



SIG GASES BERHAD

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

**Financial Report
For The Nine-Month Period Ended
30 September 2015**

**Unaudited Condensed Consolidated Statement of Comprehensive Income
for the nine-month period ended 30 September 2015**

	Current quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30 Sep	30 Sep	30 Sep	30 Sep
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Revenue	18,885	16,455	55,793	49,272
Cost of sales	(12,907)	(11,103)	(37,575)	(33,394)
Gross profit	<u>5,978</u>	<u>5,352</u>	<u>18,218</u>	<u>15,878</u>
Other income	4,730	472	5,666	997
Selling and administrative expenses	(5,262)	(4,061)	(14,344)	(12,054)
Finance costs	(472)	(616)	(1,480)	(1,781)
Share of profit of an associate	383	147	937	540
Profit before tax	<u>5,357</u>	<u>1,294</u>	<u>8,997</u>	<u>3,580</u>
Income tax (expenses)/reversal	(172)	1,611	(1,339)	4,241
Profit after tax and total comprehensive income for the period	<u><u>5,185</u></u>	<u><u>2,905</u></u>	<u><u>7,658</u></u>	<u><u>7,821</u></u>
Total comprehensive income attributable to :				
Equity holders of the company	5,185	2,905	7,658	7,821
Non-controlling interests	-	-	-	-
	<u><u>5,185</u></u>	<u><u>2,905</u></u>	<u><u>7,658</u></u>	<u><u>7,821</u></u>
Earning per share (Sen)				
- Basic	2.77	1.94	4.08	5.21
- Diluted	2.77	1.94	4.08	5.21

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 2015

	Unaudited As at 30 Sep 2015 RM'000	Audited As at 31 Dec 2014 RM'000
Assets		
Non-current assets		
Property, plant and equipment	110,452	106,021
Intangible assets	304	361
Investment in an associate	8,153	7,216
Deferred tax assets	-	1,000
	<u>118,909</u>	<u>114,598</u>
Current assets		
Inventory property	5,045	3,476
Inventories	4,418	3,622
Trade and other receivables	24,892	20,130
Cash and bank balances	6,792	20,323
	<u>41,147</u>	<u>47,551</u>
Non current assets held for sale		6,374
	<u>41,147</u>	<u>53,925</u>
TOTAL ASSETS	<u><u>160,056</u></u>	<u><u>168,523</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	93,750	93,750
Reserves	26,654	20,316
Total equity	<u>120,404</u>	<u>114,066</u>
Non-current liabilities		
Deferred tax liabilities	345	-
Loans and borrowings	2,874	10,768
	<u>3,219</u>	<u>10,768</u>
Current liabilities		
Trade and other payables	15,900	18,401
Loans and borrowings	20,533	25,288
	<u>36,433</u>	<u>43,689</u>
Total liabilities	<u>39,652</u>	<u>54,457</u>
TOTAL EQUITY AND LIABILITIES	<u><u>160,056</u></u>	<u><u>168,523</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.64	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 2015

	Non-distributable Share Capital RM'000	Share Premium RM'000	Distributable Retained Earnings RM'000	Total RM'000
As at 1 January 2015	93,750	1,020	19,296	114,066
Total comprehensive income for the period	-	-	7,658	7,658
Dividend	-	-	(1,313)	(1,313)
Issued of ordinary shares				-
Expenses for issue of ordinary shares		(7)		(7)
As at 30 September 2015	<u>93,750</u>	<u>1,013</u>	<u>25,641</u>	<u>120,404</u>
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)
As at 30 September 2014	<u>75,000</u>	<u>1,549</u>	<u>22,444</u>	<u>98,993</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.

