

SIG

SIG GASES BERHAD

(Company No.: 875083 - W)

(Incorporated in Malaysia)

**Financial Report
For The Six-Month Period Ended
30 June 2012**

**Unaudited Condensed Consolidated Statement of Comprehensive Income
For the six-month period ended 30 June 2012**

| | Current quarter 3 months ended | | Cumulative quarter 6 months ended | |
|---|---|-----------------------------------|--|-----------------------------------|
| | 30 Jun 2012 RM'000 | 30 Jun 2011 RM'000 | 30 Jun 2012 RM'000 | 30 Jun 2011 RM'000 |
| Revenue | 16,189 | 13,855 | 30,963 | 26,088 |
| Cost of sales | (11,692) | (9,793) | (22,313) | (18,231) |
| Gross profit | <u>4,497</u> | <u>4,062</u> | <u>8,650</u> | <u>7,857</u> |
| Other (expenses)/income | (55) | 286 | 43 | 437 |
| Selling and administrative expenses | (3,410) | (3,028) | (6,357) | (5,822) |
| Finance costs | (382) | (206) | (614) | (390) |
| Share of loss of an associate | (12) | - | (12) | - |
| Profit before tax | <u>638</u> | <u>1,114</u> | <u>1,710</u> | <u>2,082</u> |
| Income tax (expense)/reversal | 48 | (10) | 135 | (262) |
| Profit after tax and total comprehensive income for the period | <u><u>686</u></u> | <u><u>1,104</u></u> | <u><u>1,845</u></u> | <u><u>1,820</u></u> |
| Total comprehensive income attributable to : | | | | |
| Equity holders of the company | 686 | 1,104 | 1,845 | 1,820 |
| Minority interest | - | - | - | - |
| | <u><u>686</u></u> | <u><u>1,104</u></u> | <u><u>1,845</u></u> | <u><u>1,820</u></u> |
| Earning per share (Sen) | | | | |
| - Basic | 0.46 | 0.74 | 1.23 | 1.21 |
| - Diluted | 0.46 | 0.74 | 1.23 | 1.21 |

Notes

- The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction the accompanying explanatory notes attached to the interim financial statements.



SIG Gases Berhad
(Company No:875083-W)

**Unaudited Condensed Consolidated Statements of Financial Position
As at 30 June 2012**

| | Unaudited As at 30 Jun 2012 RM'000 | Audited As at 31 Dec 2011 RM'000 |
|---|---|---|
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 98,797 | 95,167 |
| Intangible assets | 170 | 188 |
| Investment in an associate | 4,468 | - |
| | <u>103,435</u> | <u>95,355</u> |
| Current assets | | |
| Inventories | 3,139 | 2,734 |
| Trade and other receivables | 25,672 | 18,759 |
| Cash and bank balances | 8,855 | 11,176 |
| | <u>37,666</u> | <u>32,669</u> |
| TOTAL ASSETS | <u>141,101</u> | <u>128,024</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the parent | | |
| Share capital | 75,000 | 75,000 |
| Reserves | 10,736 | 9,790 |
| Total equity | <u>85,736</u> | <u>84,790</u> |
| Non-current liabilities | | |
| Deferred tax liabilities | 8,860 | 9,078 |
| Loans and borrowings | 11,728 | 10,488 |
| | <u>20,588</u> | <u>19,566</u> |
| Current liabilities | | |
| Trade and other payables | 18,194 | 13,365 |
| Loans and borrowings | 16,583 | 10,303 |
| | <u>34,777</u> | <u>23,668</u> |
| Total liabilities | <u>55,365</u> | <u>43,234</u> |
| TOTAL EQUITY AND LIABILITIES | <u>141,101</u> | <u>128,024</u> |
| Net assets per share attributable to ordinary equity holders of the Company (RM) | 0.57 | 0.57 |

Notes

1. The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

**Unaudited Condensed Consolidated Statements of Changes in Equity
As at 30 June 2012**

| | Share Capital RM'000 | Non- distributable Share Premium RM'000 | Distributable Revenue Reserve RM'000 | Total RM'000 |
|--|-------------------------------------|--|---|-------------------------|
| As at 1 January 2012 | 75,000 | 6,075 | 3,716 | 84,791 |
| Total comprehensive income for the period | - | - | 1,845 | 1,845 |
| Dividend | - | - | (900) | (900) |
| As at 30 June 2012 | <u>75,000</u> | <u>6,075</u> | <u>4,661</u> | <u>85,736</u> |
| As at 1 January 2011 | 75,000 | 6,075 | 3,231 | 84,306 |
| Total comprehensive income for the period | - | - | 1,820 | 1,820 |
| Dividend | - | - | (1,950) | (1,950) |
| As at 30 June 2011 | <u>75,000</u> | <u>6,075</u> | <u>3,101</u> | <u>84,176</u> |

