



# **SIG GASES BERHAD**

**(200901031973)( Company No.: 875083 - W)  
(Incorporated in Malaysia)**

**Financial Report  
For The Year Ended  
31 December 2019**

## Unaudited Condensed Consolidated Statement of Comprehensive Income for the year ended 31 December 2019

	<u>Current quarter</u> <u>3 months ended</u>		<u>Cumulative quarter</u> <u>12 months ended</u>	
	31 Dec 2019 RM'000	31 Dec 2018 RM'000	31 Dec 2019 RM'000	31 Dec 2018 RM'000
<b>Continuing operations</b>				
<b>Revenue</b>	-	-	-	27
Cost of sales	-	-	-	-
<b>Gross profit</b>	-	-	-	27
Other income	737	1	738	4
Selling and administrative expenses	(980)	(185)	(1,577)	(732)
Finance costs	-	-	-	-
Share of profit of an associate	-	-	-	-
<b>Profit/(Loss) before tax from continuing operations</b>	(243)	(184)	(839)	(701)
Income tax expenses	(134)	-	(135)	(18)
<b>Profit/(Loss) after tax from continuing operations</b>	(377)	(184)	(974)	(719)
<b>Discontinued operation</b>				
Profit/(Loss) after tax from discontinued operations	77,659	1,848	80,896	5,728
<b>Profit after tax and total comprehensive income for the period</b>	<u>77,282</u>	<u>1,664</u>	<u>79,922</u>	<u>5,009</u>
<b>Total comprehensive income attributable to :</b>				
Equity holders of the company	77,282	1,664	79,922	5,009
Non-controlling interests	-	-	-	-
	<u>77,282</u>	<u>1,664</u>	<u>79,922</u>	<u>5,009</u>
<b>Earning per share (Sen)</b>				
- Basic	41.22	0.89	42.63	2.67
- Diluted	41.22	0.89	42.63	2.67
<b>Earning/(Loss) per share from continuing operations (Sen)</b>				
- Basic	(0.20)	(0.10)	(0.52)	(0.38)
- Diluted	(0.20)	(0.10)	(0.52)	(0.38)

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



SIG Gases Berhad  
(Company No:875083-W)

**Unaudited Condensed Consolidated Statements of Financial Position  
as at 31 December 2019**

	<b>Unaudited As at 31 Dec 2019 RM'000</b>	<b>Audited As at 31 Dec 2018 RM'000</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	21	122,634
Intangible assets	-	267
Investment in an associate	-	12,127
Non-refundable deposits paid for purchase of property, plant and equipment	-	2,736
	<u>21</u>	<u>137,764</u>
<b>Current assets</b>		
Inventory property	-	1,937
Inventories	-	5,408
Trade and other receivables	17	22,870
Cash and bank balances	207,911	3,894
	<u>207,928</u>	<u>34,109</u>
<b>TOTAL ASSETS</b>	<u>207,949</u>	<u>171,873</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	94,770	94,770
Reserves	7,769	33,216
	<u>102,539</u>	<u>127,986</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	-	2,271
Loans and borrowings	-	10,576
	<u>-</u>	<u>12,847</u>
<b>Current liabilities</b>		
Trade and other payables	105,400	17,810
Loans and borrowings	-	13,230
Income tax payable	10	-
	<u>105,410</u>	<u>31,040</u>
Total liabilities	<u>105,410</u>	<u>43,887</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>207,949</u>	<u>171,873</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.55	0.68

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



SIG Gases Berhad  
(Company No:875083-W)

**Unaudited Condensed Consolidated Statements of Changes in Equity  
for the year ended 31 December 2019**

	<b>Non- distributable Share Capital RM'000</b>	<b>Distributable Retained Earnings RM'000</b>	<b>Non- controlling interest RM'000</b>	<b>Total RM'000</b>
<b>As at 1 January 2019</b>	94,770	33,216	-	127,986
Total comprehensive income for the period	-	79,922	-	79,922
Dividend	-	(105,369)	-	(105,369)
<b>As at 31 December 2019</b>	<u>94,770</u>	<u>7,769</u>	-	<u>102,539</u>
<b>As at 1 January 2018</b>	94,770	30,399	22	125,191
Opening balance adjustment from adoption of MFRS 9	-	(576)	-	(576)
<b>Restated as at 1 January 2018</b>	<u>94,770</u>	<u>29,823</u>	<u>22</u>	<u>124,615</u>
Total comprehensive income for the period	-	5,009	-	5,009
Dividend	-	(1,500)	-	(1,500)
Acquisition of non-controlling interests in a subsidiary	-	(116)	(22)	(138)
<b>As at 31 December 2018</b>	<u>94,770</u>	<u>33,216</u>	-	<u>127,986</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.



