



# **SIG GASES BERHAD**

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

**Financial Report  
For The Six-Month Period Ended  
30 June 2017**

## Unaudited Condensed Consolidated Statement of Comprehensive Income for the six-month period ended 30 June 2017

	<b>Current quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30 Jun</b>	<b>30 Jun</b>	<b>30 Jun</b>	<b>30 Jun</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>	19,084	20,679	37,239	39,728
Cost of sales	(13,716)	(14,792)	(26,416)	(28,089)
<b>Gross profit</b>	<u>5,368</u>	<u>5,887</u>	<u>10,823</u>	<u>11,639</u>
Other income	202	244	325	3,081
Selling and administrative expenses	(4,761)	(4,829)	(8,882)	(9,462)
Finance costs	(190)	(239)	(390)	(563)
Share of profit of an associate	657	745	1,262	1,171
<b>Profit before tax</b>	<u>1,276</u>	<u>1,808</u>	<u>3,138</u>	<u>5,866</u>
Income tax expenses	(366)	(319)	(879)	(1,263)
<b>Profit after tax and total comprehensive income for the period</b>	<u><u>910</u></u>	<u><u>1,489</u></u>	<u><u>2,259</u></u>	<u><u>4,603</u></u>
<b>Total comprehensive income attributable to :</b>				
Equity holders of the company	909	1,489	2,258	4,603
Non-controlling interests	1	-	1	-
	<u><u>910</u></u>	<u><u>1,489</u></u>	<u><u>2,259</u></u>	<u><u>4,603</u></u>
<b>Earning per share (Sen)</b>				
- Basic	0.49	0.79	1.20	2.45
- Diluted	0.49	0.79	1.20	2.45

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 June 2017

	<b>Unaudited As at 30 Jun 2017 RM'000</b>	<b>Audited As at 31 Dec 2016 RM'000</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	108,925	107,674
Intangible assets	313	357
Investment in an associate	10,258	9,796
	<u>119,496</u>	<u>117,827</u>
<b>Current assets</b>		
Inventory property	1,937	1,937
Inventories	5,264	4,693
Trade and other receivables	28,067	23,517
Cash and bank balances	3,902	6,136
	<u>39,170</u>	<u>36,283</u>
<b>TOTAL ASSETS</b>	<u>158,666</u>	<u>154,110</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	94,770	93,750
Reserves	28,424	29,435
	<u>123,194</u>	<u>123,185</u>
Non-controlling interest	19	-
	<u>123,213</u>	<u>123,185</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	3,258	2,378
Loans and borrowings	9,616	6,537
	<u>12,874</u>	<u>8,915</u>
<b>Current liabilities</b>		
Trade and other payables	15,399	10,899
Loans and borrowings	7,180	11,111
	<u>22,579</u>	<u>22,010</u>
Total liabilities	<u>35,453</u>	<u>30,925</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>158,666</u>	<u>154,110</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.66	0.66

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the

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SIG Gases Berhad  
(Company No:875083-W)

## Unaudited Condensed Consolidated Statements of Changes in Equity for the six-month period ended 30 June 2017

	Non-distributable Share Capital RM'000	Share Premium RM'000	Distributable Retained Earnings RM'000	Non- controlling interest RM'000	Total RM'000
<b>As at 1 January 2017</b>	93,750	1,020	28,415	-	123,185
Total comprehensive income for the period	-	-	2,259	-	2,259
Dividend	-	-	(2,250)	-	(2,250)
Investment in subsidiary	-	-	-	19	19
Transition to no-par value regime	1,020	(1,020)	-	-	-
<b>as at 30 June 2017</b>	<u>94,770</u>	<u>-</u>	<u>28,424</u>	<u>19</u>	<u>123,213</u>
<b>As at 1 January 2016</b>	93,750	1,020	24,380	-	119,150
Total comprehensive income for the period	-	-	4,603	-	4,603
Dividend	-	-	(2,250)	-	(2,250)
<b>as at 30 June 2016</b>	<u>93,750</u>	<u>1,020</u>	<u>26,733</u>	<u>-</u>	<u>121,503</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 six-month period ended 30 June 2017**