Notes

1. The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

**Unaudited Condensed Consolidated Statements of Cash Flows
For the six-month period ended 30 June 2012**

| | 6 months ended | |
|---|-----------------|----------------|
| | 30 Jun 2012 | 30 Jun 2011 |
| | RM'000 | RM'000 |
| Cash flows from operating activities | | |
| Profit before tax | 1,710 | 2,082 |
| Adjustments for: | | |
| Depreciation | 2,157 | 1,817 |
| Gain on disposal of property, plant and equipment | (15) | (277) |
| Interest expenses | 614 | 390 |
| Interest income | (78) | (150) |
| Impairment of doubtful debt no longer required | (1) | (22) |
| Bad debts recovered | (2) | (10) |
| Unrealised foreign exchange loss/(gain) | 122 | (12) |
| Written off of property, plant and equipment | 8 | 4 |
| Operation profit before working capital changes | <u>4,515</u> | <u>3,822</u> |
| Decrease in inventories | (405) | (1,260) |
| (Decrease)/increase in receivables | (6,966) | (5,284) |
| Increase in payable | 4,772 | 3,129 |
| Cash generated from operating activities | <u>1,916</u> | <u>407</u> |
| Interest paid | (614) | (390) |
| Tax paid | (61) | (200) |
| Net cash generated from/(used in) operating activities | <u>1,241</u> | <u>(183)</u> |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (5,782) | (4,234) |
| Proceed from disposal of property, plant and equipment | 19 | 693 |
| Interest received | 78 | 150 |
| Investment in associate | (4,468) | |
| Net cash used in investing activities | <u>(10,153)</u> | <u>(3,391)</u> |
| Cash flow from financing activities | | |
| Drawdown of borrowings | 7,521 | 2,836 |
| Dividend | (900) | (1,950) |
| Net cash generated from financing activities | <u>6,621</u> | <u>886</u> |
| Net decrease in cash and cash equivalents | (2,291) | (2,688) |
| Cash and cash equivalents at beginning of financial period | <u>11,146</u> | <u>15,885</u> |
| Cash and cash equivalents at final of financial period | <u>8,855</u> | <u>13,197</u> |
| Cash and cash equivalents at the end of the financial period comprise the following: | | |
| Cash and bank balances | <u>8,855</u> | <u>13,197</u> |

Notes:

1. The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

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SIG Gases Berhad
(Company No:875083-W)

NOTES TO THE REPORT

PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING

A1. Corporate information

SIG Gases Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements were approved by the Board of Directors on 16 August 2012.

A2. First-time adoption of Malaysian Financial Reporting Standards ("MFRS")

These condensed consolidated interim financial statements, for the period ended 30 June 2012, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standard ("FRS").

The consolidated financial statements of the Group for the year ended 31 December 2011 which were prepared under the FRS are available upon request from the Company register office at Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor, Malaysia.

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The date of transition to the MFRS framework is 1 January 2011. At the date of transition date, the Group is still in the process of reviewing its accounting policies and considering the transitional opportunities under MFRS 1.

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NOTES TO THE REPORT

PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARDS ("MFRS") 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 year ended 31 December 2011.

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 period ended 30 June 2012.

A6. Material changes in estimates

There were no changes in estimates that have had a material effect in the current quarter results.

A7. Changes in debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the financial period-to-date.

A8. Dividend paid

A final tax exempt (single-tier) dividend in respect of the financial year ended 31 December 2011 of 1.20% on 150,000,000 ordinary shares of RM0.50 each, amounting to a dividend of RM900,000.00 (0.60 sen per ordinary share) was paid on 15 June 2012.

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NOTES TO THE REPORT

PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING (CONT'D)

A9. Segment information

The Group is organized into business units based on their products and services, and it has three operating segments as follows

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

For the detail analytical review of the segmental information, please refer to Part B1 and B2 for explanation.