SIG Gases Berhad  
(Company No:875083-W)

**Unaudited Condensed Consolidated Statements of Cash Flows  
for the year ended 31 December 2019**

	<b>Financial year ended</b>	
	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax from continuing operations	(839)	(701)
Profit before tax from discontinued operation	80,825	5,552
Profit before tax	<u>79,986</u>	<u>4,851</u>
Adjustments for:		
Depreciation and amortisation	5,816	6,575
Reversal of impairment loss on plant and equipment	-	(1,551)
Gain on disposal of property, plant and equipment	(270)	(176)
Bad debts written off	11	-
Impairment loss on trade receivables	176	408
Property, plant and equipment written off	271	137
Interest expenses	1,223	1,200
Interest income	(6)	(9)
Gain on disposal of subsidiary company	(80,034)	-
Share of profit of an associate	(1,203)	(1,886)
Unrealised foreign exchange (gain)/loss	(41)	61
Operation profit before working capital changes	<u>5,929</u>	<u>9,610</u>
Decrease/(increase) in inventories	509	(240)
Decrease/(increase) in receivables	3,053	(639)
(Decrease)/increase in payables	<u>(685)</u>	<u>941</u>
Cash generated from operations	8,806	9,672
Interest paid	(1,223)	(1,200)
Tax paid	(544)	(746)
Tax refunded	309	9
Net cash generated from operating activities	<u>7,348</u>	<u>7,735</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(6,690)	(12,112)
Purchase of intangible assets	-	(23)
Proceeds from disposal of property, plant and equipment	426	683
Dividend received from associate company	1,200	600
Refund of premium on leasehold land paid in previous year	-	1,343
Interest received	6	9
Proceeds from disposal of subsidiary	202,741	-
Increase in restricted cash	(20,081)	-
Investment in subsidiary	-	(139)
Net cash generated from/(used in) investing activities	<u>177,602</u>	<u>(9,639)</u>
<b>Cash flows from financing activities</b>		
Net drawdown of borrowings	1,128	4,323
Repayment of lease liabilities	(1,204)	(768)
Dividend paid	(938)	(1,500)
Net cash (used in)/generated from investing activities	<u>(1,014)</u>	<u>2,055</u>

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SIG Gases Berhad  
(Company No:875083-W)

## Unaudited Condensed Consolidated Statements of Cash Flows (Cont'd) for the year ended 31 December 2019

	Financial year ended	
	31 Dec 2019	31 Dec 2018
	RM'000	RM'000
<b>Net increase in cash and cash equivalents</b>	183,936	151
<b>Cash and cash equivalents at beginning of financial period</b>	3,894	3,743
<b>Cash and cash equivalents at the end of financial period</b>	<u>187,830</u>	<u>3,894</u>
<b>Cash and cash equivalents at the end of the financial period comprise the following:</b>		
Cash and bank balances	207,911	3,894
Less: restricted cash	(20,081)	-
	<u>187,830</u>	<u>3,894</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 26 February 2020.

**A2. Basis of Preparation**

These condensed consolidated interim financial statements, for the quarter ended 31 December 2019 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 2019. 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 2019.

**A2.1 Significant accounting policies**

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

On 1 January 2019, the Group adopted the following new and amended MFRS's mandatory for annual financial period beginning on or after 1 January 2019.