**Unaudited Condensed Consolidated Statements of Cash Flows
for the nine-month period ended 30 September 2015**

	Current quarter 9 months ended	
	30 Sep 2015 RM'000	30 Sep 2014 RM'000
Cash flows from operating activities		
Profit before tax	8,997	3,580
Adjustments for:		
Depreciation	4,281	4,107
Gain on disposal of property, plant and equipment	(4,669)	(242)
Interest expenses	1,362	1,656
Interest income	(90)	(6)
Reversal of impairment loss on trade receivables	(205)	(181)
Impairment loss on trade receivables	488	147
Share of profit of an associate	(937)	(540)
Unrealised foreign exchange (gain)/loss	230	(140)
Write off of property, plant and equipment	170	45
Operation profit before working capital changes	<u>9,627</u>	<u>8,426</u>
(Increase)/decrease in inventories	(796)	199
Increase in receivables	(5,241)	(518)
Decrease in payable	(2,453)	(4,645)
Cash generated from operating activities	<u>1,137</u>	<u>3,462</u>
Interest paid	(1,362)	(1,656)
Tax paid	(82)	(98)
Tax refunded	6	10
Net cash generated from operating activities	<u>(301)</u>	<u>1,718</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,768)	(2,956)
Proceed from disposal of property, plant and equipment	11,418	303
Interest received	90	6
Investment in an associate company	-	(2,080)
Net cash used in investing activities	<u>740</u>	<u>(4,727)</u>
Cash flows from financing activity		
Repayment of borrowings	(12,650)	2,264
Dividend	(1,313)	(900)
Expenses for issue of ordinary shares	(7)	-
Net cash generated from financing activity	<u>(13,970)</u>	<u>1,364</u>
Net decrease in cash and cash equivalents	(13,531)	(1,645)
Cash and cash equivalents at beginning of financial period	20,323	7,711
Cash and cash equivalents at end of financial period	<u>6,792</u>	<u>6,066</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	<u>6,792</u>	<u>6,066</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 12 November 2015.

A2. Basis of Preparation

These condensed consolidated interim financial statements, for the year ended 31 December 2014, 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 2014. 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 2014.

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 2014 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 for 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: Defined Benefit Plans: Employee Contributions	01-Jul-14
Annual Improvements to MFRSs 2010 – 2012 Cycle	01-Jul-14
Annual Improvements to MFRSs 2011 – 2013 Cycle	01-Jul-14
Annual Improvements to MFRSs 2012 – 2014 Cycle	01-Jan-16
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	01-Jan-16
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	01-Jan-16
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	01-Jan-16
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	01-Jan-16
Amendments to MFRS 127: Equity Method in Separate Financial Statements	01-Jan-16
Amendments to MFRS 101: Disclosure Initiatives	01-Jan-16
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	01-Jan-16
MFRS 14 Regulatory Deferral Accounts	01-Jan-16
MFRS 15 Revenue from Contracts with Customers	01-Jan-17
MFRS 9 Financial Instruments	01-Jan-18

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 2014.

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 2014.

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 for the financial period-to-date.

A8. Dividend paid

At the Annual General Meeting held on 8 May 2015, a final tax exempt (single-tier) dividend of 1.40% in respect of the financial year ended 31 December 2014 on 187,500,000 ordinary shares of RM0.50 each, amounting to a dividend payable of RM1,312,500 (0.70 sen per ordinary share) was approved by the shareholders and was paid on 18 June 2015.

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-month period ended 30 September 2015

	Manufacturing	Refilling and Distribution	Other Products and Services	Total
	RM'000	RM'000	RM'000	RM'000
REVENUE	25,682	29,411	700	55,793
RESULTS				
Profit for reportable segment	6,904	11,133	181	18,218
Other income				5,666
Selling and administrative expenses				(14,344)
Finance costs				(1,480)
Share of profit of an associate				937
Profit before tax				8,997
Income tax reversal				(1,339)
Total comprehensive income				<u>7,658</u>

Nine-month period ended 30 September 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 loss of an associate				540
Profit before tax				3,580
Income tax reversal				4,241
Total comprehensive income				<u>7,821</u>

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 2015 are as follows:-

	RM'000
Approved and contracted for	<u>2,842</u>

A12. Property, plant and equipment

The Group acquired property, plant and equipment amounting to RM4 million during the current quarter .

