



SIG GASES BERHAD

(Company No.: 875083 - W)

(Incorporated in Malaysia)

**Financial Report
For The Nine-Month Period Ended
30 September 2014**

Unaudited Condensed Consolidated Statement of Comprehensive Income for the nine-month period ended 30 September 2014

	<u>Current quarter</u> <u>3 months ended</u>		<u>Cumulative quarter</u> <u>9 months ended</u>	
	<u>30 Sep</u> <u>2014</u> <u>RM'000</u>	<u>30 Sep</u> <u>2013</u> <u>RM'000</u>	<u>30 Sep</u> <u>2014</u> <u>RM'000</u>	<u>30 Sep</u> <u>2013</u> <u>RM'000</u>
Revenue	16,455	15,956	49,272	47,078
Cost of sales	(11,103)	(10,988)	(33,394)	(33,283)
Gross profit	<u>5,352</u>	<u>4,968</u>	<u>15,878</u>	<u>13,795</u>
Other income	472	210	997	1,002
Selling and administrative expenses	(4,061)	(4,139)	(12,054)	(11,469)
Finance costs	(616)	(597)	(1,781)	(1,704)
Share of profit of an associate	147	135	540	111
Profit before tax	<u>1,294</u>	<u>577</u>	<u>3,580</u>	<u>1,735</u>
Income tax reversal	1,611	69	4,241	335
Profit after tax and total comprehensive income for the period/year	<u><u>2,905</u></u>	<u><u>646</u></u>	<u><u>7,821</u></u>	<u><u>2,070</u></u>
Total comprehensive income attributable to :				
Equity holders of the company	2,905	646	7,821	2,070
Non-controlling interests	-	-	-	-
	<u><u>2,905</u></u>	<u><u>646</u></u>	<u><u>7,821</u></u>	<u><u>2,070</u></u>
Earning per share (Sen)				
- Basic	1.94	0.43	5.21	1.38
- Diluted	1.94	0.43	5.21	1.38

The Condensed Consolidated Statement of Comprehensive Income 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)

Unaudited Condensed Consolidated Statements of Financial Position as at 30 September 2014

	Unaudited As at 30 Sep 2014 RM'000	Audited As at 31 Dec 2013 RM'000
Assets		
Non-current assets		
Property, plant and equipment	108,429	109,636
Intangible assets	252	302
Investment in an associate	7,244	4,624
	<u>115,925</u>	<u>114,562</u>
Current assets		
Inventory property	2,394	2,353
Inventories	3,887	4,086
Trade and other receivables	21,387	20,789
Cash and bank balances	6,066	7,711
	<u>33,734</u>	<u>34,939</u>
Non current assets held for sale	6,374	6,374
	<u>40,108</u>	<u>41,313</u>
TOTAL ASSETS	<u><u>156,033</u></u>	<u><u>155,875</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	75,000	75,000
Reserves	23,993	17,072
Total equity	<u>98,993</u>	<u>92,072</u>
Non-current liabilities		
Deferred tax liabilities	2,707	6,949
Loans and borrowings	12,576	12,829
	<u>15,283</u>	<u>19,778</u>
Current liabilities		
Trade and other payables	15,109	19,894
Loans and borrowings	26,648	24,131
	<u>41,757</u>	<u>44,025</u>
Total liabilities	<u>57,040</u>	<u>63,803</u>
TOTAL EQUITY AND LIABILITIES	<u><u>156,033</u></u>	<u><u>155,875</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.66	0.61

The Condensed Consolidated Statement of Financial Position 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)

Unaudited Condensed Consolidated Statements of Changes in Equity for the nine-month period ended 30 September 2014

	Non-distributable Share Capital RM'000	Share Premium RM'000	Distributable Retained Earnings RM'000	Total RM'000
As at 1 January 2014	75,000	1,549	15,523	92,072
Total comprehensive income for the period	-	-	7,821	7,821
Dividend			(900)	(900)
for the nine-month period ended 30 Septem	<u>75,000</u>	<u>1,549</u>	<u>22,444</u>	<u>98,993</u>
As at 1 January 2013	75,000	1,549	14,070	90,619
Total comprehensive income for the period	-	-	2,070	2,070
Dividend			(1,200)	(1,200)
As at 30 Sep 2013	<u>75,000</u>	<u>1,549</u>	<u>14,940</u>	<u>91,489</u>

The Condensed Consolidated Statement of Changes in Equity 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)

Unaudited Condensed Consolidated Statements of Cash Flows for the nine-month period ended 30 September 2014

