

SIG

SIG GASES BERHAD

**(Company No.: 875083 - W)
(Incorporated in Malaysia)**

**Interim Financial Report
For the third quarter ended
30 September 2010**

**Unaudited Condensed Consolidated Statement of Comprehensive Income
For the Third Quarter Ended 30 September 2010**

	<u>Individual Quarter</u>		<u>Cumulative Period</u>	
	Current Year Quarter 30 September 2010 RM'000	Preceding Year Quarter (2) 30 September 2009 RM'000	Current Year To Date 30 September 2010 RM'000	Preceding Year To Date (2) 30 September 2009 RM'000
Revenue	13,274	N/A	41,512	N/A
Cost of sales	(8,725)	N/A	(27,229)	N/A
Gross profit	4,549	N/A	14,283	N/A
Other income	243	N/A	727	N/A
Selling and administrative expenses	(2,142)	N/A	(8,171)	N/A
Finance costs	(346)	N/A	(1,005)	N/A
Profit before tax	2,304	N/A	5,834	N/A
Income tax expense	(537)	N/A	(1,311)	N/A
Profit after tax	1,767	N/A	4,523	N/A
Other comprehensive income	-	N/A	-	N/A
Total comprehensive income for the period	<u>1,767</u>	<u>N/A</u>	<u>4,523</u>	<u>N/A</u>
Total comprehensive income attributable to :				
Equity holders of the company	1,767	N/A	4,523	N/A
Minority interest	-	N/A	-	N/A
	<u>1,767</u>	<u>N/A</u>	<u>4,523</u>	<u>N/A</u>
Earning per share (Sen)				
- Basic (3)	1.18	N/A	3.02	N/A
- Diluted	1.18	N/A	3.02	N/A

Notes

1. The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial period ended 30 April 2010 as disclosed in the Prospectus of the Company dated 22 July 2010 and the accompanying notes attached to this interim financial statements.

The Condensed Consolidated Statement of Comprehensive Income is prepared based on the operating results of the Company and its subsidiaries using merger accounting principles. Further details of the acquisitions of the subsidiaries are set out in Note B8 in the attached explanatory notes to the interim financial statements.

2. This is the first year consolidated results of the Company and its subsidiaries are announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. As such, there are no comparative figures for the preceding year's corresponding quarter and period.
3. Based on the issued share capital of 150,000,000 shares after completion of the Acquisition, as detailed in Note B8.

**Unaudited Condensed Consolidated Statements of Financial Position
As at 30 September 2010**

	Unaudited As at 30 September 2010 RM'000	Unaudited As at 30 September 2009 RM'000
Assets		
Non-current assets		
Property, plant and equipment	70,840	N/A
Prepaid land lease payment	4,302	N/A
Intangible assets	199	N/A
	<u>75,341</u>	<u>N/A</u>
Current assets		
Inventories	2,989	N/A
Trade and other receivables	17,973	N/A
Cash and bank balances	19,527	N/A
	<u>40,489</u>	<u>N/A</u>
TOTAL ASSETS	<u>115,830</u>	<u>N/A</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	75,000	N/A
Reserve	7,825	N/A
Total equity	<u>82,825</u>	<u>N/A</u>
Non-current liabilities		
Deferred tax liabilities	7,180	N/A
Loans and borrowings	6,760	N/A
	<u>13,940</u>	<u>N/A</u>
Current liabilities		
Trade and other payable	11,864	N/A
Loans and borrowings	7,201	N/A
	<u>19,065</u>	<u>N/A</u>
Total liabilities	<u>33,005</u>	<u>N/A</u>
TOTAL EQUITY AND LIABILITIES	<u>115,830</u>	<u>N/A</u>
Net assets per share attributable to ordinary equity holders of the Company (RM) ⁽³⁾	0.55	N/A

Notes

1. The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial period ended 30 April 2010 as disclosed in the Prospectus of the Company dated 22 July 2010 and the accompanying notes attached to this interim financial statements.
2. This is the first year consolidated results of the Company and its subsidiaries are announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. As such, there are no comparative figures for the preceding year's corresponding quarter and period.
3. Based on the issued share capital of 150,000,000 shares after completion of the Initial Public Offering (as detailed in note B8).

