SIG GASES BERHAD

(Company No.: 875083 - W)

(Incorporated in Malaysia)

Financial Report
For The Three-Month Period Ended
31 March 2018

SIG

SIG Gases Berhad
(Company No:875083-W)

Unaudited Condensed Consolidated Statement of Comprehensive Income for the three-month period ended 31 March 2018

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	31 Mar 2018 RM'000	**31 Mar 2017 RM'000**	**31 Mar 2018 RM'000**	**31 Mar 2017 RM'000**
Revenue	18,745	18,155	18,745	18,155
Cost of sales	(14,507)	(13,545)	(14,507)	(13,545)
Gross profit	4,238	4,610	4,238	4,610
Other income	303	123	303	123
Selling and administrative expenses	(3,641)	(3,277)	(3,641)	(3,277)
Finance costs	(236)	(200)	(236)	(200)
Share of profit of an associate	476	605	476	605
Profit before tax	1,140	1,861	1,140	1,861
Income tax reversal/(expenses)	529	(513)	529	(513)
Profit after tax and total comprehensive income for the period	1,669	1,348	1,669	1,348
Total comprehensive income attributable to :				
Equity holders of the company	1,663	1,348	1,663	1,348
Non-controlling interests	6	-	6	-
	1,669	1,348	1,669	1,348
Earning per share (Sen)				
- Basic	0.89	0.72	0.89	0.72
- Diluted	0.89	0.72	0.89	0.72

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

Unaudited Condensed Consolidated Statements of Financial Position as at 31 March 2018

	Unaudited As at 31 Mar 2018 RM'000	Audited As at 31 Dec 2017 RM'000
Assets		
Non-current assets		
Property, plant and equipment	114,000	115,530
Intangible assets	281	303
Investment in an associate	10,717	10,841
	124,998	126,674
Current assets		
Inventory property	1,937	1,937
Inventories	4,319	5,168
Trade and other receivables	25,796	25,324
Cash and bank balances	6,430	3,743
	38,482	36,172
TOTAL ASSETS	163,480	162,846
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	94,770	94,770
Reserves	31,949	30,399
	126,719	125,169
Non-controlling interest	28	22
	126,747	125,191
Non-current liabilities		
Deferred tax liabilities	2,134	2,730
Loans and borrowings	10,159	10,903
	12,293	13,633
Current liabilities		
Trade and other payables	14,844	16,618
Loans and borrowings	9,596	7,404
	24,440	24,022
Total liabilities	36,733	37,655
TOTAL EQUITY AND LIABILITIES	163,480	162,846
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.68	0.67

The Condensed Consolidated Statement of Financial Position 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 Changes in Equity
for the three-month period ended 31 March 2018

	Non-distributable		Distributable	Non-	
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	controlling interest RM'000	Total RM'000
As at 1 January 2018	94,770	-	30,399	22	125,191
Opening balance adjustment from adoption of MFRS 9	-	-	(113)	-	(113)
Restated as at 1 January 2018	94,770	-	30,286	22	125,078
Total comprehensive income for the period	-	-	1,663	6	1,669
as at 31 March 2018	94,770	-	31,949	28	126,747
As at 1 January 2017	93,750	1,020	28,415	-	123,185
Total comprehensive income for the period	-	-	1,348	-	1,348
Investment in subsidiary	-	-	-	20	20
Transition to no-par value regime*	1,020	(1,020)	-	-	-
as at 31 March 2017	94,770	-	29,763	20	124,553

* Effective from 31 January 2017, the Companies Act 2016 ("the Act") abolished the concept of authorised share capital and par value of share capital. Consequently, the amount standing to the credit balance of share premium become a part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purposes as set out in Section 618(4) of the Act. There is no impact on the number of ordinary shares in issue or the relative entitlement of the member as a result of this transition.