**(I) Adoption of standards and interpretations:**

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
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

**NOTES TO THE REPORT****PART A -  
EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARDS  
("MFRS") 134, INTERIM FINANCIAL REPORTING (CONT'D)****A2.1 Significant accounting policies (cont'd)**

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 16 Leases**

MFRS 16 supersedes MFRS 117 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted MFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying MFRS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets'). The Group also elected to recognise a right-of-use asset at the date of initial application at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application. The effect of adoption MFRS 16 as at 1 January 2019 (increase/(decrease)) is as follows:

<b>Assets</b>	<b>RM'000</b>
Right-of-use assets	<u>100</u>
<b>Liabilities</b>	
Lease liabilities, representing total liabilities	<u>100</u>

**A2.2 Standards issued but not yet effective**

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



**NOTES TO THE REPORT****PART A -  
EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARDS  
("MFRS") 134, INTERIM FINANCIAL REPORTING (CONT'D)****A2.2 Standards issued but not yet effective (cont'd)**

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to references to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 2 Share-based Payment	1 January 2020
Amendments to MFRS 3 Business Combinations	1 January 2020
Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 14 Regulatory Deferral Accounts	1 January 2020
Amendments to MFRS 101 Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 134 Interim Financial Reporting	1 January 2020
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendments to MFRS 138 Intangible Assets	1 January 2020
Amendments to IC Interpretation 12 Service Concession Arrangements	1 January 2020
Amendments to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
Amendments to IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2020
Amendments to IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2020
Amendments to IC Interpretation 132 Intangible Assets - Web Site Costs	1 January 2020
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

The directors expect that the adoption of the above Standards, Amendments, Annual Improvements and IC Interpretation will have no material impact on the financial statements in the period of initial application.

**NOTES TO THE REPORT****PART A -  
EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARDS  
("MFRS") 134, INTERIM FINANCIAL REPORTING (CONT'D)****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 2019.

**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**

SIGGAS had received an offer letter dated 25 March 2019 from Air Liquide Malaysia Sdn Bhd ("ALM") to acquire 23,000,000 ordinary shares in Southern Industrial Gas Sdn Bhd ("SIGSB"), representing 100% equity interest therein (including the 40% minority shareholding owned and held by SIGSB in Iwatani-SIG Industrial Gases Sdn Bhd) from SIGGAS for a purchase consideration of RM226,586,000.

On 28 March 2019, SIGGAS had accepted the offer from ALM subject to further negotiation of the terms and conditions of the Sale & Purchase agreement. Further announcement(s) will be made upon the execution of the sale and purchase agreement pursuant to the offer, detailing the terms, effects and all relevant disclosures in relation to the offer as required under the Main Market Listing Requirements.

SIGGAS had entered into a Sale and Purchase Agreement with ALM in relation to the Proposed Disposal on 14 June 2019 and completed the Proposed Disposal on 31 October 2019.

Except for the item disclosed above, there were no significant unusual items affecting the assets, liabilities, equity, net income or cash flow for the financial period ended 31 December 2019.

**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**

On 21 June 2019, the Shareholders approved a final tax exempt (single-tier) dividend of 1.00% in respect of the financial year ended 31 December 2019 on 187,500,000 ordinary shares, amounting to a dividend payable of RM937,500 (0.5 sen per ordinary share) which was paid on 26 July 2019.

On 13 December 2019, the Shareholders approved a special tax exempt (single-tier) dividend in respect of the financial year ended 31 December 2019 on 187,500,000 ordinary shares, amounting to a dividend payable of RM104,431,084 (55.696578 sen per ordinary share) which was paid on 13 January 2020.

**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.

**For the year ended 31 December 2019**

	Manufacturing	Refilling and Distribution	Other Products and Services	Total
	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>	-	-	-	-
<b>RESULTS</b>				
Profit for reportable segment				-
Other income				738
Selling and administrative expenses				(1,577)
Finance costs				-
Share of profit of an associate				-
Loss before tax				(839)
Income tax expenses				(135)
Loss before tax from continuing operations				(974)
Profit after tax from discontinued operations				80,896
<b>Total comprehensive income</b>				<b>79,922</b>

**NOTES TO THE REPORT****PART A -  
EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARDS  
("MFRS") 134, INTERIM FINANCIAL REPORTING (CONT'D)****A9. Segment information (cont'd)****For the year ended 31 December 2018**