Six Months ended 30 June 2012

| | Manufacturing | Refilling and Distribution | Other Products and Services | Total |
|-------------------------------------|---------------|----------------------------------|-----------------------------------|---------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| REVENUE | <u>15,941</u> | <u>14,130</u> | <u>892</u> | <u>30,963</u> |
| RESULTS | | | | |
| Profit for reportable segment | 4,219 | 4,253 | 178 | 8,650 |
| Other income | | | | 43 |
| Selling and administrative expenses | | | | (6,357) |
| Finance costs | | | | (614) |
| Share of loss of an associate | | | | (12) |
| Profit before tax | | | | <u>1,710</u> |
| Income tax reversal | | | | 135 |
| Total comprehensive income | | | | <u><u>1,845</u></u> |

Six Months ended 30 June 2011

| | Manufacturing | Refilling and Distribution | Other Products and Services | Total |
|-------------------------------------|---------------|----------------------------------|-----------------------------------|---------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| REVENUE | <u>13,181</u> | <u>12,161</u> | <u>746</u> | <u>26,088</u> |
| RESULTS | | | | |
| Profit for reportable segment | 4,000 | 3,727 | 130 | 7,857 |
| Other income | | | | 437 |
| Selling and administrative expenses | | | | (5,822) |
| Finance costs | | | | (390) |
| Profit before tax | | | | <u>2,082</u> |
| Income tax expense | | | | (262) |
| Total comprehensive income | | | | <u><u>1,820</u></u> |

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NOTES TO THE REPORT

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

A10. Valuation of property, plant and equipment

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

A11. Capital commitments

Capital commitment for property, plant and equipment not provided for as at 30 June 2012 are as follows:-

| | RM'000 |
|-----------------------------|---------------|
| Approved and contracted for | <u>12,901</u> |

A12. Property, plant and equipment

The Group acquired property, plant and equipment amounting to RM5.78 million during the current financial period.

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 9 August 2012, 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 changes in composition of the Group to the end of the current financial quarter that have not been reflected in this quarterly report as at the date of this report.

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. Cash and cash equivalents

| | At end of current quarter 30-Jun-12 RM'000 | At end of preceding year 31-Dec-11 RM'000 |
|---------------------------|---|--|
| Cash on hand and at banks | <u>8,855</u> | <u>11,176</u> |

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

A17. Profit before tax

Included in the profit before tax are the following items:

| | <u>Current quarter</u> <u>3 months ended</u> | | <u>Cumulative quarter</u> <u>6 months ended</u> | |
|--|---|---|--|---|
| | <u>30-Jun</u> <u>2012</u> <u>RM'000</u> | <u>30-Jun</u> <u>2011</u> <u>RM'000</u> | <u>30-Jun</u> <u>2012</u> <u>RM'000</u> | <u>30-Jun</u> <u>2011</u> <u>RM'000</u> |
| (a) Interest income | 27 | 65 | 78 | 150 |
| (b) Other income including investment income | (82) | 221 | (35) | 287 |
| (c) Interest expense | 382 | 205 | 614 | 390 |
| (d) Depreciation and amortisation | 1,156 | 920 | 2,157 | 1,817 |
| (e) Provision for and write off of receivables | - | - | - | - |
| (f) Provision for and write off of inventories | - | - | - | - |
| (g) (Gain)/loss on disposal of quoted and unquoted investments or properties | - | - | - | - |
| (h) Impairment of assets | - | - | - | - |
| (i) Foreign exchange gain/(loss) | (121) | (26) | (99) | (4) |
| (j) (Gain)/loss on derivatives | - | - | - | - |
| (k) Exceptional items | - | - | - | - |

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A18. Significant related party transactions

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

| Nature of transactions | Transactions during the current financial quarter RM'000 | Transactions Year-to-date RM'000 | Balance outstanding as at 30-June-2012 RM'000 |
|---|---|-------------------------------------|--|
| Purchase of refrigerants, cylinders, valves, liquid oxygen, liquid nitrogen, liquid argon, liquid carbon dioxide, specialty gases and overdue interest from companies in which the Company's director, Peh Lam Hoh has substantial financial interest | 5,103 | 8,276 | 6,017 |
| Sales of industrial gases and equipment to companies in which the Company's director, Peh Lam Hoh has substantial financial interest | 71 | 81 | 101 |

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

Current year Quarter ended 30 June 2012 vs. Preceding year corresponding Quarter ended 30 June 2011

The revenue of the Group for the current quarter was RM16.19M. The revenue increased by RM2.33M or 16.84% as compared to preceding year's corresponding quarter. The increase was mainly due to increase in revenue from manufacturing of industrial gases, refilling and distribution of industrial gases and cylinder and delivery services by RM1.34M or 19.43%, RM0.87M or 16.05% and RM0.15M or 13.39% respectively. The increase in revenue from manufacturing of industrial gases came from Liquid Oxygen, Liquid Nitrogen and Acetylene gas which increased by RM0.38M, RM0.91M and RM0.16M respectively. The increase in revenue from refilling and distribution of industrial gases mainly due to increase in Argon, Carbon Dioxide and Special gases by RM0.39M, RM0.18M and RM0.54M respectively.