**Unaudited Condensed Consolidated Statements of Changes in Equity
As at 30 September 2010**

	Non-distributable		Distributable	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Revenue Reserve RM'000	
As at 1 January 2010	**	-	(39)	(39)
Issuance of ordinary shares pursuant to the acquisition of subsidiaries	50,400	-	-	50,400
Arising from acquisition of subsidiaries	-	-	29,192	29,192
Merger deficit set off	-	-	(27,400)	(27,400)
	<u>50,400</u>	<u>-</u>	<u>1,753</u>	<u>52,153</u>
Public issue at RM0.58 per share	24,600	3,936	-	28,536
Listing expenses	-	(2,387)	-	(2,387)
Total comprehensive income for the period	-	-	4,523	4,523
As at 30 September 2010	<u><u>75,000</u></u>	<u><u>1,549</u></u>	<u><u>6,276</u></u>	<u><u>82,825</u></u>

** Denotes RM10.00

Notes

1. The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial period ended 30 April 2010 as disclosed in the Prospectus of the Company dated 22 July 2010 and the accompanying notes attached to this interim financial statements.
2. This is the first year consolidated consolidated results of the Company and its subsidiaries are announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. As such, there are no comparative figures for the preceding year's corresponding quarter and period.

**Unaudited Condensed Consolidated Statements of Cash Flow
For the Third Quarter Ended 30 September 2010**

	9 months ended	
	30 September 2010 RM'000	30 September 2009 RM'000
Cash flows from operating activities		
Profit before taxation	5,834	N/A
Adjustment for:		
Depreciation	2,459	N/A
Gain on disposal of property, plant and equipment	(91)	N/A
Interest expenses	1,005	N/A
Provision for doubtful debts	559	N/A
Bad debts recovered	(179)	N/A
Unrealised foreign exchange gain	(272)	N/A
Others	15	N/A
Operation profit before working capital changes	<u>9,330</u>	N/A
Net changes in current assets	(955)	N/A
Net changes in current liabilities	(358)	N/A
Cash generated from operating activities	<u>8,017</u>	N/A
Interest paid	(1,005)	N/A
Tax paid	(378)	N/A
Net cash generated from operating activities	<u>6,634</u>	N/A
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,775)	N/A
Proceed from disposal of property, plant and equipment	289	N/A
	<u>(8,486)</u>	N/A
Cash flow from financing activities		
Proceeds from issuance of shares	28,536	N/A
Payment of listing expenses	(2,387)	N/A
Repayment of borrowings	(6,147)	N/A
	<u>20,002</u>	N/A
Net increase in cash and cash equivalents	18,150	N/A
Cash and cash equivalents at beginning of financial period	<u>1,377</u>	N/A
Cash and cash equivalents at final of financial period	<u>19,527</u>	N/A
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	<u>19,527</u>	N/A

Notes:

1. The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial period ended 30 April 2010 as disclosed in the Prospectus of the Company dated 22 July 2010 and the accompanying notes attached to this interim financial statements.
2. This is the first year consolidated cashflows of the Company and its subsidiaries are announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. As such, there are no comparative figures for the preceding year's corresponding period.

NOTES TO THE REPORT

PART A - EXPLANATORY NOTES IN COMPLIANCE WITH FINANCIAL STANDARDS ("FRS") 134, INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with FRS 134: Interim Financial Reporting and Appendix 9B Part A of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). This is the first year on the results for the third quarter ended 30 September 2010 announced by the Company in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding period.

The interim financial report should be read in conjunction with the proforma combined financial statements for the financial period ended 30 April 2010 as disclosed in the Prospectus of the Company dated 22 July 2010 and the accompanying explanatory notes attached to this interim financial report.

The interim financial report contains condensed combined financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group. The interim combined financial report and notes thereon do not include all the information required for a full set of financial statements prepared in accordance with FRSs.

A2. Changes in accounting policies

The significant accounting policies adopted by the Group are consistent with those of the audited financial statements for the financial period/year ended 31 December 2009 of the Group, except for the adoption of the following new Financial Reporting Standards ("FRSs"), Amendments to FRSs ("Amendments") and Issues Committee ("IC") Interpretations with effect from 1 January 2010:

FRS 4: Insurance Contracts
FRS 7: Financial Instruments: Disclosures
FRS 8: Operating Segments
FRS 101: Presentation of Financial Statements
FRS 123: Borrowing Costs
FRS 139: Financial Instruments: Recognition and Measurement
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and
FRS 127 Consolidated and Separate Financial Statements: cost of an Investment
in a subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2 Share-based Payment - Vesting Conditions and
Cancellations
Amendments to FRS 132: Financial Instruments: Presentation
Amendments to FRS 139: Financial Instruments: Recognition and Measurement,
FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment
of Embedded Derivatives
Improvements to FRSs issued in 2009

