



# **SIG GASES BERHAD**

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

**Financial Report  
For the Nine-Month Period Ended  
30 September 2020**

## Unaudited Condensed Consolidated Statement of Comprehensive Income for the nine-month period ended 30 September 2020

	Current quarter <u>3 months ended</u>		Cumulative quarter <u>9 months ended</u>	
	30 Sep 2020 RM'000	30 Sep 2019 RM'000	30 Sep 2020 RM'000	30 Sep 2019 RM'000
<b>Continuing operations</b>				
<b>Revenue</b>	-	-	-	-
Cost of sales	-	-	-	-
<b>Gross profit</b>	-	-	-	-
Other income	532	1	2,232	1
Selling and administrative expenses	(519)	(181)	(2,818)	(597)
Finance costs	-	-	-	-
Share of profit of an associate	-	-	-	-
<b>Profit/(loss) before tax from continuing operations</b>	13	(180)	(586)	(596)
Income tax expenses	(3)	(1)	(411)	(1)
<b>Profit/(loss) after tax from continuing operations</b>	10	(181)	(997)	(597)
<b>Discontinued operation</b>				
Profit after tax from discontinued operations	-	2,560	-	3,237
<b>Profit/(loss) after tax and total comprehensive income for the period</b>	10	2,379	(997)	2,640
<b>Total comprehensive income attributable to :</b>				
Equity holders of the company	10	2,379	(997)	2,640
Non-controlling interests	-	-	-	-
	10	2,379	(997)	2,640
<b>Earning/(loss) per share (Sen)</b>				
- Basic	0.01	1.27	(0.53)	1.41
- Diluted	0.01	1.27	(0.53)	1.41
<b>Earning/(loss) per share from continuing operations (Sen)</b>				
- Basic	0.01	(0.10)	(0.53)	(0.32)
- Diluted	0.01	(0.10)	(0.53)	(0.32)

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 30 September 2020**

	<b>Unaudited As at 30 Sep 2020 RM'000</b>	<b>Audited As at 31 Dec 2019 RM'000</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3	21
	<u>3</u>	<u>21</u>
<b>Current assets</b>		
Trade and other receivables	38	17
Cash and bank balances	101,879	207,911
	<u>101,917</u>	<u>207,928</u>
<b>TOTAL ASSETS</b>	<u>101,920</u>	<u>207,949</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	94,770	94,770
Reserves	6,766	7,769
	<u>101,536</u>	<u>102,539</u>
<b>Current liabilities</b>		
Trade and other payables	125	105,400
Income tax payable	259	10
	<u>384</u>	<u>105,410</u>
Total liabilities	384	105,410
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>101,920</u>	<u>207,949</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.54	0.55

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

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SIG Gases Berhad  
(Company No:875083-W)

## Unaudited Condensed Consolidated Statements of Changes in Equity for the nine-month period ended 30 September 2020

	Non- distributable Share Capital RM'000	Distributable Retained Earnings RM'000	Non- controlling interest RM'000	Total RM'000
<b>As at 1 January 2020</b>	94,770	7,769	-	102,539
Total comprehensive income for the period	-	(997)	-	(997)
Dividend	-	(6)	-	(6)
<b>As at 30 September 2020</b>	<u>94,770</u>	<u>6,766</u>	<u>-</u>	<u>101,536</u>
<b>As at 1 January 2019</b>	94,770	33,216	-	127,986
Total comprehensive income for the period	-	2,640	-	2,640
Dividend	-	(938)	-	(938)
<b>As at 30 September 2019</b>	<u>94,770</u>	<u>34,918</u>	<u>-</u>	<u>129,688</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 nine-month period ended 30 September 2020**

	<b>Financial period ended</b>	
	<b>30 Sep 2020</b>	<b>30 Sep 2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Loss before tax from continuing operations	(586)	(596)
Profit before tax from discontinued operation	-	3,168
(Loss)/Profit before tax	<u>(586)</u>	<u>2,572</u>
Adjustments for:		
Depreciation and amortisation	3	3,176
Depreciation of right-of-use assets		75
Gain on disposal of property, plant and equipment	-	(261)
Interest expenses	-	1,056
Interest expenses on lease liabilities	-	2
Interest income	(2,232)	(6)
Reversal of impairment loss on trade receivables	-	(210)
Impairment loss on trade receivables	-	161
Share of profit of an associate	-	(1,194)
Unrealised foreign exchange gain	-	(41)
Property, plant and equipment written off	15	123
Operation (loss)/profit before working capital changes	<u>(2,800)</u>	<u>5,453</u>
Increase in inventories	-	29
(Increase)/decrease in receivables	(21)	2,752
Decrease in payables	<u>(844)</u>	<u>(2,392)</u>
Cash (used in)/generated from operations	(3,665)	5,842
Interest paid	-	(1,056)
Tax paid	(162)	(428)
Tax refunded		309
Net cash used in operating activities	<u>(3,827)</u>	<u>4,667</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-	(8,635)
Proceeds from disposal of property, plant and equipment	-	412
Dividend received from associate company	-	1,200
Interest received	2,232	6
Net cash generated from investing activities	<u>2,232</u>	<u>(7,017)</u>
<b>Cash flows from financing activities</b>		
Net repaying of borrowings	-	1,656
Repayment of lease liabilities		(77)
Dividend paid	(104,437)	(938)
Net cash used in investing activities	<u>(104,437)</u>	<u>641</u>