	Manufacturing	Refilling and Distribution	Other Products and Services	Total
	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>	<u>27</u>	-	-	<u>27</u>
<b>RESULTS</b>				
Profit for reportable segmen	27			27
Other income				4
Selling and administrative expenses				(732)
Finance costs				-
Share of profit of an associate				-
Profit before tax				<u>(701)</u>
Income tax expenses				<u>(18)</u>
Loss before tax from continuing operations				<u>(719)</u>
Profit after tax from discontinued operations				5,728
<b>Total comprehensive income</b>				<u><u>5,009</u></u>

**NOTES TO THE REPORT****PART A -  
EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING  
STANDARDS  
("MFRS") 134, INTERIM FINANCIAL REPORTING (CONT'D)****A10. Valuation of property, plant and equipment**

There was no valuation of property, plant and equipment in the current financial quarter.

**A11. Capital commitments**

There were no capital commitments as at 31 December 2019.

**A12. Property, plant and equipment**

The Group does not acquired any property, plant and equipment during the current quarter.

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

There is no material event subsequent to the end of period reported.

**A14. Contingent liabilities or contingent assets**

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report.

**A15. Cash and bank balances**

	<b>As at 31 Dec 2019 RM'000</b>	<b>As at 31 Dec 2018 RM'000</b>
Cash in hand and at banks	<u>207,911</u>	<u>3,894</u>

## NOTES TO THE REPORT

### PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARDS

#### ("MFRS") 134, INTERIM FINANCIAL REPORTING (CONT'D)

#### A16. Profit before tax

Included in the profit before tax are the following items:

	<u>Current quarter</u>		<u>Cumulative quarter</u>	
	<u>3 months ended</u>	<u>3 months ended</u>	<u>12 months ended</u>	<u>12 months ended</u>
	31 Dec	31 Dec	31 Dec	31 Dec
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	-	(2)	(6)	(9)
- Continuing	-	-	-	-
- Discontinuing	-	(2)	(6)	(9)
(b) Other income including investment income	-	(120)	(595)	(513)
- Continuing	-	-	-	-
- Discontinuing	-	(120)	(595)	(513)
(c) Interest expense	167	488	1,223	1,200
- Continuing	-	-	-	-
- Discontinuing	167	488	1,223	1,200
(d) Depreciation and amortisation	2,640	1,646	5,816	6,575
- Continuing	1	-	1	-
- Discontinuing	2,639	1,646	5,815	6,575
(e) Reversal for and write off of receivables	225	232	176	408
- Continuing	-	-	-	-
- Discontinuing	225	232	176	408
(f) Reversal for and write off of inventories	-	-	-	-
- Continuing	-	-	-	-
- Discontinuing	-	-	-	-

## NOTES TO THE REPORT

### PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARDS

#### ("MFRS") 134, INTERIM FINANCIAL REPORTING (CONT'D)

(g) Gain or loss on disposal of quoted or unquoted investments or properties	-	-	-	-
- Continuing	-	-	-	-
- Discontinuing	-	-	-	-
(h) Impairment of assets	-	-	-	-
- Continuing	-	-	-	-
- Discontinuing	-	-	-	-
(i) Foreign exchange (gain)/loss				
- Realised	-	11	34	(71)
- Continuing	-	-	-	-
- Discontinuing	-	11	34	(71)
- Unrealised	-	5	(41)	61
- Continuing	-	-	-	-
- Discontinuing	-	5	(41)	61
(j) Gain or loss on derivatives	-	-	-	-
- Continuing	-	-	-	-
- Discontinuing	-	-	-	-

#### A16. Profit before tax

Included in the profit before tax are the following items (cont'd):

	Current quarter		Cumulative quarter	
	<u>3 months ended</u>		<u>12 months ended</u>	
	31 Dec	31 Dec	31 Dec	31 Dec
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
(k) Write off of property, plant and equipment	148	111	271	137
- Continuing	-	-	-	-
- Discontinuing	148	111	271	137
(l) Gain on disposal of property, plant & equipment	(9)	52	(270)	(176)
- Continuing	-	-	-	-
- Discontinuing	(9)	52	(270)	(176)



SIG Gases Berhad  
(Company No:875083-W)

## **NOTES TO THE REPORT**

### **PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING (CONT'D)**

#### **A17. Significant related party transactions**

Transactions that have been entered into are in the normal course of business and have been established under mutually agreed terms that are not materially different from those obtainable in transactions with unrelated parties

The disposal of subsidiaries to Air Liquide Malaysia Sdn Bhd ("ALM") was completed on 31 October 2019.