NOTES TO THE REPORT

PART A - EXPLANATORY NOTES IN COMPLIANCE WITH FINANCIAL STANDARDS ("FRS") 134, INTERIM FINANCIAL REPORTING

IC Interpretation 9: Reassessment of Embedded Derivatives
IC Interpretation 10: Interim Financial Reporting and Impairment
IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions
IC Interpretation 13: Customer Loyalty Programmes
IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TR i – 3: Presentation of Financial Statements of Islamic Financial Institutions

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

(i) **FRS 7 Financial Instruments: Disclosures**

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 *Financial Instruments: Disclosure and Presentation*. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group has applied FRS 7 prospectively in accordance with the transitional provisions. The new disclosures are included throughout the Group's financial statements for the period ended 30 September 2010.

(ii) **FRS 8: Operating Segments**

FRS 8 requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Group presents its segment information based on its business segments, which is also the basis of presenting its monthly internal management reports.

(iii) **FRS 101 Presentation of Financial Statements (Revised)**

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present this statement as one single statement.

NOTES TO THE REPORT

PART A - EXPLANATORY NOTES IN COMPLIANCE WITH FINANCIAL STANDARDS ("FRS") 134, INTERIM FINANCIAL REPORTING

(iv) **FRS 139: Financial instruments: Recognition and measurement**

FRS 139 establishes principles for recognition and measurement of financial instruments. The Group has adopted FRS139 prospectively on 1 January 2010 in accordance with the transitional provisions of FRS139.

Financial Assets and Liabilities

(a) Receivables

Prior to 1 January 2010, receivables were stated at gross receivables less provision for doubtful debts. Under FRS 139, receivables are initially measured at fair value and subsequently at amortized cost at effective interest rate method. Gains and losses are recognized in the income statement when the related accretion cost are derecognized or further impaired.

(b) Payables

Prior to 1 January 2010, payables were stated at gross amount payable. Under FRS 139, payables are initially measured at fair value and subsequently at amortized cost using the effective interest rate method. Gains and losses are recognized in the consolidated income statements.

(c) Derivative financial instruments

The Group does not have any off balance sheet financial instruments in the previous financial year or the current financial quarter.

NOTES TO THE REPORT

PART A - EXPLANATORY NOTES IN COMPLIANCE WITH FINANCIAL STANDARDS ("FRS") 134, INTERIM FINANCIAL REPORTING

Disclosure of Gains or Losses arising from Fair Value Changes of Financial Assets and Liabilities

In accordance with the transitional provisions of FRS 139, the applicable changes are applied prospectively and the comparatives as at 31 December 2009 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 January 2010.

(ii) Standards and Interpretations issued and not yet effective

The following revised FRSs, new IC Interpretations and Amendments to FRSs have been issued by the MASB and are effective for annual periods commencing on or after 1 July 2010. They have yet to be adopted as they are not yet effective for the current quarter ended 30 September 2010 and current financial year ending 31 December 2010:

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
Amendments to FRS 2	Share-based payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 127	Consolidated and Separate Financial Statements (amended)
Amendments to FRS 138	Intangible Assets
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distribution of Non-cash Assets to Owner
Amendments to FRS 132	Classification of Rights Issues
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 7	Improving Disclosures about Financial Instruments

The Group will adopt these relevant Standards beginning on 1 January 2011. The adoption of these new Standards in the next financial year is not expected to result in any significant impact in the accounting policies of the Group.

NOTES TO THE REPORT

PART A - EXPLANATORY NOTES IN COMPLIANCE WITH FINANCIAL STANDARDS ("FRS") 134, INTERIM FINANCIAL REPORTING

A3. Auditor's report on preceding annual financial statements

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial period/year ended 31 December 2009.

A4. Seasonal or cyclical factors

The business operations of the Group were not significantly affected by any seasonal or cyclical factor.

A5. Items of unusual nature

There were no significant unusual items affecting the assets, liabilities, equity, net income or cash flow during the financial year-to-date.

A6. Material changes in estimates

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the financial year-to-date.

A7. Changes in debt and equity securities

Save as disclosed under Note B8 below, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the financial year-to-date.

A8. Dividend paid

There was no dividend paid in the current financial period.