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

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SIG Gases Berhad
(Company No:875083-W)

Unaudited Condensed Consolidated Statements of Cash Flows for the three-month period ended 31 March 2018

	Financial year ended 31 Mar 2018 RM'000	Financial year ended 31 Mar 2017 RM'000
Cash flows from operating activities		
Profit before tax	1,140	1,861
Adjustments for:		
Depreciation	1,614	1,480
Gain on disposal of property, plant and equipment	(42)	(20)
Interest expenses	221	185
Interest income	(2)	(1)
Reversal of impairment loss on trade receivables	(37)	(61)
Impairment loss on trade receivables	31	-
Share of profit of an associate	(476)	(605)
Unrealised foreign exchange loss	3	5
Write off of property, plant and equipment	8	36
Operation profit before working capital changes	2,460	2,880
Decrease in inventories	849	364
Increase in receivables	(724)	(1,751)
Increase/(decrease) in payable	(1,548)	1,918
Cash generated from operating activities	1,037	3,411
Interest paid	(221)	(185)
Tax paid	(151)	(194)
Net cash generated from operating activities	665	3,032
Cash flows from investing activities		
Purchase of property, plant and equipment	(344)	(624)
Proceed from disposal of property, plant and equipment	317	27
Dividend received from associate company	600	400
Interest received	2	1
Net cash generated from/(used in) investing activities	575	(196)
Cash flows from financing activities		
Drawdown/(repayment) of borrowings	1,447	(2,263)
Net cash generated from/(used in) financing activities	1,447	(2,263)
Net Increase in cash and cash equivalents	2,687	573
Cash and cash equivalents at beginning of financial period	3,743	6,136
Cash and cash equivalents at the end of financial period	6,430	6,709
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	6,430	6,709

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 May 2018.

A2. Basis of Preparation

These condensed consolidated interim financial statements, for the quarter ended 31 March 2018 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 2017. 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 2017.

A2.1 Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2018, the Group adoped the following new and amended MFRS's mandatory for annual financial period beginning on or after 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)

(i) Adoption of standards and interpretations:

Description	Effective for annual periods beginning on or after
MFRS 2 Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
MFRS 9 Financial Instruments	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 140 Transfers of Investment Property (Amendments to MFRS 140)	1 January 2018
Annual Improvements to MFRS Standards 2014 – 2016 Cycle	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018

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, except as discussed below:

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group adopts MFRS 15 using the modified retrospective method. The directors have assessed the effects of applying the new standard on the Group's financial statements and have identified the following area that will be affected.

(i) Rendering of services

The Group provides delivery services. These services are bundled together with the sale of goods to a customer. Currently, the Group accounts for the bundled sales as one deliverable and recognises revenue at a point in time. Under MFRS 15, the sale of goods and the rendering of delivery services are separate deliverables of bundled sales. The considerations received or receivable should be allocated between these deliverables based on relative stand-alone selling prices of each deliverable. The delivery services will be recognised over time and its stage of completion will be measured using the actual time incurred to date compared to the estimated time needed to complete the delivery services.

Upon adoption of MFRS 15, the costs relating to the fulfilment of the delivery services will be classified to cost of goods sold from administrative expenses. The cost of goods sold and administartive expenses of RM907,345 have been reclasified as an increase in cost of goods sold and reduction in administrative expenses for Q1 2018.

Impact on the statement of comprehensive income for the 3 months ended 31 March 2018:	
	RM'000
Decrease in administrative expenses	(907)
Increase in cost of goods sold	907
Net impact on profit for the period	-

NOTES TO THE REPORT

PART A -
EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING

(ii) Presentation and disclosure requirements

The Group disaggregated revenue recognised from contract with customers onto categories that depict the nature, amount, timing and uncertainty of revenue and cash flows affected by economic factors. The Group also disclosed information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment. Refer to below for the disclosure on disaggregated revenue.

Revenue from contracts with customers

Segments	Manufacturing (RM'000)	Refilling and distribution (RM'000)	Other products and services (RM'000)	Total (RM'000)
For 3 months ended 31.03.2018				
Sale/Total revenue from customers from contracts	7,671	10,951	123	18,745
Timing of revenue recognition				
Goods transferred at a point of time	7,671	9,309	123	17,103
Services transferred over time	-	1,642	-	1,642
For 3 months ended 31.03.2017				
Sale/Total revenue from customers from contracts	7,619	10,401	135	18,155
Timing of revenue recognition				
Goods transferred at a point of time	7,619	8,703	135	16,457
Services transferred over time	-	1,698	-	1,698

MFRS 9 Financial Instruments

MFRS 9 introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

(i) Classification and measurement

Based on the assessment performed by the directors of the Company on the basis of facts and circumstances that exist at 31 December 2017, the Group does not expect a significant impact on its statement of financial position or equity on applying the classification and measurement requirements of MFRS 9, as the Group only has loans and receivables which are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of these instruments and concluded that they meet the criteria for amortised cost measurement under MFRS 9. Therefore, reclassification for these instruments is not required.