	<b>Financial year ended</b>	
	<b>30 Jun 2017 RM'000</b>	<b>30 Jun 2016 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	3,138	5,866
Adjustments for:		
Depreciation	2,969	2,868
Gain on disposal of property, plant and equipment	(59)	(119)
Interest expenses	362	486
Interest income	(3)	(15)
Reversal of impairment loss on trade receivables	(276)	(4)
Impairment loss on trade receivables	204	360
Share of profit of an associate	(1,262)	(1,171)
Unrealised foreign exchange gain	(24)	(125)
Write off of property, plant and equipment	38	90
	<u>5,087</u>	<u>8,236</u>
Operation profit before working capital changes	5,087	8,236
(Increase)/decrease in inventories	(571)	1,710
Decrease in inventory property	-	3,289
(Increase)/decrease in receivables	(4,475)	37
Increase/(decrease) in payable	4,865	(2,351)
Cash generated from operating activities	<u>4,906</u>	<u>10,921</u>
Interest paid	(362)	(486)
Tax paid	(345)	(87)
Tax refunded	-	11
Net cash generated from operating activities	<u>4,199</u>	<u>10,359</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(4,390)	(4,655)
Proceed from disposal of property, plant and equipment	234	240
Dividend received from associate company	800	-
Interest received	3	15
Net cash used in investing activities	<u>(3,353)</u>	<u>(4,400)</u>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(830)	(4,313)
Dividend paid	(2,250)	(2,250)
Net cash used in financing activities	<u>(3,080)</u>	<u>(6,563)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(2,234)</u>	<u>(604)</u>
<b>Cash and cash equivalents at beginning of financial period</b>	<u>6,136</u>	<u>5,411</u>
<b>Cash and cash equivalents at the end of financial period</b>	<u>3,902</u>	<u>4,807</u>
<b>Cash and cash equivalents at the end of the financial period comprise the following:</b>		
Cash and bank balances	<u>3,902</u>	<u>4,807</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 18 August 2017.

#### A2. Basis of Preparation

These condensed consolidated interim financial statements, for the quarter ended 31 March 2017 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 2016. 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 2016.

#### 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 2016 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 12: Disclosure of Interests in Other Entities	1 January 2017
Amendments to MFRS 107: Disclosure Initiatives	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

(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 2: Classification and Measurement of Share based Payment Transactions	1 January 2018
Annual Improvements to MFRSs 2014-2016 Cycle	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018

**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 (cont'd)

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to MFRS 140: Transfers of Investment Property	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 9 Financial Instruments	1 January 2018
IC Interpretation 22: Foreign Currency Transactions and Advance Consideration	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 2016.

**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 2016.

**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 2017, a final tax exempt (single-tier) dividend of 2.40% in respect of the financial year ended 31 December 2016 on 187,500,000 ordinary shares of RM0.50 each, amounting to a dividend payable of RM2.25 million (1.20 sen per ordinary share) was approved by the shareholders and paid on 16 June 2017.

## 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.

#### Six-month period ended 30 June 2017

	Manufacturing	Refilling and Distribution	Other Products and Services	Total
	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>	15,899	20,990	350	37,239
<b>RESULTS</b>				
Profit for reportable segment	2,581	8,206	36	10,823
Other income				325
Selling and administrative expenses				(8,882)
Finance costs				(390)
Share of profit of an associate				1,262
Profit before tax				3,138
Income tax expenses				(879)
<b>Total comprehensive income</b>				<b>2,259</b>

#### Six-month period ended 30 June 2016

	Manufacturing	Refilling and Distribution	Other Products and Services	Total
	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>	18,723	20,662	343	39,728
<b>RESULTS</b>				
Profit for reportable segment	4,006	7,575	58	11,639
Other income				3,081
Selling and administrative expenses				(9,462)
Finance costs				(563)
Share of profit of an associate				1,171
Profit before tax				5,866
Income tax reversal				(1,263)
<b>Total comprehensive income</b>				<b>4,603</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 June 2017 are as follows:-

	<b>RM'000</b>
Approved and contracted for	<u>4,099</u>

**A12. Property, plant and equipment**

The Group acquired property, plant and equipment amounting to RM3.75million during the current quarter .