	Period ended	
	30 Sep 2014	30 Sep 2013
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	3,580	1,735
Adjustments for:		
Depreciation	4,107	4,074
Gain on disposal of property, plant and equipment	(242)	(474)
Interest expenses	1,656	1,614
Interest income	(6)	(18)
Reversal of impairment loss on trade receivables	(181)	(17)
Impairment loss on trade receivables	147	-
Share of profit of an associate	(540)	(111)
Unrealised foreign exchange (gain)/loss	(140)	212
Write off of property, plant and equipment	45	31
Operation profit before working capital changes	<u>8,426</u>	<u>7,046</u>
Increase in inventories	199	265
(Increase) in receivables	(518)	(1,061)
(Decrease)/increase in payable	<u>(4,645)</u>	<u>(1,166)</u>
Cash generated from operating activities	<u>3,462</u>	<u>5,084</u>
Interest paid	(1,656)	(1,614)
Tax paid	(98)	(57)
Tax refund	10	
Net cash generated from operating activities	<u>1,718</u>	<u>3,413</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,956)	(6,833)
Proceed from disposal of property, plant and equipment	303	627
Interest received	6	18
Investment in an associate company	<u>(2,080)</u>	<u>-</u>
Net cash used in investing activities	<u>(4,727)</u>	<u>(6,188)</u>
Cash flows from financing activity		
(Repayment)/Drawdown of borrowings	2,264	2,703
Dividend	<u>(900)</u>	<u>(1,200)</u>
Net cash generated from financing activity	<u>1,364</u>	<u>1,503</u>
Net decrease in cash and cash equivalents	<u>(1,645)</u>	<u>(1,272)</u>
Cash and cash equivalents at beginning of financial period	<u>7,711</u>	<u>6,472</u>
Cash and cash equivalents at end of financial period	<u>6,066</u>	<u>5,200</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	<u>6,066</u>	<u>5,200</u>

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

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 13 November 2014.

A2. Basis of Preparation

These condensed consolidated interim financial statements, for the year ended 31 December 2013, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2013. The explanatory notes attached to these condensed consolidated interim 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 2013.

A2.1 Significant accounting policies

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the year ended 31 December 2013 except for the adoption of the following which are applicable to its financial statements and are relevant to its operations:

- (i) Adoption of standards and interpretations:

<u>Description</u>		<u>Effective for annual periods beginning on or after</u>
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities	1 January 2014
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21	Levies	1 January 2014

The adoption of the above standards and interpretations do not have significant financial impact to the Group's consolidated financial statements of the current quarter.

NOTES TO THE REPORT**PART A -
EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARDS
("MFRS") 134, INTERIM FINANCIAL REPORTING****A2.1 Significant accounting policies (cont'd)**

(ii) Standards and interpretations issued but not yet effective

At the date of authorization of these interim financial statements, the followings standards and interpretations were issued but not yet effective and have not been applied by the Group:

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to MFRS 119 <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
Annual Improvements to MFRSs 2010-2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011-2013 Cycle	1 July 2014
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced
MFRS 9 Financial Instruments: <u><i>Hedge Accounting and amendments to MFRS9, MFRS 7 and MFRS 139</i></u>	To be announced

The adoption of these standards above is expected to have no material impact on the financial statements in the year of initial adoption.

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 2013.

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 ended 31 December 2013.

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

At the Annual General Meeting held on 23 May 2014 , a final tax exempt (single-tier) dividend of 1.20% in respect of the financial year ended 31 December 2013 on 150,000,000 ordinary shares of RM0.50 each, amounting to a dividend payable of RM900,000 (0.60 sen per ordinary share) was approved by the shareholders and paid on 18 June 2014.

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

Nine months ended 30 Sep 2014

	Manufacturing	Refilling and Distribution	Other Products and Services	Total
	RM'000	RM'000	RM'000	RM'000
REVENUE	24,097	24,363	812	49,272
RESULTS				
Profit for reportable segment	6,907	8,848	123	15,878
Other income				997
Selling and administrative expenses				(12,054)
Finance costs				(1,781)
Share of profit of an associate				540
Profit before tax				3,580
Income tax reversal				4,241
Total comprehensive income				7,821

Nine months ended 30 Sep 2013

	Manufacturing	Refilling and Distribution	Other Products and Services	Total
	RM'000	RM'000	RM'000	RM'000
REVENUE	22,546	23,413	1,119	47,078
RESULTS				
Profit for reportable segment	5,148	8,455	192	13,795
Other income				1,002
Selling and administrative expenses				(11,469)
Finance costs				(1,704)
Share of loss of an associate				111
Profit before tax				1,735
Income tax reversal				335
Total comprehensive income				2,070

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 year.

A11. Capital commitments

Capital commitment for property, plant and equipment not provided for as at 30 September 2014 are as follows:-

	RM'000
Approved and contracted for	<u>4,908</u>

A12. Property, plant and equipment

The Group acquired property, plant and equipment amounting to RM2.96 million during the current quarter .

A13. Material events subsequent to the end of period reported

Save as disclosed in Note B6, there were no material events subsequent to the end of period reported to be disclosed as at the date of this 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.