A9. The Group is organized into the following operating segments:-

- (1) Manufacturing
- (2) Refilling and Distribution
- (3) Other Products and Services

NOTES TO THE REPORT

PART A - EXPLANATORY NOTES IN COMPLIANCE WITH FINANCIAL STANDARDS ("FRS") 134, INTERIM FINANCIAL REPORTING

	Manufacturing	Refilling and Distribution	Other Products and Services	Total
	RM'000	RM'000	RM'000	RM'000
REVENUE	<u>20,797</u>	<u>19,477</u>	<u>1,238</u>	<u>41,512</u>
RESULTS				
Profit for reportable segment	7,844	6,296	143	14,283
Other income				727
Selling and administrative expenses				(8,171)
Finance costs				<u>(1,005)</u>
Profit before tax				5,834
Income tax expense				<u>(1,311)</u>
Total comprehensive income				<u><u>4,523</u></u>

NOTES TO THE REPORT

PART A - EXPLANATORY NOTES IN COMPLIANCE WITH FINANCIAL STANDARDS ("FRS") 134, INTERIM FINANCIAL REPORTING

A10. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current financial quarter.

A11. Capital commitments

Capital commitment for property, plant and equipment not provided for as at 30 September 2010 are as follows:-

	RM'000
Approved and contracted for	<u>2,700</u>

A12. Property, plant and equipment

The Group acquired property, plant and equipment amounting to RM8.78 million during the financial year-to-date.

A13. Material events subsequent to the end of period reported

There were no material events subsequent to the end of the current financial quarter up to 19 November 2010, being the latest practicable date ("LPD") which is not earlier than 7 days from the date of issuance of this quarterly report, that have not been reflected in this quarterly report.

A14. Changes in composition of the group

There were no material events subsequent to the end of the current financial quarter that have not been reflected in this quarterly report as at the date of this report. The Group was listed on the Main Market of Bursa Securities on 09 August 2010.

A15. Contingent liabilities or contingent assets

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report.

A16. Significant related party transactions

The Group had the following transactions during the current financial quarter and year to date with related parties in which certain directors of the Company have substantial financial interest:-

Nature of transactions	Transaction during the current financial quarter RM'000	Transaction Year-to-date RM'000	Balance outstanding as at 30 September 2010 RM'000
Purchase of refrigerants, cylinders, valves, liquid oxygen, liquid nitrogen, liquid argon, liquid carbon dioxide, specialty gases and overdue interest from a company in which the Company's director, Peh Lam Hoh has substantial financial interest	3,929	12,029	3,613
Sales of industrial gases to a company in which the Company's director, Peh Lam Hoh has substantial financial interest	27	64	60
Purchase of welding product and equipment from a company , in which Loh Pei Yon, a substantial shareholder, has substantial financial interest	26	74	17
Sales of industrial gases to a company, in which Loh Pei Yon, a substantial shareholder, has substantial financial interest	496	1,337	496
Purchase of valves and spare parts from a company in which a subsidiary company's director, Kong Khim Tuck has substantial financial interest	2	5	7

NOTES TO THE REPORT

PART B – ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)

B1. Review Of Performance Of The Group

The Group has achieved a revenue of RM13.28 million during the current quarter, which has decreased by 11.23% or RM1.68 million as compared to the previous quarter. The decrease in revenue is mainly due to decrease in Manufacturing industrial gases segment by RM0.51 million or 6.89% as compared to the Second Quarter.

The Gross profit has decreased from RM5.47 million in Second Quarter to RM4.55 million in Current Quarter mainly due to decrease in revenue by RM1.68 million.

The Profit after taxation has increased from RM1.26 million in Second Quarter to RM1.76 million in Current quarter mainly due to the writing back of provision of doubtful debt of RM0.53 million in the current quarter.

B2. Material Changes In The Quarterly Results Compared To The Results Of The Preceding Quarter

	Current Quarter RM'000	Preceding Quarter RM'000
Revenue	13,274	14,957
Gross profit	4,549	5,466
Profit before tax	2,304	1,617
Profit after tax	1,767	1,262

The decrease in gross profit was mainly due to decrease in sales volume. The increase in profit before tax and profit after tax were mainly due to writing back of provision for doubtful debt of RM0.53 million.

NOTES TO THE REPORT

PART B – ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)

B3. Current Year Prospects

There are strong indications that economic conditions in Malaysia are improving from the negative effects of the global financial crisis that began in mid-2007. The outlook for Malaysian economy for 2010 is better than 2009, however, the unexpected weaken of USD has made the industrial environment more challenging.

Based on the industry outlook mentioned above, the Board of Directors is of the opinion that the Group's revenue will increase and the Group will remain profitable for the next quarter.

B4. Profit Forecast And Profit Estimate

The Group did not issue any profit forecast or profit estimate previously in any public document.