NOTES TO THE REPORT

PART A -
EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING

(ii) Impairment

The Group applied simplified approach and record lifetime expected losses on all trade receivables. General approach will be applied on other receivables.

On the date of initial application, MFRS 9 did not affect the classification and measurement of the Group's financial asset and liabilities, except that the Group's allowance for impairment has increased by RM113,364 as at 1 January 2018 as a result of applying the ECL model on receivables. As permitted by the transitional provisions of MFRS 9, the Group has elected not to restate comparative figures and thus these adjustments were recognised in the opening retained earnings of the current period.

(ii) Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

MFRS 9 Prepayment Features with Negative Compensation (Amendments to MFRS 9)	1 January 2019
MFRS 16 Leases	1 January 2019
MFRS 128 Long-term Interests in Associates and Joint Ventures (Amendments to MFRS 128)	1 January 2019
Annual Improvements to MFRS Standards 2015–2017 Cycle	1 January 2019
MFRS 119 Plan Amendment, Curtailment or Settlement (Amendments to MFRS 119)	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale 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 2017.

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 period ended 31 December 2017.

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 18 May 2018 , a final tax exempt (single-tier) dividend of 1.60% in respect of the financial year ended 31 December 2017 on 187,500,000 ordinary shares, amounting to a dividend payable of RM1.50 million (0.8 sen per ordinary share) was approved by the shareholders and payable on 14 June 2018.

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.

Three-month period ended 31 March 2018

	Manufacturing	Refilling and Distribution	Other Products and Services	Total
	RM'000	RM'000	RM'000	RM'000
REVENUE	7,671	10,951	123	18,745
RESULTS				
Profit for reportable segment	1,248	2,970	20	4,238
Other income				303
Selling and administrative expenses				(3,641)
Finance costs				(236)
Share of profit of an associate				476
Profit before tax				1,140
Income tax expenses				529
Total comprehensive income				1,669

Three-month period ended 31 March 2017

	Manufacturing	Refilling and Distribution	Other Products and Services	Total
	RM'000	RM'000	RM'000	RM'000
REVENUE	7,619	10,401	135	18,155
RESULTS				
Profit for reportable segment	1,384	3,206	20	4,610
Other income				123
Selling and administrative expenses				(3,277)
Finance costs				(200)
Share of profit of an associate				605
Profit before tax				1,861
Income tax expenses				(513)
Total comprehensive income				1,348

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 31 March 2018 are as follows:-

	RM'000
Approved and contracted for	5,805

A12. Property, plant and equipment

The Group acquired property, plant and equipment amounting to RM0.34million 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

On 17 April 2018, SIG Gases Berhad ("SIGGAS") acquired an additional 20,000 ordinary shares in capital of Southern Nitrous Oxide Sdn Bhd ("SNO") at a total consideration of HKD277,524.49 (Hong Kong Dollar : Two Hundred Seventy Seven Thousand Five Hundred Twenty Four and cent Forty Nine only) equivalent to RM138,762.25 (Ringgit Malaysia : One Hundred Thirty Eight Thousand Seven Hundred Sixty Two and cents Twenty Five only). After the acquisition, SIGGAS will hold 100,000 ordinary shares representing 100% of the equity share capital of SNO, making it a wholly owned subsidiary of SIGGAS.

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 balances

	As at 31 Mar 2018 RM'000	As at 31 Dec 2017 RM'000
Cash in hand and at banks	6,430	3,743

A17. Profit before tax

Included in the profit before tax are the following items:

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	31 Mar 2018 RM'000	31 Mar 2017 RM'000	31 Mar 2018 RM'000	31 Mar 2017 RM'000
(a) Interest income	(2)	(1)	(2)	(1)
(b) Other (income)/charges including investment income	(208)	(105)	(208)	(105)
(c) Interest expense	221	185	221	185
(d) Depreciation and amortisation	1,614	1,480	1,614	1,480
(e) (Reversal)/Provision for and write off of receivables	(6)	(61)	(6)	(61)
(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	-	-	-	-
(i) Foreign exchange (gain)/loss				
- Realised	(93)	(17)	(93)	(17)
- Unrealised	3	5	3	5
(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 31 March 2018 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.	2,737	2,737	2,577
Sales of industrial gases and equipment to companies in which the Company’s director, Peh Lam Hoh has substantial financial interest	181	181	180

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 March 2018 vs. Preceding year corresponding Quarter 3 months ended 31 March 2017

Revenue for the current quarter was RM18.75M, 3.25% up as compared to the corresponding quarter of RM 18.16M . This was largely attributed to higher export sale of liquid Nitrous Oxide in the current quarter.

