



# **SIG GASES BERHAD**

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

**Financial Report  
For The Year Ended  
31 December 2015**

**Unaudited Condensed Consolidated Statement of Comprehensive Income  
for the year ended 31 December 2015**

	<b>Current quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31 Dec</b>	<b>31 Dec</b>	<b>31 Dec</b>	<b>31 Dec</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>	19,911	16,092	75,704	65,364
Cost of sales	(13,600)	(11,108)	(51,175)	(44,502)
<b>Gross profit</b>	<u>6,311</u>	<u>4,984</u>	<u>24,529</u>	<u>20,862</u>
Other income	94	328	5,602	1,325
Selling and administrative expenses	(6,664)	(6,200)	(20,850)	(18,254)
Finance costs	(355)	(582)	(1,835)	(2,363)
Share of profit/(loss) of an associate	194	(23)	1,131	517
<b>Profit/(loss) before tax</b>	<u>(420)</u>	<u>(1,493)</u>	<u>8,577</u>	<u>2,087</u>
Income tax (expenses)/reversal	(842)	3,594	(2,181)	7,835
<b>Profit/(loss) after tax and total comprehensive income for the period</b>	<u><u>(1,262)</u></u>	<u><u>2,101</u></u>	<u><u>6,396</u></u>	<u><u>9,922</u></u>
<b>Total comprehensive (loss)/income attributable to :</b>				
Equity holders of the company	(1,262)	2,101	6,396	9,922
Non-controlling interests	-	-	-	-
	<u><u>(1,262)</u></u>	<u><u>2,101</u></u>	<u><u>6,396</u></u>	<u><u>9,922</u></u>
<b>Earning per share (Sen)</b>				
- Basic	(0.67)	1.40	3.41	6.61
- Diluted	(0.67)	1.40	3.41	6.61

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

# SIG

SIG Gases Berhad  
(Company No:875083-W)

## Unaudited Condensed Consolidated Statements of Financial Position as at 31 December 2015

	Unaudited As at 31 Dec 2015 RM'000	Audited As at 31 Dec 2014 RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	108,092	106,021
Intangible assets	285	361
Investment in an associate	8,347	7,216
Deferred tax assets	-	1,000
	<u>116,724</u>	<u>114,598</u>
<b>Current assets</b>		
Inventory property	5,227	3,476
Inventories	5,601	3,622
Trade and other receivables	25,145	20,130
Cash and bank balances	5,411	20,323
	<u>41,384</u>	<u>47,551</u>
Non current assets held for sale	-	6,374
	<u>41,384</u>	<u>53,925</u>
<b>TOTAL ASSETS</b>	<u>158,108</u>	<u>168,523</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	93,750	93,750
Reserves	25,399	20,316
Total equity	<u>119,149</u>	<u>114,066</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	632	-
Loans and borrowings	2,501	10,768
	<u>3,133</u>	<u>10,768</u>
<b>Current liabilities</b>		
Trade and other payables	16,066	18,401
Loans and borrowings	19,760	25,288
	<u>35,826</u>	<u>43,689</u>
Total liabilities	<u>38,959</u>	<u>54,457</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>158,108</u>	<u>168,523</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 year ended 31 December 2015

	Non-distributable Share Capital RM'000	Share Premium RM'000	Distributable Retained Earnings RM'000	Total RM'000
<b>As at 1 January 2015</b>	93,750	1,020	19,296	114,066
Total comprehensive income for the period	-	-	6,396	6,396
Dividend	-	-	(1,313)	(1,313)
<b>As at 31 December 2015</b>	<u>93,750</u>	<u>1,020</u>	<u>24,379</u>	<u>119,149</u>
<b>As at 1 January 2014</b>	75,000	1,549	15,524	92,073
Total comprehensive income for the period	-	-	9,922	9,922
Dividend	-	-	(900)	(900)
Issued of ordinary shares	13,500	-	-	13,500
Capitalisation from retained profits	5,250	-	(5,250)	-
Expenses for issued of ordinary shares	-	(529)	-	(529)
<b>As at 31 December 2014</b>	<u>93,750</u>	<u>1,020</u>	<u>19,296</u>	<u>114,066</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 year ended 31 December 2015**