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

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

	As at 30 Sep 2014 RM'000	As at 31 Dec 2013 RM'000
Cash in hand and at banks	6,066	7,711

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>9 months ended</u>	
	30 Sep 2014 RM'000	30 Sep 2013 RM'000	30 Sep 2014 RM'000	30 Sep 2013 RM'000
(a) Interest income	4	1	6	18
(b) Other income/(charges) including investment income	500	209	851	937
(c) Interest expense	570	566	1,656	1,614
(d) Depreciation and amortisation	1,380	1,379	4,107	4,074
(e) Provision for and write off of receivables	131	-	147	-
(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)				
- Realised	113	(45)	56	(28)
- Unrealised	(32)	(235)	140	(212)
(j) (Gain)/loss on derivatives	-	-	-	-
(k) Exceptional items	-	-	-	-



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(Company No:875083-W)

A18. Significant related party transactions

The Group had the following transactions during the current financial period 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 Period-to-date RM'000	Balance outstanding as at 30 September 2014 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	2,408	7,052	6,080
Sales of industrial gases and equipment to companies in which the Company's director, Peh Lam Hoh has substantial financial interest	102	149	102

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 Quarter 3 month ended 30 September 2014 vs. Preceding year corresponding Quarter 3 month ended 30 September 2013**

The revenue of the Group for the current quarter was RM16.46M. This represents an increase of 3.13% as compared to preceding year's corresponding quarter. The increase was largely due to higher sales to fabrication and engineering sectors.

The gross profit of the Group for the current quarter was RM5.35M, an increase of RM0.38M or 7.73% over the corresponding quarter. The improvement was mainly due to cost saving arising from merger of distribution centres at Puchong and Nilai as well as productivity improvement.

The Group's profit before tax was RM1.29M for the current quarter, as compare with RM0.58M recorded in the corresponding quarter. while the sales margin contributed to RM0.40million of the improvement, other income increased by RM0.26 million mainly due to decrease in unrealised exchange loss.

The current quarter's Group's profit after tax was RM2.91M, RM2.26M higher than the corresponding quarter after a reversal of deferred tax liability of RM1.61 million arising from reinvestment allowance on capital expenditures.

Current year to date 30 September 2014 vs. Preceding year to date 30 September 2013

The revenue of the Group for the period ended 30 September 2014 was RM49.27M. The revenue increased by RM2.20M or 4.70% as compared to the same period in year 2013. The increase in revenue was due to increase in sales to fabrication and engineering sectors .

The Gross Profit of the Group for the period ended 30 September 2014 was RM15.88M, an increase of RM2.08M or 15.10% as compared to the same period in year 2013.

The gross profit margin has increased from 29.30% to 32.23%, which was mainly due to cost savings arising from merger of distribution centres at Puchong and Nilai as well as productivity improvement.

The Group's Profit After Tax was RM7.82M for the current year to date which is RM5.75M higher as compared to the corresponding period in year 2013. The Profit Before Tax has increased by RM1.85M largely due to higher gross profit together with increase in share of profit from associate company from RM0.11M to RM0.54M as compared to the corresponding period in year 2013 and a reversal of deferred tax liability of RM4.24M.

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

The revenue of the Group for the current quarter decreased by RM0.52M or 3.09% as compared to that of the preceding quarter. The decrease in revenue mainly came from lower sales to shipbuilding industry and dealers.

The gross profit decreased by RM0.30M or 5.36% to RM5.35M. The gross profit margin decreased from 33.31% to 32.53% as compared to that of the preceding quarter. The gross profit margin decreased mainly due to lower sales.

The Group's profit before tax decreased from RM1.45M in preceding quarter to RM1.29M in the current quarter. The decrease in profit before tax is mainly due to lower gross profit of RM0.30M , and increase in finance cost by RM0.05M.

The Group's profit after tax decreased from RM3.18M in the preceding quarter to RM2.91M in the current quarter mainly due to the impact of the abovementioned factors.

NOTES TO THE REPORT**B3. Current Year Prospects**

The global economic environment and financial markets are expected to be challenging in the current year arising from termination of the quantitative easing 3.0 by the United States of America and the political uncertainty caused by Ukraine political crisis and economic growth in the European Union common market.

In the domestic front, despite recording a satisfactory economic growth of slightly more than 5%, due to widening public debts, the Malaysian government has announced various austerity and revenue boosting measures, including cutting back of subsidies, introduction of Goods and Services Tax, significant reduction in contribution from crude oil revenue on falling crude oil prices and putting on hold of some large infrastructural projects.