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SIG Gases Berhad  
(Company No:875083-W)

## Unaudited Condensed Consolidated Statements of Cash Flows (Cont'd) for the nine-month period ended 30 September 2020

	Financial period ended	
	30 Sep 2020	30 Sep 2019
	RM'000	RM'000
<b>Net decrease in cash and cash equivalents</b>	(106,032)	(1,709)
<b>Cash and cash equivalents at beginning of financial period</b>	187,830	3,894
<b>Cash and cash equivalents at the end of financial period</b>	<u>81,798</u>	<u>2,185</u>
<b>Cash and cash equivalents at the end of the financial period comprise the following:</b>		
Cash and bank balances	101,879	2,185
Less: restricted cash	(20,081)	-
	<u>81,798</u>	<u>2,185</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 November 2020.

#### A2. Basis of Preparation

These condensed consolidated interim financial statements, for the quarter ended 30 September 2020 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 2020, the Group adopted the following new and amended MFRS's mandatory for annual financial period beginning on or after 1 January 2020.

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

<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 3 Business Combinations	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101 and MFRS 108 : Definition of Material	1 January 2020

#### 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.

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
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 16: COVID-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

**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))**

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.

**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**

Reference is made to the announcements made on 28 March 2019, 14 June 2019 and 31 October 2019.

SIGGAS had completed the proposed disposal of its subsidiary company, SOUTHERN INDUSTRIAL GAS SDN BHD together with its 40% owned associated company, IWATANI-SIG INDUSTRIAL GASES SDN BHD at a sale consideration of RM226,580,000.

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 year ended 31 December 2019 and period ended 30 June 2020.

**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 13 December 2019, the Directors had approved a special tax exempt (single-tier) dividend of 55.696578 sen per ordinary share in respect of the financial year ended 31 December 2019 on 187,500,000 ordinary shares, amounted to a dividend payable of RM104,431,084 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. Valuation of property, plant and equipment**

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

**A10. Capital commitments**

There was no capital commitments as at 30 September 2020.

**A11. Property, plant and equipment**

The Group did not acquire any property, plant and equipment during the current quarter.

**A12. Material events subsequent to the end of period reported**

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

**A13. Contingent liabilities or contingent assets**

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

**A14. Cash and bank balances**

	<b>As at 30 Sep 2020 RM'000</b>	<b>As at 30 Sep 2019 RM'000</b>
Cash in hand and at banks	<u>101,879</u>	<u>207,911</u>

## NOTES TO THE REPORT

### PART A -

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

#### A15. Profit before tax

Included in the profit before tax are the following items:

	Current quarter <u>3 months ended</u>		Cumulative quarter <u>9 months ended</u>	
	30 Sep 2020 RM'000	30 Sep 2019 RM'000	30 Sep 2020 RM'000	30 Sep 2019 RM'000
(a) Interest income	(532)	(2)	(2,232)	(6)
- Continuing	(532)		(2,232)	
- Discontinuing	-	(2)	-	(6)
(b) Other income including investment income	-	(347)	-	(595)
- Continuing	-	-	-	-
- Discontinuing	-	(347)	-	(595)
(c) Interest expense	-	341	-	1,056
- Continuing	-	-	-	-
- Discontinuing	-	341	-	1,056
(d) Depreciation and amortisation	1	1	3	3,176
- Continuing	1	-	3	-
- Discontinuing	-	1	-	3,176
(e) Reversal for and write off of receivables	-	(28)	-	(49)
- Continuing	-	-	-	-
- Discontinuing	-	(28)	-	(49)

