



# **SIG GASES BERHAD**

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

**Financial Report  
For The Nine-Month Period Ended  
30 September 2016**

**Unaudited Condensed Consolidated Statement of Comprehensive Income  
for the nine-month period ended 30 September 2016**

	<b>Current quarter 3 months ended</b>		<b>Cumulative quarter 9 months ended</b>	
	<b>30 Sep 2016 RM'000</b>	<b>30 Sep 2015 RM'000</b>	<b>30 Sep 2016 RM'000</b>	<b>30 Sep 2015 RM'000</b>
<b>Revenue</b>	17,567	18,885	57,295	55,793
Cost of sales	(12,322)	(12,907)	(40,411)	(37,575)
<b>Gross profit</b>	<u>5,245</u>	<u>5,978</u>	<u>16,884</u>	<u>18,218</u>
Other income	146	4,730	3,227	5,666
Selling and administrative expenses	(4,652)	(5,262)	(14,114)	(14,344)
Finance costs	(224)	(472)	(787)	(1,480)
Share of profit of an associate	493	383	1,664	937
<b>Profit before tax</b>	<u>1,008</u>	<u>5,357</u>	<u>6,874</u>	<u>8,997</u>
Income tax expenses	(257)	(172)	(1,520)	(1,339)
<b>Profit after tax and total comprehensive income for the period</b>	<u><u>751</u></u>	<u><u>5,185</u></u>	<u><u>5,354</u></u>	<u><u>7,658</u></u>
<b>Total comprehensive income attributable to :</b>				
Equity holders of the company	751	5,185	5,354	7,658
Non-controlling interests	-	-	-	-
	<u><u>751</u></u>	<u><u>5,185</u></u>	<u><u>5,354</u></u>	<u><u>7,658</u></u>
<b>Earning per share (Sen)</b>				
- Basic	0.40	2.77	2.86	4.08
- Diluted	0.40	2.77	2.86	4.08

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 2016

	Unaudited As at 30 Sep 2016 RM'000	Audited As at 31 Dec 2015 RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	108,689	108,038
Intangible assets	279	339
Investment in an associate	9,772	8,347
	<u>118,740</u>	<u>116,724</u>
<b>Current assets</b>		
Inventory property	1,937	5,227
Inventories	4,610	5,601
Trade and other receivables	23,336	25,360
Cash and bank balances	4,324	5,411
	<u>34,207</u>	<u>41,599</u>
<b>TOTAL ASSETS</b>	<u>152,947</u>	<u>158,323</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	93,750	93,750
Reserves	28,504	25,400
Total equity	<u>122,254</u>	<u>119,150</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	1,478	632
Loans and borrowings	523	2,501
	<u>2,001</u>	<u>3,133</u>
<b>Current liabilities</b>		
Trade and other payables	12,082	16,280
Loans and borrowings	16,610	19,760
	<u>28,692</u>	<u>36,040</u>
Total liabilities	<u>30,693</u>	<u>39,173</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>152,947</u>	<u>158,323</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.65	0.64

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  
for the nine-month period ended 30 September 2016**

	<b>Non-distributable Share Capital RM'000</b>	<b>Share Premium RM'000</b>	<b>Distributable Retained Earnings RM'000</b>	<b>Total RM'000</b>
<b>As at 1 January 2016</b>	93,750	1,020	24,380	119,150
Total comprehensive income for the period	-	-	5,354	5,354
Dividend	-	-	(2,250)	(2,250)
<b>As at 30 September 2016</b>	<u>93,750</u>	<u>1,020</u>	<u>27,484</u>	<u>122,254</u>
<b>As at 1 January 2015</b>	93,750	1,020	19,296	114,066
Total comprehensive income for the period	-	-	7,658	7,658
Dividend	-	-	(1,313)	(1,313)
Expenses for issue of ordinary shares	-	-	(7)	(7)
<b>As at 30 September 2015</b>	<u>93,750</u>	<u>1,020</u>	<u>25,634</u>	<u>120,404</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 2016**

	<b>Financial year ended</b>	
	<b>30 Sep 2016 RM'000</b>	<b>30 Sep 2015 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	6,874	8,997
Adjustments for:		
Depreciation	4,330	4,281
Gain on disposal of property, plant and equipment	(187)	(4,669)
Interest expenses	672	1,362
Interest income	(16)	(90)
Reversal of impairment loss on trade receivables	(5)	(205)
Impairment loss on trade receivables	540	488
Share of profit of an associate	(1,664)	(937)
Unrealised foreign exchange (gain)/loss	(114)	230
Write off of property, plant and equipment	139	170
	<u>10,569</u>	<u>9,627</u>
Operation profit before working capital changes		
Decrease/(increase) in inventories	992	(796)
Decrease in inventory property	3,290	-
Decrease/(increase) in receivables	2,532	(5,241)
Decrease in payable	(4,394)	(2,453)
	<u>12,989</u>	<u>1,137</u>
Cash generated from operating activities		
Interest paid	(672)	(1,362)
Tax paid	(390)	(82)
Tax refunded	11	6
Net cash generated from/(used in) operating activities	<u>11,938</u>	<u>(301)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(6,249)	(10,768)
Proceed from disposal of property, plant and equipment	346	11,418
Interest received	16	90
Net cash (used in)/generated from investing activities	<u>(5,887)</u>	<u>740</u>
<b>Cash flows from financing activity</b>		
Repayment of borrowings	(5,128)	(12,650)
Dividend paid	(2,250)	(1,313)
Dividend received from associate company	240	-
Expenses for issue of ordinary shares	-	(7)
Net cash used in financing activities	<u>(7,138)</u>	<u>(13,970)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,087)</b>	<b>(13,531)</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>5,411</b>	<b>20,323</b>
<b>Cash and cash equivalents at the end of financial period</b>	<b>4,324</b>	<b>6,792</b>
<b>Cash and cash equivalents at the end of the financial period comprise the following:</b>		
Cash and bank balances	<u>4,324</u>	<u>6,792</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 16 November 2016.