Bank Negara Malaysia ("BNM") has also recently announced to maintain the Overnight Policy Rate at 3.25% and the current stance of monetary policy remains supportive of growth. (Source: BNM Monetary Policy Press Statement dated 18 September 2014)

In view of the above challenging economic environment, we have implemented some productivity improvement programmes and closely monitoring our production processes to reduce raw material wastage (namely power, fuel and liquid gases). We have also adopted some cost saving measures by increasing our supplier base for equipment and supplies at more competitive prices and realign our distribution centres such as the centralization of our Puchong operations to Nilai production plant in order to cut operating cost. This is to improve our production efficiencies in order to remain competitive in the market place. In addition, the completion of various expansion programmes to establish refilling stations in various strategic locations in Peninsular Malaysia in the past years, are gradually contributing to our revenue and achieving lower cost through economy of scale.

In conclusion, despite the uncertainty posed by the macroeconomic environment set out above, we believe that with our various cost-savings exercises, re-alignment of assets duly in place, and gradual increase in revenue from our expansion program, we are cautiously optimistic about our performance ahead.

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 30 Sep 14 RM'000	Current financial period to date 30 Sep 14 RM'000
In respect of the current period		
- Income tax	(13)	1
- Deferred tax	(1,598)	(4,242)
	<u>(1,611)</u>	<u>(4,241)</u>

NOTES TO THE REPORT

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

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 06 November 2014 (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	Amendment 1	Amendment 2	Actual Utilisations	Reclassification	Balances to be utilised	
			(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
1	Purchase of land and building its facilities	60 months							
1.1	Sarawak - Samalaju Industrial Park		9,736	(2,500)	(2,690)	(1,590)	30	2,986	66%
1.2	Sarawak - Kemena Industrial Park, Bintulu		-	2,500		(2,500)		-	0%
1.3	Kuantan		2,500		1,250	(4,200)	587	137	4%
1.4	Melaka		2,500		1,440	(3,990)		50	0%
			14,736	-	-	(12,280)	667	3,123	21%
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	-	-	(25,413)	-	3,123	11%

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 and its facilities as indicated in Section 2.8 (iv) of the Prospectus.

1. Proposed Two-Call Rights Issue

On 5 September 2014, the Company announced that it proposes to undertake a renounceable two-call rights issue of 37,500,000 new ordinary shares of RM0.50 each ("Shares") ("Rights Shares") on the basis of one (1) Rights Share for every four (4) existing Shares held on an entitlement date to be determined later, at an issue price of RM0.50 per Rights Share, of which the first call of RM0.36 per Rights Share is payable in cash and the second call of RM0.14 per Rights Share ("Second Call") is to be capitalised from the share premium reserve of SIG. On 20 October 2014, the Company announced that the Board of directors resolved that the Second Call be capitalised instead from the retained earnings reserve of SIG ("Proposed Two-Call Rights Issue").

On 21 October 2014, the Company announced that Bursa Malaysia Securities Berhad ("Bursa Securities") had vide its letter dated 20 October 2014, which was received on 21 October 2014, approved the listing of and quotation for the 37,500,000 Rights Shares on the Main Market of Bursa Securities, subject to the certain conditions as disclosed in the said announcement and in its circular to shareholders dated 28 October 2014.

On 13 November 2014, the shareholders of the Company approved the Proposed Two-Call Rights Issue.

The Proposed Two-Call Rights Issue is not conditional upon any other corporate exercise/scheme being or proposed to be undertaken by the Company and is expected to be completed in December 2014.

2. Proposed acquisition

On 22 September 2014, the Company entered into a Memorandum of Understanding relating to the proposed acquisition of the entire issued and paid-up share capital of Piasau Gas Sdn Bhd ("PGSB") with the vendors of PGSB ("Proposed Acquisition"). PGSB is involved in the manufacturing, distribution and marketing of industrial gases as well as provision of services and maintenance and trading in welding equipment and machinery.

The Company is currently conducting due diligence review on PGSB and, if the Proposed Acquisition is materialized, an announcement will be made upon the signing of an agreement to effect the Proposed Acquisition and a circular will be despatched to our shareholders to seek their approval for the Proposed Acquisition in due course.

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 September 2014 are as follows:

	RM'000
Long term borrowings	
<u>Secured:</u>	
Obligation under finance lease	474
Term loans	12,102
	<u>12,576</u>
Short term borrowings	
<u>Secured</u>	
Obligation under finance lease	1,158
Bankers acceptance and revolving credit	18,791
Term loans	6,694
Leasing creditors	5
	<u>26,648</u>
 Total	 <u>39,224</u>

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

	At end of current quarter 30-Sep-14 RM'000	At end of preceding quarter 31-Dec-13 RM'000
Realised profits	21,169	14,335
Unrealised gain/(losses)	735	(3,507)
Total retained profits	<u>21,904</u>	<u>10,828</u>
Associated company		
- Realised	540	170
	<u>22,444</u>	<u>10,998</u>
Less: Consolidations adjustments	-	-
Retained profits as per statement of financial position	<u>22,444</u>	<u>10,998</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.