A13. Material events subsequent to the end of period reported

In the month of October 2015, Southern Industrial Gas Sdn Bhd, a wholly owned subsidiary of SIG Gases Berhad has received an earnest deposit amounting to RM30,000 each from the Buyers for purchase of 3 Semi-Detached Industrial Buildings, currently under construction in Bintulu for a total consideration of RM4,711,083. The sale and purchase agreements are in the process of being finalised by the parties.

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 2015 RM'000	As at 31 Dec 2014 RM'000
Cash in hand and at banks	6,792	20,323

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 2015 RM'000	30 Sep 2014 RM'000	30 Sep 2015 RM'000	30 Sep 2014 RM'000
(a) Interest income	16	4	90	6
(b) Other income/(charges) including investment income	258	355	1,120	706
(c) Interest expense	433	570	1,362	1,656
(d) Depreciation and amortisation	1,461	1,380	4,281	4,107
(e) Provision for and write off of receivables	163	131	488	147
(f) Provision for and write off of inventories	-	-	-	-
(g) (Gain)/loss on disposal of quoted and unquoted investments or properties	(4,456)	-	(4,456)	-
(h) Impairment of property, plant & equipment	-	-	-	-
(i) Foreign exchange gain/(loss)				
- Realised	(753)	113	(862)	56
- Unrealised	(155)	(32)	(230)	140
(j) (Gain)/loss on derivatives	-	-	-	-



SIG Gases Berhad
(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 2015 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	3,629	11,139	4,326
Sales of industrial gases and equipment to companies in which the Company's director, Peh Lam Hoh has substantial financial interest	213	526	269

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 months ended 30 September 2015 vs. Preceding year corresponding Quarter 3 months ended 30 September 2014**

The current quarter registered a revenue of RM18.89M, up by RM2.43M or 14.77% as compared to the corresponding quarter. The increase in sales was mainly due to increase in project sales and liquid nitrogen during the quarter.

The gross profit of the Group for the current quarter was RM5.98M, an increase of RM0.63M or 11.78% over the corresponding quarter. The increase was largely contributed by the project sales. However, the gross profit margin decreased from 32.50% to 31.60% mainly due to lower margin from acetylene gases, refrigerants products and cylinder sales which fetched lower selling prices.

The Group's profit before tax was RM5.36M for the current quarter, an increase of RM4.07M as compared with RM1.29M recorded in the corresponding quarter. This was largely due to profit realised on disposal of Puchong property amounting to RM4.46M. The share of profit from associated company increased from RM0.15M to RM0.38M on the commissioning of the second phase facilities. The selling and administrative expenses increased by RM 1.20M, or 29.57 %, largely due to increase in staff benefits, ISO tank rental, realised and unrealised exchange loss due to the weakening of MYR against USD and SGD. The finance cost was down by RM0.14M or 21.43%, due to repayment of short term facilities and term loan with proceeds from sale of Puchong property.

The current quarter's Group's profit after tax was RM5.19M, which was RM2.28M higher than the corresponding quarter.

Current year to date 30 September 2015 vs. Preceding year to date 30 September 2014

The revenue of the Group for the period ended 30 September 2015 was RM55.79M , up by RM6.52M or 13.23% as compared to the same period in year 2014. The increase in revenue was mainly due to higher sales to fabrication and engineering sectors as well as project jobs secured during the current quarter.

The Gross Profit of the Group for the period ended 30 September 2015 was RM18.22M, an increase of RM2.34M or 14.74% as compared to the same period in year 2014.

The gross profit margin improved from 32.23% to 32.65%, mainly due to improvement in production unit cost and the implementation of productivity improvement programmes and higher margin generated on project jobs.

Profit Before Tax increased by RM5.42M as compared with the corresponding period in year 2014 mainly due to profit from sale of Puchong property and increase in share of profit from associate company from RM540,000 to RM937,000. The Group's Profit After Tax was RM7.66M, down by RM0.16M or 2.05% , largely due to realisation of profit on sale of Puchong land which was partially offset by absence of tax benefit of the reinvestment allowance credited in the corresponding period.

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

The revenue of the Group for the current quarter was down by RM1.73M or 10.60% as compared to that of the preceding quarter. The lower revenue was mainly due to lower project sales, argon, special gases and refrigerant.