Following the disposal of subsidiaries, there is no significant related party transactions in the current financial quarter.





SIG Gases Berhad  
(Company No:875083-W)

## **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 2019 vs. Preceding year corresponding Quarter 3 months ended 31 December 2018**

The Group has disposed the wholly owned subsidiary, Southern Industrial Gas Sdn Bhd and its associate company, Iwatani-SIG Industrial Gases Sdn Bhd on 31/10/2019. The Group posted a profit after taxation of RM77.28M mainly due to disposal of the above companies.

##### **Current year to date 31 December 2019 vs. Preceding year to date 31 December 2018**

The Group has recorded a profit after taxation of RM79.92M mainly due to the gain on disposal of Subsidiary company and its associate company on 31/10/2019.

## 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)

#### B2. Current Year Prospects

The Board of Directors had accepted the offer from ALM. It was approved by the shareholders at the EGM on 25 October 2019 to dispose of the entire share capital of Southern Industrial Gas Sdn Bhd, a wholly owned subsidiary of SIG Gases Berhad and including 40% shareholding held in Iwatani-SIG. The disposal was completed on 31 October 2019. As such, the Group is now, as directed by Bursa Malaysia Securities Berhad, classified under PN 16, a Cash Company with no material business activities. The future prospect of the Company is dependent on whether the Company is able to successfully acquire a new business to retain its listing status.

#### B3. Profit Forecast And Profit Estimate

The Group did not issue any profit forecast or profit estimate previously in any public document.

**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)****B4. Income Tax Expense**

	<b>Current quarter 3 months ended 31 Dec 19 RM'000</b>	<b>Current financial period to date 31 Dec 19 RM'000</b>
In respect of the current period		
- Income tax (Current year)	134	135
- Deferred tax	-	-
	<u>134</u>	<u>135</u>
Profit/(Loss) before tax from continuing operations	(243)	(839)
Effective tax rate	-55.14%	-16.09%

The effective rate of the Group for the current quarter and financial year is lower than the statutory tax rate is mainly due to other income derived from interest income.

**B5. Material Litigation**

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

**B6. Dividends**

On 13 December 2019, the Shareholders approved a special tax exempt (single-tier) dividend in respect of the financial year ended 31 December 2019 on 187,500,000 ordinary shares, amounting to a dividend payable of RM104,431,084 (55.696578 sen per ordinary share) which was paid on 13 January 2020.

**B7. Earnings Per Share**

Basic earnings per share are calculated based on weighted average number of ordinary shares in issue and profit/(loss) attributable to equity holders of the Group.

The number of ordinary shares used in the computation of EPS is as follows:-

## 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)

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
<b>(a) Basic</b>				
Profit/(Loss) for the period (RM'000)				
- Continuing operations	(377)	(184)	(974)	(719)
- Discontinued operations	77,659	1,848	80,896	5,728
	<u>77,282</u>	<u>1,664</u>	<u>79,922</u>	<u>5,009</u>
Weighted average number of ordinary share for earnings per share ('000)	187,500	187,500	187,500	187,500
Basic earnings per share (sen)				
- Continuing operations	(0.20)	(0.10)	(0.52)	(0.38)
- Discontinued operations	41.42	0.99	43.14	3.05
	<u>41.22</u>	<u>0.89</u>	<u>42.63</u>	<u>2.67</u>
<b>(a) Diluted</b>				
Diluted earnings per share (sen)				
- Continuing operations	(0.20)	(0.10)	(0.52)	(0.38)
- Discontinued operations	41.42	0.99	43.14	3.05
	<u>41.22</u>	<u>0.89</u>	<u>42.63</u>	<u>2.67</u>