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

Furtherance to SIGGAS announcement dated 16 November 2016 in respect of the Joint Venture Agreement ("JVA") entered into by SIGGAS with Prospect Smooth Limited (Hong Kong Co. Reg. No: 2354272) for the Company to restructure its wholly owned subsidiary, Southern Nitrous Oxide Sdn. Bhd. (Formerly known as Southern Carbon Dioxide Sdn. Bhd.) (Company No. 789834-H) to be the Joint Venture Company, the share equity structure of the JVA had been completed on 30 January 2017.

**A14. Changes in composition of the group**

There were changes in composition of the Group to the end of the current financial quarter that have 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 Jun 2017 RM'000	As at 31 Dec 2016 RM'000
Cash in hand and at banks	3,902	6,136

**A17. Profit before tax**

Included in the profit before tax are the following items:

	<u>Current quarter</u> <u>3 months ended</u>		<u>Cumulative quarter</u> <u>6 months ended</u>	
	30 Jun 2017 RM'000	30 Jun 2016 RM'000	30 Jun 2017 RM'000	30 Jun 2016 RM'000
(a) Interest income	2	9	3	15
(b) Other income/(charges) including investment income	142	195	247	2,964
(c) Interest expense	177	202	362	486
(d) Depreciation and amortisation	1,489	1,444	2,969	2,868
(e) (Reversal)/Provision for and write off of receivables	(11)	180	(72)	356
(f) Provision for and write off of inventories	-	-	-	-
(g) (Gain)/loss on disposal of quoted and unquoted investments or properties	-	-	-	-
(h) (Reversal)/Impairment of property, & equipment	-	90	-	90
(i) Foreign exchange gain/(loss)				
- Realised	29	(3)	46	(23)
- Unrealised	29	43	24	125
(j) (Gain)/loss on derivatives	-	-	-	-

## 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 June 2017 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.	6,477	9,366	4,800
Sales of industrial gases and equipment to companies in which the Company's director, Peh Lam Hoh has substantial financial interest	176	269	166

**Audit Workdone:**

Agreed to RPT Working

**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 June 2017 vs. Preceding year corresponding Quarter 3 months ended 30 June 2016**

The revenue for the current quarter was RM19.08M, down 7.74% as compared to the corresponding quarter of RM 20.68M. The shortfall was largely attributed to fewer working days due to Ramadan and Hari Raya holidays. The quarter also experienced a lower project and refrigerant sales.

The Group's gross profit for the current quarter was RM5.37M, which was lower by RM0.52M or 8.83% as compared to the corresponding quarter. The lower gross profit was due to lower sales and slight increase in purchase cost.

The Group achieved a current quarter's profit before tax of RM1.28M, which was lower by 29.28% or RM0.53M as compared to corresponding quarter. This was mainly due to lower gross profit margin and lower share of profit from the associate company by RM0.09M.

The Group's current quarter's profit after tax was RM0.91M, down by RM0.58M or 38.93% due to the combined effect of lower sales and higher operating costs as mentioned above.

**Current year to date 30 June 2017 vs. Preceding year to date 30 June 2016**

The Group's revenue for the six months ended 30 June 2017 was RM37.24M, down by RM2.49M or 6.27% as compared to the same period in year 2016. This was largely attributed to festive season with lower project sales and reduced sales of refrigerants products.

The Group's Gross Profit for the period was RM10.82M, a decrease of RM0.82M or 7.04% as compared to the same period in year 2016. The gross profit was lower mainly due to lower project sales together with higher liquid costs.

The gross profit margin decreased to 29.05% from 29.30%, mainly due to increase in production unit cost and increase in raw material costs.

The Profit Before Tax was lower by RM2.73M as compared with the corresponding period in year 2016 mainly due to the absence of one off profit of RM2.60M from sale of 4 units of Semi-Detached Industrial Buildings in Bintulu. The share of profit from associate company increased from RM1.17M to RM1.26M.

