

**B. I. G. INDUSTRIES BERHAD (195285-D)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2018**

	(UNAUDITED) 30.9.2018 RM' 000	(AUDITED) 30.6.2018 RM' 000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	32,833	33,664
Land held for property development	6,333	6,272
Other investments	10	10
	39,176	39,946
<b>Current assets</b>		
Inventories	8,768	7,807
Trade receivables	10,407	10,956
Other receivables, deposits and prepayments	2,200	1,058
Tax recoverable	1,200	1,204
Short term deposits placed with licensed banks	425	653
Short term deposits held as security value	254	247
Cash held pursuant to Housing Development Act	661	658
Investment securities	8	7
Cash and bank balances	2,713	2,219
	26,636	24,809
<b>TOTAL ASSETS</b>	65,812	64,755
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Equity Holders of the Company</b>		
Share capital	48,242	48,242
(Accumulated losses)/ Revenue reserve	(16,826)	(17,058)
<b>TOTAL EQUITY</b>	31,416	31,184
<b>Non-current liabilities</b>		
Lease payables	603	544
Term loans	207	238
Other Payable	5,220	5,216
Deferred tax liabilities	3,435	3,435
	9,466	9,433
<b>Current liabilities</b>		
Bank overdrafts	-	489
Term loans	119	117
Borrowings	6,602	6,184
Trade payables	7,704	5,464
Other payables and accruals	9,634	10,847
Amount due to related companies	45	45
Lease payables	827	992
Income tax payable	-	-
	24,931	24,138
<b>TOTAL LIABILITIES</b>	34,397	33,571
<b>TOTAL EQUITY AND LIABILITIES</b>	65,812	64,755
<b>Net assets per share attributable to Equity Holders of the Company (RM)</b>	0.65	0.65

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

**B. I. G. INDUSTRIES BERHAD (195285-D)**  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018**

	Quarter Ended			Year-To-Date Ended		
	30.9.2018 RM'000	30.9.2017 RM'000	Changes %	30.9.2018 RM'000	30.9.2017 RM'000	Changes %
<b>Revenue</b>	11,765	10,028	17.32	11,765	10,028	17.32
Other income	429	372	15.32	429	372	15.32
Interest income	11	3	266.67	11	3	266.67
Inventories purchased and raw materials consumed	(6,625)	(5,581)	(18.71)	(6,625)	(5,581)	(18.71)
Carriage outwards	(179)	(125)	(43.20)	(179)	(125)	(43.20)
Employee salaries and other benefits expenses	(2,056)	(2,454)	16.22	(2,056)	(2,454)	16.22
Depreciation of plant, property and equipment	(910)	(1,248)	27.08	(910)	(1,248)	27.08
Development costs	-	-	0.00	-	-	0.00
Other expenses	(2,082)	(2,687)	22.52	(2,082)	(2,687)	22.52
<b>Operating profit/(loss)</b>	353	(1,692)	120.86	353	(1,692)	120.86
Finance costs	(121)	(222)	45.50	(121)	(222)	45.50
<b>Profit/(Loss) before tax</b>	232	(1,914)	112.12	232	(1,914)	112.12
Income tax expense	-	-	-	-	-	-
<b>Profit/(Loss) net of tax, representing total comprehensive income for the period</b>	232	(1,914)	112.12	232	(1,914)	112.12
<b>Total comprehensive income for the period</b>						
Profit/(Loss) attributable to: Owners of the Company	232	(1,914)	112.12	232	(1,914)	112.12
<b>Earning per share attributable to equity holders of the Company:</b>						
Earnings/(Loss) per share (sen)						
- Basic	0.48	(3.98)		0.48	(3.98)	
- Diluted	NA	NA		NA	NA	