The Gross profit of the Group for the current quarter was RM4.50M. The Gross profit increased by RM0.44M or 10.71% as compared to that of the preceding year's corresponding quarter. The increase in the Gross profit is mainly due to increase in gross profit from Oxygen, Nitrogen, and Argon by RM0.43M, RM0.37M and RM0.21M respectively.

The Gross profit margin decreased from 29.32% to 27.78%, which is principally attributable to the increase in unit cost of calcium carbide by RM0.16M or 0.97% of revenue and depreciation expenses by RM0.19M or 1.17% of revenue.

The Group's Profit After Tax was RM0.69M for the current quarter which is RM0.42M lower as compared to that of preceding year. The decrease in Profit After Tax is mainly due to increase in selling and administration expenses by RM0.38M or 12.62% from depreciation, diesel and finance charges by RM0.05M, RM0.06M and RM0.18M respectively. The decrease in other income by RM0.34M or 119.23% was mainly due to gain of RM0.22M from disposal of a piece of land in Melaka in the preceding year's corresponding quarter.

Current year to date 30 June 2012 vs. Preceding year to date 30 June 2011

The revenue of the Group for the 6 months ended 30 June 2012 was RM30.96M. The revenue increased by RM4.88M or 18.69% as compared to the same period in year 2011. The increase in revenue was mainly due to increase in Manufacturing of industrial gases, refilling and distribution of industrial gases, cylinder and delivery services and other products and services by RM2.76M or 20.95%, RM1.85M or 18.60%, RM0.12M or 5.28% and RM0.15M or 19.57% respectively. The increase in manufacturing of industrial gases mainly came from Liquid Oxygen, Liquid Nitrogen, Acetylene and Fuming Gas by RM0.58M or 104.85%, RM1.65M or 270.16%, RM0.86M or 16.07% and RM0.12M or 15.13%. The increase in refilling and distribution of industrial gases mainly due to increase in Argon, Carbon Dioxide and Special gases by RM0.43M or 16.40%, RM0.45M or 18.74% and RM0.81M or 48.94% respectively.

The Gross Profit of the Group for the year ended 30 June 2012 was RM8.65M. The Gross Profit increased by RM0.79M or 10.09% as compared to the same period in year 2011. The increase in Gross Profit is mainly due to increase in Gross Profit of manufacturing of industrial gases and refilling and distribution of industrial gases by RM0.22M or 5.40% and RM0.43M or 27.11% respectively. The increase in Gross Profit was mainly due to increase in Gross profit from Oxygen and Nitrogen by RM0.78M and RM0.53M respectively.

The gross profit margin decreased from 30.13% to 27.94%, is mainly due to increase in unit cost of calcium carbide by RM0.37M, depreciation expenses by RM0.28M and payroll cost by RM0.25M.

The Group's Profit After Tax was RM1.85M for the 6 months to date and is RM0.03M or 1.37% higher as compared to the corresponding period in year 2011. The increase is mainly due to the reversal of deferred tax liabilities by RM0.22M. However, the Profit Before Tax has decreased by RM0.37M mainly due to increase in finance costs by RM0.22M and decrease in other income by RM0.39M or 90.16% as explained above.

NOTES TO THE REPORT

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

The revenue of the Group for the current quarter has increased by RM1.42M or 9.58% as compared to that of the preceding quarter. The increase is mainly due to increase in revenue from manufacturing of industrial gases, refilling and distribution of industrial gases by RM0.53M or 6.86% and RM0.81M or 14.64% respectively.

The Gross profit increased by RM0.34M or 8.28% to RM4.50M. However, the Gross profit margin has decreased from 28.12% to 27.78% as compared to that of the preceding year's quarter. The increase in Gross profit mainly came from Oxygen and Nitrogen by RM0.11M and RM0.24M respectively. The Gross Profit Margin decreased mainly due to increase in depreciation expenses by RM0.13M or 0.80% of revenue.

The Group's Profit After Tax was RM0.69M for the current quarter which is RM0.47M lower as compared to the previous quarter. The decrease in Profit After Tax is mainly due to decrease in other income by RM0.15M from the provision of unrealised foreign exchange loss of RM0.11M arising from Singapore dollar liabilities. Increase in selling and administration expenses by RM0.46M or 15.71% mainly due to increase in salary and allowance by RM0.11M, depreciation expenses by RM0.03M, allowance and commission by RM0.02M, sales commission by RM0.02M, tank rental by RM0.05M, directors' remuneration by RM0.05M, security services by RM0.02M, entertainment expenses by RM0.02M, insurance by RM0.03M and upkeep of motor vehicles by RM0.02M and increase in finance cost by RM0.15M.