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

The Group's revenue for the current quarter was up by RM0.92M or 5.07% as compared to that of the preceding quarter. The increase was largely attributed to higher sale of liquid nitrogen and project sales.

The Gross profit was down by RM0.09M or 1.65% to RM5.37M with lower contribution margin. The Gross profit margin was eroded from 30.05% to 28.13% due to lower industrial gases sales and coupled with higher raw materials cost.

The Group recorded a profit before tax of RM1.28M, which was down by RM0.58M as compared to the preceding quarter. The decrease in profit before tax was mainly due to increase in provision for unutilised leave and higher upkeep expenses of motor vehicles. The share of profit from an associate company was higher by RM0.05M to RM0.66M in the current quarter.

The current quarter's Group's profit after tax was RM0.91M, down by RM0.44M as compared to the preceding quarter largely due to lower profit margin and higher operating costs both in term of production and overheads expenses.

## NOTES TO THE REPORT

### B3. Current Year Prospects

The Malaysian Institute of Economic Research (MIER), reported that the growth of Malaysian Gross Domestic Product (GDP) 2017 is expected to be at 4.50%. The depressed oil price coupled with the fluctuation of exchange rates of MYR against US dollar and other currencies together with the looming general election will have an impact on the Malaysian economy. Any weakening of MYR is expected to increase the cost of some of our imported materials and capital goods. However, the infrastructural projects announced by the government including the Petrochemical project in Johor, the East Coast rail project and the Malacca Port expansion should be able to bring some relief to the economic uncertainties particularly the industrial sector.

Malaysian overall industrial environment is expected to remain challenging in 2017. There are numerous economic and political issues that could have significant impacts on the Malaysian economy, such as the cutting back of capital expenditures in the oil and gas sector, the austerity measures by government, continuous inflationary effect of GST, cutting back of subsidies, the implementation of minimum wage rate and the global economic uncertainty arising from slowing-down of economic growth in China, BREXIT negotiation, political uncertainty and securities concerns due to influx of immigrants into the European economic community, military face-off between China and India and between North Korea and USA and the uncertainty arising from protectionist trade policies of the President Trump's administration and others.

Despite the challenging times ahead, the management will continue to implement cost-savings measures and to improve productivity of our operations. The management continues to explore invest opportunities to widen the group's revenue base to improve efficiencies of its capital resources and to enhance the return to the shareholders. Earnings growth in the second half is expected to be driven by the start up of our new Nitrous Oxide plant .

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, and gradual increase in revenue from our completed expansion projects and continuous investment to widen our revenue base, we remain cautiously optimistic about our performance for year 2017.

### 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 Jun 17 RM'000	Current financial period to date 30 Jun 17 RM'000
In respect of the current period		
- Income tax	-	-
- Deferred tax	366	879
	<u>366</u>	<u>879</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 10 August 2017 (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.

## NOTES TO THE REPORT

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

#### B7. Group Borrowing and Debts Securities

The Group's borrowings and debts securities as at 30 June 2017 are as follows:

	RM'000
<b>Long term borrowings</b>	
<u>Secured:</u>	
Obligation under finance lease	319
Term loans	9,297
	<u>9,616</u>
<b>Short term borrowings</b>	
<u>Secured</u>	
Obligation under finance lease	376
Bankers acceptance and revolving credit	4,118
Term loans	2,686
	<u>7,180</u>
Total	<u><u>16,796</u></u>

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

	At end of current quarter 30-Jun-17 RM'000	At end of preceding quarter 31-Dec-16 RM'000
Realised profits	27,984	27,557
Unrealised gain/(losses)	(3,258)	(2,378)
Total retained profits	<u>24,726</u>	<u>25,179</u>
Associated company - Realised	3,698	3,236
	<u>28,424</u>	<u>28,415</u>
Less: Consolidations adjustments	-	-
Retained profits as per statement of financial position	<u><u>28,424</u></u>	<u><u>28,415</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.