## NOTES TO THE REPORT

### PART A -

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

#### A15. Profit before tax (Cont'd)

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

	Current quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30 Sep	30 Sep	30 Sep	30 Sep
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
(f) Foreign exchange (gain)/loss				
- Realised	-	(8)	-	34
- Continuing	-	-	-	-
- Discontinuing	-	(8)	-	34
- Unrealised	-	-	-	(41)
- Continuing	-	-	-	-
- Discontinuing	-	-	-	(41)
(g) Write off of property, plant and equipment	15	63	15	123
- Continuing	15	-	15	-
- Discontinuing	-	63	-	123
(h) Gain on disposal of property, plant & equipment	-	(157)	-	(261)
- Continuing	-	-	-	-
- Discontinuing	-	(157)	-	(261)

#### A16. 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 a subsidiary with its associate company to Air Liquide Malaysia Sdn Bhd ("ALM") was completed on 31 October 2019.

Following the said disposal of subsidiary together with its associate company, there was 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

##### B1. Review Of Performance Of The Group

###### Current Quarter 3 months ended 30 September 2020 vs. Preceding year corresponding Quarter 3 months ended 30 September 2019

The Group had completed the disposal of the wholly owned subsidiary, Southern Industrial Gas Sdn Bhd (SIGSB) and its associate company, Iwatani-SIG Industrial Gases Sdn Bhd on 31/10/2019. The Company is now classified under PN 16 and it is considered a cash Company, the main income is arriving from interest earned from cash deposit amounting to RM0.53M for the quarter. The profit after tax is RM0.01M.

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

The Group current quarter recorded a profit after tax of RM0.01M against a loss of RM1.86M of the preceding quarter. This was largely due to the provision for the proposed appreciation payment recommended by the Board to be made to the Directors of the Company and its subsidiary Company. The proposal was approved by the shareholders at the Annual General Meeting held on 28 September, 2020.

##### B3. Current Year Prospects

Upon the completion of disposal of its subsidiary SIGGAS, and under the Listing requirements the Company is now directed by Bursa Malaysia Securities Berhad, to be classified under PN 16, a cash company with no material business activities and is required to acquire a new business or assets in order to retain its listing status by 31st October 2020.

##### B4. Status of Corporate Proposals

On 28 September 2020, the shareholders of SIGGAS at the EGM had approved the following special Resolutions:

(I) Variation of the Capital reduction and Repayment of RM0.40 for each share held on the entitlement date to be determined and subject to the approval of High Court of Malaya; and

(II) Proposed voluntary withdrawal of SIGGAS of its listing on the official list of Main Market of Bursa Malaysia Securities Berhad and pursuant to Paragraph 16.06 of the Listing Requirements of Bursa Securities.

On 5 November 2020, the High Court of Malaya had granted an order confirming the reduction of share capital of the Company pursuant to Section 116 of the Act (Order).

On 6 November 2020, SIGGAS announced that Bursa Securities has, vide its letter dated 6 November 2020, granted the Company an extension of time of up to 31 March 2021 to submit a regularisation plan to the regulatory authorities. SIGGAS had applied for the extension of time to be in compliance with the Listing Requirements of Bursa Securities. The Withdrawal is still in progress and will be implemented after the Capital Reduction and Repayment. As such, the Extension of Time will provide SIGGAS with sufficient time to complete the withdrawal of its listing on the Official List in accordance with Paragraph 16.08 of the Listing Requirements.

## NOTES TO THE REPORT

### PART B –

### ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

#### B4. Profit Forecast And Profit Estimate

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

#### 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 Directors approved a special tax exempt (single-tier) dividend of 55.696578 sen per ordinary share 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 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:-

	Current quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30 Sep	30 Sep	30 Sep	30 Sep
	2020	2019	2020	2019
<b>(a) Basic</b>				
Profit/(Loss) for the period (RM'000)				
- Continuing operations	10	(181)	(997)	(597)
- Discontinued operations	-	2,560	-	3,237
	<u>10</u>	<u>2,379</u>	<u>(997)</u>	<u>2,640</u>
Weighted average number of ordinary share for earnings per share ('000)				
	187,500	187,500	187,500	187,500
Basic (loss)/earnings per share (sen)				
- Continuing operations	0.01	(0.10)	(0.53)	(0.32)
- Discontinued operations	-	1.37	-	1.73
	<u>0.01</u>	<u>1.27</u>	<u>(0.53)</u>	<u>1.41</u>
<b>(b) Diluted</b>				
Diluted (loss)/earnings per share (sen)				
- Continuing operations	0.01	(0.10)	(0.53)	(0.32)
- Discontinued operations	-	1.37	-	1.73
	<u>0.01</u>	<u>1.27</u>	<u>(0.53)</u>	<u>1.41</u>