B3. Current Year Prospects

With the commencement of the operations and better utilisation of our new Hydrogen plant in Nilai and Bintulu's operations and the expansion of our Ipoh Branch, the Directors are of the opinion that the current year's sales shall be improved.

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 6 months ended 30-Jun-12 RM'000 | Current financial year to date 30-Jun-12 RM'000 |
|----------------------------------|--|--|
| In respect of the current period | | |
| - Income tax | 42 | 83 |
| - Deferred tax | (90) | (218) |
| | <u>(48)</u> | <u>(135)</u> |

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NOTES TO THE REPORT

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

B6. Status of Corporate Proposals

The Public Issue of 49.2 million and Offer For Sales of 3 million ordinary shares of RM0.50 each in the Company at an issue price of RM0.58 had all been fully subscribed and the entire share capital of the Company of 150 million ordinary shares were listed on the Main Board of Bursa Malaysia Securities Berhad on 9 August 2010. The Company raised RM28.54 million from the public issue and the utilization of proceeds as at 9 August 2012 (the latest practicable date not earlier than seven (7) days from the date of issue of this report) is as follows:

| No. | Description | Estimated timeframe for utilisations upon Listing | Proposed Utilisations (RM'000) | Amendment 1 (RM'000) | Amendment 2 (RM'000) | Actual Utilisations (RM'000) | Reclassification (RM'000) | Balances to be utilised | |
|----------|---|---|--------------------------------|----------------------|----------------------|------------------------------|---------------------------|-------------------------|-----|
| | | | | | | | | (RM'000) | % |
| 1 | Purchase of land and building its facilities | 30 months | | | | | | | |
| 1.1 | Sarawak - Samalaju Industrial Park | | 9,736 | (2,500) | (2,690) | (410) | | 4,136 | 42% |
| 1.2 | Sarawak - Kemena Industrial Park, Bintulu | | - | 2,500 | | (2,500) | | - | 0% |
| 1.3 | Kuantan* | | 2,500 | | 1,250 | (2,005) | | 1,745 | 47% |
| 1.4 | Melaka* | | 2,500 | | 1,440 | (2,147) | 667 | 2,460 | 62% |
| | | | 14,736 | - | - | (7,062) | 667 | 8,341 | 57% |
| 2 | Purchase of property, plant & equipment | 12 months | | | | | | | |
| 2.1 | Cylinders | | 5,400 | | | (5,400) | | - | 0% |
| 2.2 | Hydrogen long tube | | 1,000 | | | (1,000) | | - | 0% |
| | | | 6,400 | - | - | (6,400) | - | - | 0% |
| 3 | Repayment of term loan | 12 months | 4,200 | | | (4,200) | | - | 0% |
| 4 | Listing expenses* | Immediately | 3,200 | | | (2,533) | (667) | - | 0% |
| | Total | | 28,536 | - | - | (20,195) | - | 8,341 | 29% |

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

* The excess of provision 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.

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NOTES TO THE REPORT

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

B7. Group Borrowing and Debts Securities

The Group's borrowings and debts securities as at 30 June 2012 are as follows:

| | RM'000 |
|---|----------------------|
| Long term borrowings | |
| <u>Secured:</u> | |
| Obligation under finance lease | 1,322 |
| Term loans | 10,406 |
| | <u>11,728</u> |
| Short term borrowings | |
| <u>Secured</u> | |
| Obligation under finance lease | 1,146 |
| Bankers acceptance and revolving credit | 11,800 |
| Term loans | 3,608 |
| Leasing creditors | 29 |
| | <u>16,583</u> |
| Total | <u><u>28,311</u></u> |

B8. Breakdown of realised and unrealised profits or losses of the Group

| | At end of current quarter 30-Jun-12 RM'000 | At end of preceding quarter 31-Dec-11 RM'000 |
|---|--|--|
| Realised Profits | 13,643 | 12,728 |
| Unrealised losses | (8,982) | (9,012) |
| Total retained profits | <u>4,661</u> | <u>3,716</u> |
| Less: Consolidations adjustments | - | - |
| Retained profits as per statement of financial position | <u><u>4,661</u></u> | <u><u>3,716</u></u> |

B9. Material Litigation

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

B10. Dividends

No interim dividend has been declared during the current quarter.

B11. Earnings Per Share

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