**A2. Basis of Preparation**

These condensed consolidated interim financial statements, for the quarter ended 30 September 2016, 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 2015. 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 2015.

**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 2015 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>
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 101: 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

## 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>
Amendment to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 107: Disclosure Initiatives	1 January 2017
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 9 Financial Instruments (IFRS issued by IASB in July 2014)	1 January 2018
MFRS 16 Leases	1 January 2019
Amendment to MFRS 10 and MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

#### A3. Auditor's report on preceding annual financial statements

There was no qualification to the audited financial statements of the Company for the financial year ended 31 December 2015.

#### A4. Seasonal or cyclical factors

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

#### 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 on 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 19 May 2016, a final tax exempt (single-tier) dividend of 2.40% in respect of the financial year ended 31 December 2015 on 187,500,000 ordinary shares of RM0.50 each, amounting to a dividend payable of RM2.25M (1.20 sen per ordinary share) was approved by the shareholders and was paid on 17 June 2016.

## 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 2016

	Manufacturing	Refilling and Distribution	Other Products and Services	Total
	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>	26,585	30,192	518	57,295
<b>RESULTS</b>				
Profit for reportable segment	5,869	10,929	86	16,884
Other income				3,227
Selling and administrative expenses				(14,114)
Finance costs				(787)
Share of profit of an associate				1,664
Profit before tax				6,874
Income tax expenses				(1,520)
<b>Total comprehensive income</b>				<b>5,354</b>

#### Nine-month period ended 30 September 2015

	Manufacturing	Refilling and Distribution	Other Products and Services	Total
	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>	25,682	29,411	700	55,793
<b>RESULTS</b>				
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 loss of an associate				937
Profit before tax				8,997
Income tax reversal				(1,339)
<b>Total comprehensive income</b>				<b>7,658</b>



**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 quarter.

**A11. Capital commitments**

Capital commitments for property, plant and equipment not provided for as at 30 September 2016 are as follows:-

	<b>RM'000</b>
Approved and contracted for	<u>3,675</u>

**A12. Property, plant and equipment**

The Group acquired property, plant and equipment amounting to RM1.59 million during the current quarter .

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

There were no material events subsequent to the end of this reporting period.

**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 2016 RM'000	As at 31 Dec 2015 RM'000
Cash in hand and at banks	4,324	5,411

**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 2016 RM'000	30 Sep 2015 RM'000	30 Sep 2016 RM'000	30 Sep 2015 RM'000
(a) Interest income	1	16	16	90
(b) Other income/(charges) including investment income	149	4,714	3,113	5,576
(c) Interest expense	186	433	672	1,362
(d) Depreciation and amortisation	1,462	1,461	4,330	4,281
(e) Provision for and write off of receivables	180	163	540	488
(f) Provision for and write off of inventories	-	-	-	-
(g) (Gain)/loss on disposal of quoted and unquoted investments or properties	-	-	-	-
(h) Impairment of property, plant & equipment	90	54	270	162
(i) Foreign exchange gain/(loss)				
- Realised	7	(753)	(16)	(862)
- Unrealised	(11)	(155)	114	(230)
(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 2016 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 interests.	3,501	14,157	2,013
Sales of industrial gases and equipment to companies in which the Company's director, Peh Lam Hoh has substantial financial interest	295	837	296

**NOTES TO THE REPORT****PART B – 6%****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 2016 vs. Preceding year corresponding Quarter  
3 months ended 30 September 2015**

The current quarter recorded a revenue of RM17.57M which was 7 % lower as compared to the corresponding quarter of RM 18.89M . The shortfall was largely due to lower sale of acetylene gas and liquid nitrogen with the completion of project jobs.

The gross profit of the Group for the current quarter was RM5.25M, down by RM0.73M or 12.21% as compared to the corresponding quarter. This was attributed to lower average selling price, increase in raw material cost and operating overheads due to increase in contract wages and provision for impairment of cylinders.