	<b>Financial year ended</b>	
	<b>31 Dec 2015 RM'000</b>	<b>31 Dec 2014 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	8,577	2,087
Adjustments for:		
Depreciation	5,750	5,493
Gain on disposal of property, plant and equipment	(4,710)	(280)
Interest expenses	1,676	2,190
Interest income	(97)	(32)
Reversal of impairment loss on trade receivables	(211)	(380)
Impairment loss on trade receivables	650	571
Share of profit of an associate	(1,131)	(517)
Unrealised foreign exchange (gain)/loss	7	(11)
Write off of property, plant and equipment	175	257
Impairment of property, plant and equipment	2,257	1,551
Operation profit before working capital changes	<u>12,943</u>	<u>10,929</u>
(Increase)/decrease in inventories	(1,980)	463
(Increase)/decrease in inventory property	(1,751)	-
(Increase)/decrease in receivables	(5,817)	2,318
Decrease in payable	(2,362)	(3,327)
Cash generated from operating activities	<u>1,033</u>	<u>10,383</u>
Interest paid	(1,676)	(2,190)
Tax paid	(147)	(138)
Tax refunded	12	23
Net cash generated from operating activities	<u>(778)</u>	<u>8,078</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(10,564)	(4,959)
Proceed from disposal of property, plant and equipment	11,441	373
Interest received	97	32
Investment in an associate company	-	(2,080)
Net cash used in investing activities	<u>974</u>	<u>(6,634)</u>
<b>Cash flows from financing activity</b>		
(Repayment)/Drawdown of borrowings	(13,795)	(903)
Dividend	(1,313)	(900)
Proceeds from shares issued	-	13,500
Expenses for issue of ordinary shares	-	(529)
Net cash generated from financing activity	<u>(15,108)</u>	<u>11,168</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>(14,912)</u>	<u>12,612</u>
<b>Cash and cash equivalents at beginning of financial period</b>	<u>20,323</u>	<u>7,711</u>
<b>Cash and cash equivalents at end of financial period</b>	<u><u>5,411</u></u>	<u><u>20,323</u></u>
<b>Cash and cash equivalents at the end of the financial period comprise the following:</b>		
Cash and bank balances	<u><u>5,411</u></u>	<u><u>20,323</u></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 19 February 2016.

**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 119 : Defined Benefit Plans : Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010-2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011-2013 Cycle	1 July 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>
Annual Improvements to MFRSs 2012–2014 Cycle	1 January 2016
Amendment to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 10: Disclosure Initiatives	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 9 Financial Instruments (IFRS issued by IASB in July 2014)	1 January 2018
Amendment to MFRS 10 and MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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 2015.

#### 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.

#### Year ended 31 December 2015

	Manufacturing	Refilling and Distribution	Other Products and Services	Total
	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>	35,475	39,112	1,117	75,704
<b>RESULTS</b>				
Profit for reportable segment	9,318	14,997	214	24,529
Other income				5,602
Selling and administrative expenses				(20,850)
Finance costs				(1,835)
Share of profit of an associate				1,131
Profit before tax				8,577
Income tax expenses				(2,181)
<b>Total comprehensive income</b>				<u>6,396</u>

#### Year ended 31 December 2014

	Manufacturing	Refilling and Distribution	Other Products and Services	Total
	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>	32,204	32,088	1,072	65,364
<b>RESULTS</b>				
Profit for reportable segment	9,318	11,384	160	20,862
Other income				1,325
Selling and administrative expenses				(18,254)
Finance costs				(2,363)
Share of loss of an associate				517
Profit before tax				2,087
Income tax reversal				7,835
<b>Total comprehensive income</b>				<u>9,922</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 31 December 2015 are as follows:-

	<b>RM'000</b>
Approved and contracted for	<u>1,822</u>

**A12. Property, plant and equipment**

The Group acquired property, plant and equipment amounting to RM10.56 million during the current year .

**A13. Material events subsequent to the end of period reported**

In January 2016, Southern Industrial Gas Sdn Bhd, a wholly owned subsidiary of SIG Gases Berhad has received an earnest deposit amounting to RM35,000 from a Buyer for purchase of 1 Semi-Detached Industrial Buildings at a consideration of RM1,540,053. The sale and purchase agreement is 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 31 Dec 2015 RM'000	As at 31 Dec 2014 RM'000
Cash in hand and at banks	5,411	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>12 months ended</u>	
	31 Dec 2015 RM'000	31 Dec 2014 RM'000	31 Dec 2015 RM'000	31 Dec 2014 RM'000
(a) Interest income	7	26	97	32
(b) Other income/(charges) including investment income	87	302	1,146	1,008
(c) Interest expense	314	534	1,676	2,190
(d) Depreciation and amortisation	1,469	1,386	5,750	5,493
(e) Provision for and write off of receivables	5	424	493	571
(f) Provision for and write off of inventories	-	-	-	-
(g) (Gain)/loss on disposal of quoted and unquoted investments or properties	-	-	(4,456)	-
(h) Impairment of property, plant & equipment	2,257	1,551	2,257	1,551
(i) Foreign exchange gain/(loss)				
- Realised	(167)	(21)	(1,029)	35
- Unrealised	223	(129)	(7)	11
(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 31 December 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	3,477	14,617	4,241
Sales of industrial gases and equipment to companies in which the Company's director, Peh Lam Hoh has substantial financial interest	443	969	432

**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 31 December 2015 vs. Preceding year corresponding Quarter 3 months ended 31 December 2014**

The current quarter recorded a revenue of RM19.91M, up RM3.82M or 23.73% as compared to the corresponding quarter. The increase in sales was largely due to project and liquid nitrogen sales during the period.

The gross profit of the Group for the current quarter was RM6.31M, an increase of RM1.33M or 26.63% over the corresponding quarter. The improvement was mainly contributed by project sales. The gross profit margin was marginally up from 30.97% to 31.70%.