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

**B. I. G. INDUSTRIES BERHAD (195285-D)**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018**

	-----Attributable to Equity Holders of Company-----			
	-----Non-distributable-----		Distributable	
	Share Capital	Share Premium	Revenue Reserve/ (Accumulated losses)	Total
	RM'000	RM'000	RM'000	RM'000
<b>At 1 July 2018</b>	48,242	-	(17,058)	31,184
Total comprehensive profit/(loss)	-	-	232	232
<b>At 30 September 2018</b>	<u>48,242</u>	<u>-</u>	<u>(16,826)</u>	<u>31,416</u>
<b>At 1 July 2017</b>	48,242	-	(12,540)	35,702
Total comprehensive loss	-	-	(1,914)	(1,914)
<b>At 30 September 2017</b>	<u>48,242</u>	<u>-</u>	<u>(14,454)</u>	<u>33,788</u>

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

**B. I. G. INDUSTRIES BERHAD (195285-D)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018**

	<b>3 Months Ended 30.9.2018 RM'000</b>	<b>3 Months Ended 30.9.2017 RM'000</b>
Profit/(Loss) before tax	232	(1,914)
Adjustments for :		
Depreciation of property, plant and equipment	910	1,248
Bad debts written off	-	24
Property, plant and equipment written off	-	65
Net gain on disposal of property, plant and equipment	(158)	(98)
Reversal of impairment loss on other receivables	(34)	(58)
Interest expenses	121	222
Interest income	(11)	(3)
<b>Operating cash flows before working capital changes</b>	<b>1,060</b>	<b>(514)</b>
Changes in working capital:		
Inventories	(960)	938
Receivables	(559)	(557)
Payables	1,032	1,341
Cash flows from operations	573	1,208
Interest received	11	3
Interest paid	-	-
Income tax paid, net of refunds	4	127
<b>Net cash flows from operating activities</b>	<b>588</b>	<b>1,338</b>
<b>Investing activities</b>		
Purchase of property, plant & equipment	(89)	(19)
Proceeds from hire purchase loan	192	-
Proceeds from disposal of property, plant & equipment	167	171
Subsequent expenditure on land held for development	(62)	(35)
<b>Net cash flows from/ (used in) investing activities</b>	<b>208</b>	<b>117</b>
<b>Financing activities</b>		
Repayment of loans and borrowings	(28)	(523)
Net change of short term borrowings	418	61
(Increase)/decrease in fixed deposits pledged	(10)	(2)
Interest paid	(121)	(222)
Repayment of lease payables	(299)	(407)
<b>Net cash flows used in financing activities</b>	<b>(40)</b>	<b>(1,093)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>756</b>	<b>362</b>
<b>Cash and cash equivalents at 1 July</b>	<b>2,382</b>	<b>273</b>
<b>Cash and cash equivalents at 30 September</b>	<b>3,138</b>	<b>635</b>
<b>Analysis of cash and cash equivalents:</b>		
Cash and bank balances	3,138	2,421
Bank overdrafts	-	(1,786)
	<b>3,138</b>	<b>635</b>

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

## **B. I. G. INDUSTRIES BERHAD (195285-D)**

(Incorporated in Malaysia)

### **PART A –EXPLANATORY NOTES PURSUANT TO FRS134**

#### **A1 Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards (“FRS”) No.134, “Interim Financial Reporting” and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018. These explanatory notes 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 financial year ended 30 June 2018.

#### **A2. Changes in Accounting Policies**

The Group has adopted the following MFRSs, new IC Interpretation (“IC Int”) and amendments to IC Int which are effective on or after 1 January 2018:

##### New MFRSs

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers

##### Amendments/Improvements to MFRSs

MFRS 1	First-time Adoption of MFRSs
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The adoption of the above MFRSs and amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and did not result in significant changes to the Group’s existing accounting policies.

#### **A3. Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report on the financial statements of the Company and its subsidiaries for the financial year ended 30 June 2018 were not subject to any qualification.

#### **A4. Comments about Seasonal or Cyclical Factors**

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

#### **A5. Unusual Items due to their Nature, Size or Incidence**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows during the quarter under review.

#### A6. Changes in Estimates

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and year-to-date under review.

#### A7. Debts and Equity Securities

There were no debt and equity securities issued, cancelled, repurchased, resold or repaid during the current quarter under review.

