEE

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

25. STATUS OF CORPORATE PROPOSAL ANNOUNCED BUT NOT COMPLETED

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

26. TRADE AND OTHER RECEIVABLES

<i>In RM'000</i>	As at 31 December 2022	As at 31 December 2021
Trade receivables		
- Third party	28,649	31,728
- Related companies	782,893	714,336
- Joint ventures	1,647	400
- Related parties	31,967	27,707
	845,156	774,171
Other receivables	144,972	115,557
Less: Impairment losses	(118)	(130)
Trade and other receivables	990,010	889,598

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

QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

26. TRADE AND OTHER RECEIVABLES (continued)

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

<i>In RM'000</i>	As at 31 December 2022	As at 31 December 2021
Current	845,156	771,602
Past due 1 to 30 days*	—	2,569
Past due 31 to 60 days	—	—
Past due 61 to 90 days	—	—
Past due more than 90 days	—	—
Trade receivables	845,156	774,171

* Balances represent advance payment by customers.

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.

Significant related company trade receivables

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

27. 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 31 December 2022, the Group foreign currency liabilities largely relate to USD lease liabilities for floating storage units at its LNG Regasification Terminal, Sg. Udang amounting to USD202.8 million (31 December 2021: USD215.5 million) and for jetty usage at its LNG Regasification Terminal, Pengerang amounting to USD127.6 million (31 December 2021: USD123.8 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.

QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

28. BORROWINGS

Particulars of Group's borrowings are as follows:

<i>In RM'000</i>	As at 31 December 2022	As at 31 December 2021
Non-Current		
Secured		
Islamic financing facility	1,395,000	1,500,000
Lease liabilities	1,405,089	1,372,967
Unsecured		
Islamic financing facility	862,744	405,940
	<u>3,662,833</u>	<u>3,278,907</u>
Current		
Secured		
Islamic financing facility	105,000	110,000
Lease liabilities	67,909	58,209
	<u>172,909</u>	<u>168,209</u>
	<u>3,835,742</u>	<u>3,447,116</u>
By Currency		
RM	2,376,922	2,030,686
USD	1,458,820	1,416,430
	<u>3,835,742</u>	<u>3,447,116</u>
Closing exchange rate (RM/USD)	4.4150	4.1740

<i>In RM'000</i>	Total	Less than 1 year	Between 1-5 years	More than 5 years
Secured				
Islamic financing facility	1,500,000	105,000	425,000	970,000
Lease liabilities	1,472,998	67,909	368,506	1,036,583
Unsecured				
Islamic financing facility	862,744	—	862,744	—
	<u>3,835,742</u>	<u>172,909</u>	<u>1,656,250</u>	<u>2,006,583</u>

¹ The secured Islamic financing facility (Islamic Murabahah Medium Term Notes) bears profit rates ranging from 2.03% to 3.74% (2021: 2.03% to 3.74%) per annum and the remaining amount is fully repayable at their various tranches due dates from 2023 to 2040.

² The lease liabilities bear interest at rates between 8.1% to 9.1% (2021: between 8.1% to 9.1%) per annum.

³ The unsecured Islamic financing facility (Commodity Murabahah Term Financing) bears profit rates ranging from 2.38% to 3.56% (2021: 2.41% to 2.43%) per annum and is repayable in full in March 2024.

QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

28. BORROWINGS (continued)

Reconciliation of liabilities arising from financing activities:

<i>In RM'000</i>	At 1 January 2022	Net changes from financing cash flows	Non-cash changes*	At 31 December 2022
Secured Islamic financing facility	1,610,000	(110,000)	–	1,500,000
Lease liabilities	1,431,176	(67,362)	109,184	1,472,998
Unsecured Islamic financing facility	405,940	457,000	(196)	862,744
	<u>3,447,116</u>	<u>279,638</u>	<u>108,988</u>	<u>3,835,742</u>

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

Islamic financing facilities

<i>In RM'000</i>	As at 31 December 2022	As at 31 December 2021
Secured RM Murabahah Medium Term Notes	1,500,000	1,610,000
Unsecured RM Commodity Murabahah Term Financing	862,744	405,940
	<u>2,362,744</u>	<u>2,015,940</u>

Lease liabilities

Lease liabilities mainly represents 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.

29. DERIVATIVES

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

	Notional/Contract Value			Fair Value
	As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
	USD'000	USD'000	RM'000	RM'000
Forwards exchange contracts				
- Less than 1 year	36,064	33	(10,432)	343

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 2021, other than as disclosed above.

30. FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

The Group does not have any financial liabilities that are measured at fair value (other than derivative financial instruments) for the period under review.

QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

31. 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 RM159.5 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 arbitration is currently ongoing.

There has been no other material litigation since the last audited consolidated financial statements for the year ended 31 December 2021.

32. 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 31 December		Year ended 31 December	
	2022	2021	2022	2021
Net profit for the period attributable to ordinary shareholders of the Company (RM'000)	412,546	452,631	1,645,446	1,988,940
Number of ordinary shares in issue ('000)	1,978,732	1,978,732	1,978,732	1,978,732
EPS (sen)	20.85	22.87	83.16	100.52

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.

33. AUDITOR REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

As disclosed in Note 3.

QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

34. OPERATING PROFIT FOR THE PERIOD

In RM'000	Individual quarter ended 31 December		Year ended 31 December	
	2022	2021	2022	2021
Operating profit includes the following charges:				
Depreciation of property, plant and equipment*	274,927	220,423	1,035,511	983,005
Property, plant and equipment written off	718	846	718	1,115
Unrealised loss on foreign exchange	—	—	67,672	38,355
Realised loss on foreign exchange	—	7,272	—	4,313
Net impairment losses on:				
- property, plant and equipment	9,141	—	9,141	—
- expected credit loss	7	28	—	—
- inventories	6,874	—	6,874	6,117
Inventory written off	—	—	—	266
Receivables written off	—	—	—	2
and crediting:				
Gain on disposal of property, plant and equipment	396	2,805	3,510	3,217
Realised gain on foreign exchange	3,779	—	2,773	—
Unrealised gain on foreign exchange	50,020	8,366	—	—
Interest income:				
- fund investments	46,838	24,029	108,277	70,508
- term loan due from a joint venture	2,795	3,406	11,941	13,749
Net impairment reversals on:				
- expected credit loss	—	—	79	19
- inventories	—	—	—	2,251

* 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.

35. DIVIDENDS

As disclosed in Note 9.

36. EXCHANGE RATE

USD/MYR	Individual quarter ended			Year ended		
	31.12.2022	30.9.2022	31.12.2021	31.12.2022	30.9.2022	31.12.2021
Average rate	4.5756	4.4820	4.1848	4.4001	4.3416	4.1439
Closing rate	4.4150	4.6375	4.1740	4.4150	4.6375	4.1740

QUARTERLY REPORT

FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2022

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA
MALAYSIA SECURITIES BERHAD (continued)

37. AUTHORISED FOR ISSUE

The quarterly report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 16 February 2023.

BY ORDER OF THE BOARD

Mek Yam @ Mariam Hassan
MAICSA 7030578
SSM Practising Certificate No. 201908000788

Yeap Kok Leong
MAICSA 0862549
SSM Practising Certificate No. 202008001750

Company Secretaries
Kuala Lumpur
16 February 2023