The Group has recorded a loss before tax of RM0.42M after taking into account of property, plant & equipment written off in the sum of RM2.26M. However, the finance cost was down by RM0.23M or 39.00%, due to repayment of short term facilities and term loan.

The current quarter's Group's loss after tax was RM1.26M, this was mainly due to the property, plant & equipment written off.

**Current year to date 31 December 2015 vs. Preceding year to date 31 December 2014**

The revenue of the Group for the financial year ended 31 December 2015 was RM75.70M, up RM10.34M or 15.82% as compared to the same period in year 2014. The increase in revenue was mainly due to higher project jobs, acetylene gas and fumingas.

The Gross Profit of the Group for the financial year ended 31 December 2015 was RM24.53M, up RM3.67M or 17.58% as compared to the same period in year 2014.

The gross profit margin improved slightly from 31.92% to 32.40%, mainly due to improvement in production unit cost together with the implementation of productivity improvement programmes and higher margin generated on project jobs.

Profit Before Tax increased by RM6.49M as compared with the corresponding period in year 2014. This was largely due to profit from sale of Puchong property and increase in share of profit from associate company from RM517,000 to RM1,131,000. The increase was mitigated by property, plant & equipment written off in the sum of RM2.26M. The Group's Profit After Tax was RM6.40M, down by RM3.52M or 35.48%, profit on sale of Puchong land which was set off by absence of tax benefit on the reinvestment allowance and the property, plant and equipment written off in the sum of RM2.26M 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 up by RM1.03M or 5.43% as compared to that of the preceding quarter. The higher revenue was mainly due to higher project jobs, acetylene and special gases sales.

The Gross profit was up by RM0.33M or 5.57% to RM6.31M, mainly due to higher gross profit margin from project sales.

The Group recorded a loss before tax of RM0.42M after taking into account of property, plant & equipment written off in the sum of RM2.26M.

As the result of the abovementioned, the Group recorded a loss after tax of RM1.26M.

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

As reported by Department of Statistics Malaysia, the growth of Malaysian Gross Domestic Product (GDP) 2016 was set lower to 4.50%. The depressed oil price and the significant weakening of MYR against US dollar and other currencies 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 in year 2016 with the 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 is arising from declining economic expansion in China and stagnant Japanese economy and European economic community.

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 project and widening of revenue base, we remain cautiously optimistic about our performance for in year 2016.

**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**

	<b>Current quarter 3 months ended 31 Dec 15 RM'000</b>	<b>Current financial period to date 31 Dec 15 RM'000</b>
In respect of the current period		
- RPGT	259	259
- Income tax	296	290
- Deferred tax	287	1,632
	842	2,181

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 11 February 2016 (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)
<b>1</b>	<b>Purchase of land and building its facilities</b>	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%
<b>2</b>	<b>Purchase of property, plant &amp; equipment</b>	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%
<b>3</b>	<b>Repayment of term loan</b>	12 months							
			4,200			(4,200)		-	0%
<b>4</b>	<b>Listing expenses*</b>	Immediately							
			3,200			(2,533)	(667)	-	0%
	<b>Total</b>		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)	%
<b>1</b>	<b>PURCHASE OF EQUIPMENT</b>	within 18 months				
1.1	1 HYDROGEN COMPRESSOR		370	(370)	-	0%
1.2	CYLINDERS & VALVES		3,680	(2,294)	1,386	38%
1.3	UPGRADE COMPUTER SYSTEM		150	(150)	-	0%
<b>2</b>	<b>REPAYMENT OF BANK BORROWINGS</b>	within 6 months	6,500	(6,500)	-	0%
<b>3</b>	<b>WORKING CAPITAL</b>	within 6 months	2,000	(2,000)	-	0%
<b>4</b>	<b>EXPENSES IN RELATION TO THE PROPOSED TWO-CALL RIGHTS ISSUE</b>	within 3 months	800	(713)	87	11%
	<b>Total</b>		13,500	(12,027)	1,473	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 31 December 2015 are as follows:

	RM'000
<b>Long term borrowings</b>	
<u>Secured:</u>	
Obligation under finance lease	351
Term loans	2,150
	<u>2,501</u>
<b>Short term borrowings</b>	
<u>Secured</u>	
Obligation under finance lease	437
Bankers acceptance and revolving credit	15,379
Term loans	3,943
Leasing creditors	1
	<u>19,760</u>
Total	<u><u>22,261</u></u>

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

	At end of current quarter 31-Dec-15 RM'000	At end of preceding quarter 31-Dec-14 RM'000
Realised profits	23,880	14,337
Unrealised gain/(losses)	(632)	4,442
Total retained profits	<u>23,248</u>	<u>18,779</u>
Associated company - Realised	1,131	517
	<u>24,379</u>	<u>19,296</u>
Less: Consolidations adjustments	-	-
Retained profits as per statement of financial position	<u><u>24,379</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.