The Group's gross profit for the current quarter was RM4.24M, down by RM0.37M or 8.03% as compared to the corresponding quarter of RM 4.61M. Despite an improvement in revenue for the current quarter, the gross profit contribution was depressed with higher operating costs mainly due to the increase in liquid purchase cost and higher initial commissioning cost for Nitrous Oxide of RM0.30M during the period.

The Group registered a current quarter's profit before tax of RM1.14M, down by 38.71% or RM0.72M as compared to corresponding quarter due to increase in selling and administative expenses by RM0.33M or 10.06% . The increase was due to provisions for depreciation charge for new Nitrous Oxide plant, doubtful debt and traveling expenses. Our share of profit from the associate company was down by RM0.13M.

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

The Group's revenue for the current quarter recorded at RM18.75M, down by RM1.03M or 5.21% as compared to that of the preceding quarter of RM19.78M. This was attributed to lower sales accounted by festival season in the first quarter of 2018 with factories closed for lunar new year.

Gross profit was down by RM0.44M or 89.40% to RM4.24M. This was largely due to higher operating costs with increase in overheads, liquid purchase cost and commissioning cost for Nitrous Oxide plant of RM0.30M.

The Group recorded a profit before tax of RM1.14M, which was RM0.47M higher as compared to the preceding quarter of RM 0.67M. The improved profit was due to lower selling and administrative expenses by RM0.66M as well as lower provisions for doubtful debt. The share of profit from the associate company was RM0.48M, up by RM0.19M or 65.52% due to higher project jobs.

The current quarter's Group's profit after tax was RM1.67M, up by RM0.94M as compared to the preceding quarter mainly due to higher amount of provision in deferred tax benefit of RM0.47M.

NOTES TO THE REPORT

B3. Current Year Prospects

The growth of Malaysian Gross Domestic Product (GDP) is expected to achieve 5% for year 2018 with infrastructural projects announced by the government .

While Malaysian overall industrial environment is expected to remain challenging in 2018, the result of the recent 14th General Election and the change of government may have an impact on the economic environment of the country, particularly the announced '0' rated GST will have a favourable impact on the sentiment and purchasing power of the consumers. There are also other numerous domestic and international economic issues that will have significant impacts on the Malaysian economy. This includes the improving market situation in the oil and gas sector, cutting back of subsidies on essential goods. The global political and economic uncertainty due to potential trade war between China and USA, the heightened tension between Iran and Israel will have impact on the global economic.

Despite the challenging times ahead, the management will continue to implement cost-savings measures and to improve productivity of our operations. The management shall continue to explore investment 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 2018 is expected to be driven by the revenue contributed by our increased investment in Nitrous Oxide plant .

Despite the uncertainty posed by the macroeconomic environment set out above, we believe that with our continued 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 2018.

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 31 Mar 18 RM'000	**Current financial period to date 31 Mar 18 RM'000**
In respect of the current period		
- Income tax (Current year)	67	67
- Income tax (over provision in prior year)		
- Deferred tax	(596)	(596)
	(529)	(529)

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 utilisation of proceeds as at 11 May 2018 (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 (RM'000)	Amendment 1 (RM'000)	Amendment 2 (RM'000)	Actual Utilisations (RM'000)	Reclassification (RM'000)	Balances to be utilised (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	(4,337)	587	-	0%
1.4	Melaka		2,500	-	1,440	(3,990)	50	-	0%
			14,736	-	-	(14,455)	667	948	6%
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	-	-	(27,588)	-	948	3%

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 utilised 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 31 March 2018 are as follows:

	RM'000
Long term borrowings	
Secured:	
Obligation under finance lease	423
Term loans	9,736
	10,159
Short term borrowings	
Secured	
Obligation under finance lease	506
Bankers acceptance and revolving credit	6,503
Term loans	2,587
	9,596
Total	19,755

B8. Material Litigation

There was no material litigation as at the date of issuance of this quarterly report.

B9. Dividends

No interim dividend has been declared during the current quarter.

B10. 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.