The Gross profit was down by RM0.98M or 18.51% to RM5.98M, mainly due to lower gross profit margin as the result of lower selling price experienced during the quarter and lower project sales.

The Group's profit before taxation was RM5.36M, which is RM2.98M higher as compared to the preceding quarter largely contributed by profit from sale of Puchong property, higher share of profit from an associate company and lower finance cost which was offset partially by lower sales and margin.

As the result of the abovementioned, the Group's profit after tax increased from RM1.60M to RM5.19M.

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

As reported by Department of Statistics Malaysia, the Malaysian Gross Domestic Product (GDP) advanced by 4.90% year-on-year in the second quarter of 2015, moderating from a 5.60% expansion in the previous period. However, lower oil price and the significant weakening of MYR against US dollar and other currencies over the past year will have an impact on the economy. The weakening of MYR may affect the cost of some of our imported materials and capital goods.

Malaysian overall industrial environment could be challenging for the rest of year 2015 and 2016 with the implementation of 6% GST, anticipated cutting back of capital expenditure in the oil and gas sector, the austerity measures by government, the inflationary consumer prices and the global economic uncertainty arising from the impending increase in the US interest rates and declining economic expansion in China.

Despite the challenging times ahead the management shall continue to deliver and implement cost-savings measures and to improve productivity in all the operation areas. The management is also exploring asset lightening measures and to widen revenue base to improve efficiencies of its capital resources and to enhance return to the shareholders.

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 completed expansion projects, we remain cautiously optimistic about our performance for the rest of 2015.

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 15 RM'000	Current financial period to date 30 Sep 15 RM'000
In respect of the current period		
- Income tax	-	(6)
- Deferred tax	172	1,345
	<u>172</u>	<u>1,339</u>

NOTES TO THE REPORT

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

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 05 November 2015 (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)	(3,628)	30	948	21%
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	-	-	(14,318)	667	1,085	7%
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	-	-	(27,451)	-	1,085	4%

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 had announced on its proposed enforceable 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 RM0.30 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 had 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 had approved the Proposed Two-Call Rights Issue.

The Proposed Two-Call Rights Issue has been completed on 30 December 2014.

No.	Description	Estimated timeframe for utilisations upon Listing	Proposed Utilisations	Actual Utilisations	Balances to be utilised	
			(RM'000)	(RM'000)	(RM'000)	%
1	PURCHASE OF EQUIPMENT	within 18 months				
1.1	1 HYDROGEN COMPRESSOR		370	(370)	-	0%
1.2	CYLINDERS & VALVES		3,680	(2,272)	1,408	38%
1.3	UPGRADE COMPUTER SYSTEM		150	(150)	-	0%
2	REPAYMENT OF BANK BORROWINGS	within 6 months	6,500	(6,500)	-	0%
3	WORKING CAPITAL	within 6 months	2,000	(2,000)	-	0%
4	EXPENSES IN RELATION TO THE PROPOSED TWO-CALL RIGHTS ISSUE	within 3 months	800	(713)	87	11%
Total			13,500	(12,005)	1,495	11%

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 2015 are as follows:

	RM'000
Long term borrowings	
<u>Secured:</u>	
Obligation under finance lease	-
Term loans	2,874
	<u>2,874</u>
Short term borrowings	
<u>Secured</u>	
Obligation under finance lease	474
Bankers acceptance and revolving credit	15,528
Term loans	4,529
Leasing creditors	2
	<u>20,533</u>
 Total	 <u><u>23,407</u></u>

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

	At end of current quarter 30-Sep-15 RM'000	At end of preceding quarter 31-Dec-14 RM'000
Realised profits	21,607	14,337
Unrealised gain/(losses)	3,097	4,442
	<u>24,704</u>	<u>18,779</u>
Associated company - Realised	937	517
	<u>25,641</u>	<u>19,296</u>
Less: Consolidations adjustments	-	-
Retained profits as per statement of financial position	<u><u>25,641</u></u>	<u><u>19,296</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 weighted average number of ordinary shares in issue and profit attributable to equity holders of the Group.