The Group achieved a profit before tax of RM1.01M, down by RM4.35M as compared to the corresponding quarter of RM5.36M mainly due to non recurring other income with a one off profit from sale of Puchong property of RM4.58M in the corresponding quarter. The share of profit from the associate company had increased from RM0.38M to RM0.49M. Selling & admin expenses were down by RM0.61M due to lower foreign exchange loss. The finance charges were lower by RM0.25M or 53.19% with the partial repayment of term loan and reduction in the utilisation of trade line facility.

The current quarter's Group's profit after tax was RM 0.75M, down by RM4.44M due to the abovementioned explanation.

**Current year to date 30 September 2016 vs. Preceding year to date 30 September 2015**

The revenue of the Group for the period ended 30 September 2016 was RM57.30M , up by RM1.51M or 2.71% as compared to the same period in year 2015. This was contributed by higher liquid nitrogen sales for purging jobs together with refrigerants products to manufacturing sector during the period.

The Gross Profit of the Group for the period ended 30 September 2016 was RM16.88M, down by RM1.34M or 7.35% as compared to the same period in year 2015 due to increase in operating costs and tight lower selling price.

The gross profit margin was eroded to 29.47% from 32.65% , mainly due to increase in production costs of raw material costs, contract wages and lower average selling price.

The Profit Before Tax was down by RM2.12M as compared with the corresponding period in year 2015 due to the absence of other income of RM2.40M which was for the one off profit from sale of Puchong property. However share of profit from associate company increased from RM937K to RM1.66M as the second phase of development was completed and commenced operations. Finance cost lower by RM0.69M with the partial repayment of term loan and to reduction in the utilisation of trade line facilities. The Group's Profit After Tax was RM5.35M for the current year to date and was RM2.31M lower as compared to 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 RM3.11M or 15.04% as compared to that of the preceding quarter. The shortfall was largely due to lower sale of liquid nitrogen for purging job and refrigerant products.

The Gross profit was down by RM0.64M or 10.89% to RM5.25M. The Gross profit margin marginally improved from 28.47% to 29.86% due to decrease in raw materials cost and contract wages in the quarter.

The Group recorded a profit before tax of RM1.01M, was down by RM0.80M as compared to the preceding quarter. The decrease in profit before tax was mainly due to lower sales together with lower share of profit from the associate company by RM0.25M.

The current quarter's Group's profit after tax was RM0.75M, down by RM0.74M as compared to the preceding quarter.

## 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 projected to be lower at 4.50%. The depressed oil price coupled with the weakening of MYR against US dollar and other currencies will have an impact on the Malaysian economy. The weakening of MYR will affect unfavorably the cost of some of our imported materials and capital goods.

Malaysian overall industrial environment is challenging in year 2016 with the anticipated cutting back of capital expenditures in the oil and gas sector, the austerity measures by government, the inflationary effect of GST on consumer prices, implementation of minimum wage rate and the global economic uncertainty arising from slowing-down of economic growth in China, BREXIT, uncertainty of the impact on TPP as a result of US presidential election, stagnant Japanese economy and European economic community.

Despite the challenging times ahead, the management shall continue to implement cost-savings measures and to improve productivity our the operations. The management is also exploring asset lightening measures and to widen revenue base to improve efficiencies of its capital resources and to enhance the 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 and widening of revenue base, we remain cautiously optimistic about our performance for 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 30 Sep 16 RM'000</b>	<b>Current financial period to date 30 Sep 16 RM'000</b>
In respect of the current period		
- Income tax	35	674
- Deferred tax	222	846
	257	1,520

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 10 November 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	(4,337)	587	-	0%
1.4	Melaka		2,500		1,440	(3,990)	50	-	0%
			14,736	-	-	(14,455)	667	948	6%
<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>			<b>28,536</b>	<b>-</b>	<b>-</b>	<b>(27,588)</b>	<b>-</b>	<b>948</b>	<b>3%</b>

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 RM0.35 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	(3,680)	-	0%
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%
			-	-	-	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	(800)	-	0%
<b>Total</b>			<b>13,500</b>	<b>(13,500)</b>	<b>-</b>	<b>0%</b>

## 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 2016 are as follows:

	RM'000
<b>Long term borrowings</b>	
<u>Secured:</u>	
Obligation under finance lease	381
Term loans	142
	<u>523</u>
<b>Short term borrowings</b>	
<u>Secured</u>	
Obligation under finance lease	264
Bankers acceptance and revolving credit	13,614
Term loans	2,732
	<u>16,610</u>
Total	<u><u>17,133</u></u>

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

	At end of current quarter 30-Sep-16 RM'000	At end of preceding quarter 31-Dec-15 RM'000
Realised profits	25,750	23,225
Unrealised gain/(losses)	(1,478)	(632)
Total retained profits	<u>24,272</u>	<u>22,593</u>
Associated company - Realised	3,212	1,787
	<u>27,484</u>	<u>24,380</u>
Less: Consolidations adjustments	-	-
Retained profits as per statement of financial position	<u><u>27,484</u></u>	<u><u>24,380</u></u>

#### B9. Material Litigation

There was 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.