B5. Income Tax Expense

	Current Quarter 3 months ended RM'000	Cumulative Quarter 9 months ended RM'000
In respect of the current period		
- Income tax	155	378
- Deferred tax	382	933
	<u>537</u>	<u>1,311</u>

B6. Profit on Sale of Unquoted Investments and / or Properties

There were no sales of unquoted investments and/or properties during the current financial quarter and financial period.

B7. Purchase or Disposal of Quoted Securities

There was no purchase or disposal of quoted securities for the current financial quarter and financial period.

NOTES TO THE REPORT

PART B – ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)

B8. Status of Corporate Proposals

In conjunction with, and as an integral part of our Listing, we undertook the following Listing Scheme, which involves the following:-

(i) Acquisition

On 8 December 2009, SIG Gases had entered into share sale agreement with the vendors of Southern Industrial Gas Sdn Bhd for the acquisition of the entire equity interest in Southern Industrial Gas Sdn Bhd comprising 23,000,000 ordinary shares of RM1.00 each. The purchase consideration of the Acquisition is RM50,399,990, which was satisfied by the issuance of 100,799,980 shares to the vendors of Southern Industrial Gas Sdn Bhd at an issue price of RM0.50 per share. The Acquisition was completed on 12 May 2010.

On 31 May 2010, Southern Industrial Gas had transferred the 2 existing ordinary shares in Southern Oxygen Sdn Bhd (SOSB) and Southern Carbon Dioxide Sdn Bhd (SCDSB) respectively for a nominal value of RM1.00 per share to SIG Gases. After the transfers, SOSB and SCDSB are now wholly owned subsidiaries of SIG Gases.

(ii) Initial Public Offer ("IPO")

The Company issued its prospectus for its IPO on 22 July 2010

(a) Public issue

Public Issue of 49.20 million ordinary shares of RM0.50 each at an issue price of RM0.58 per share.

(b) Offer for sale

3,000,000 ordinary shares of RM0.50 each representing 2.00% of the enlarged issued and paid up share capital of SIG Gases Berhad at RM0.58 per share.

(iii) Listing

The Company's entire enlarged issued and paid-up share capital after the public issue and offer for sale, comprising of **150** million ordinary shares of RM0.50 each were listed on the Main Market of Bursa Securities on 9 August 2010.

NOTES TO THE REPORT

PART B – ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF

(iv) Utilization of Proceeds

Arising from the Public Issue the Company raised gross proceeds of RM28.54 million. We propose to utilize the proceeds raised in the following manner:-

No.	Description	Estimated timeframe for utilisations upon Listing	Proposed Utilisations (RM'000)	Actual Utilisations (RM'000)	Balances / Deviation		Notes
					(RM'000)	%	
1	Purchase of land and building its facilities	24 months					
1.1	Sarawak		9,736	-	9,736	100%	
1.2	Kuantan		2,500	(965)	1,535	61%	
1.3	Melaka		2,500	(843)	1,657	66%	
			14,736	(1,808)	12,928	88%	
2	Purchase of property, plant & equipment	12 months					
2.1	Cylinders		5,400	(3,662)	1,738	32%	
2.2	Hydrogen long tube		1,000	(633)	367	37%	
			6,400	(4,295)	2,105	33%	
3	Repayment of term loan	12 months	4,200	(2,042)	2,158	51%	
4	Listing expenses	Immediately	3,200	(2,533)	667	21%	1
	Total		28,536	(10,678)	17,858	63%	

NOTES TO THE REPORT

PART B – ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)

The gross proceeds arising from the Offer for Sale, net of the relevant fees, shall accrue entirely to the Offeror and no part of the proceeds will be received by the Company.

1. The deviation for Listing expenses of RM0.67 Million will be utilized in the purchase of land and building its facilities as indicated in Section 2.8 (iv) of the Prospectus.

B9. Group Borrowing and Debts Securities

The Group's borrowing and debts securities as at 30 September 2010 are as follows:

	RM'000
Long term borrowings	
<u>Secured:</u>	
Hire purchase creditors	477
Term loans	6,283
	<u>6,760</u>
Short term borrowings	
<u>Secured</u>	
Hire purchase creditors	1,328
Bankers acceptance	2,723
Term loans	3,120
Leasing creditors	30
	<u>7,201</u>
Total	<u><u>13,961</u></u>

B10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this quarterly report.

B11. Material Litigation

There were no material litigation as at the date of issuance of this quarterly report.

NOTES TO THE REPORT

PART B – ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)

B12. Dividends

No interim dividend has been declared during the current quarter.

B13. Earnings Per Share

Basic earnings per share are calculated based on 150,000,000 ordinary shares in issue and profit attributable to equity holder of the Group. There is no dilutive effect.