#### A8. Dividends Paid

There was no dividend paid for the quarter under review.

#### A9. Segmental Information

	Revenue			Profit/(Loss) before tax		
	--- 3 months ended 30 Sep --- (Individual Quarter)					
SEGMENT	2018 RM'000	2017 RM'000	Changes %	2018 RM'000	2017 RM'000	Changes %
Gas	7,809	5,758	35.62	492	(1,001)	149.15
Concrete	3,956	4,270	(7.35)	(198)	(715)	72.31
Property	-	-	-	(44)	(97)	54.64
Others	-	-	-	(18)	(101)	82.18
<b>Total</b>	<b>11,765</b>	<b>10,028</b>	<b>17.32</b>	<b>232</b>	<b>(1,914)</b>	<b>112.12</b>

	Revenue			Profit/(Loss) before tax		
	--- 3 months ended 30 Sep --- (Cumulative Quarter)					
SEGMENT	2018 RM'000	2017 RM'000	Changes %	2018 RM'000	2017 RM'000	Changes %
Gas	7,809	5,758	35.62	492	(1,001)	149.15
Concrete	3,956	4,270	(7.35)	(198)	(715)	72.31
Property	-	-	-	(44)	(97)	54.64
Others	-	-	-	(18)	(101)	82.18
<b>Total</b>	<b>11,765</b>	<b>10,028</b>	<b>17.32</b>	<b>232</b>	<b>(1,914)</b>	<b>112.12</b>

#### A10. Carrying Amount of Revalued Assets

The valuation of property, plant and equipment was brought forward without amendment from the previous annual financial statements.

#### **A11. Material Subsequent Events**

There are no material events subsequent to the end of the current quarter under review.

#### **A12. Changes in Composition of the Group**

Except for the following, there were no changes in the composition of the Group:

- i) On 18 September 2017, the Company announced that the following companies are applying for striking off their names from the Registry pursuant to Section 550 of the Companies Act 2016:
  - a) B.I.G. Marine Sdn. Bhd., a wholly-owned subsidiary; and
  - b) Sistem SDS Sdn. Bhd., a wholly-owned subsidiary.

The above companies are dormant and non-operating. They have no intention to carry out any business.

#### **A13. Changes in Contingent Liabilities and Contingent Assets**

There are no material changes in the contingent liabilities or contingent assets since the last balance sheet date.

#### **A14. Capital Commitments**

The Group do not have capital expenditure approved and contracted but not provided for as at 30 September 2018.

### **PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES**

#### **B1. Performance Review**

For the quarter under review, the Group recorded a gross revenue of RM11.765 million as compared to RM10.028 million recorded in the preceding year corresponding quarter. The increase was mainly contributed by the Gas Division which registered improved performance of 35.62% due to increase in revenue as a result of higher maintenance and shutdown activities by oil and gas industry.

For the current quarter under review, the Group recorded a profit before tax of RM0.232 million as compared to a loss before tax of RM1.914 million recorded in the preceding year corresponding quarter. The better performance was due to higher revenue and various cost rationalization measures.

- **Gas Division**

During the current quarter under review, the Gas Division recorded a gross revenue of RM7.809 million as compared to RM5.758 million recorded in the preceding year corresponding quarter, an increase of RM2.051 million. Compared with the preceding year corresponding quarter, revenue for liquefied gas increased by RM1.319 million and compressed gas improved by RM0.732 million.

The division recorded a profit before tax of RM0.492 million for the current quarter ended 30 September 2018 as compared to loss before tax of RM1.001 million recorded in the preceding year corresponding quarter. The higher profit was in tandem with higher revenue from both liquefied and compressed gas and results of various costs rationalization measures.

- **Concrete Division**

During the current quarter under review, the Concrete Division recorded a gross revenue of RM3.956 million as compared to a revenue of RM4.270 million registered in the preceding year corresponding quarter. The lower revenue was caused by the acute shortage of sand supply.

The Concrete Division recorded a loss before tax of RM0.198 million as compared to a loss before tax of RM0.715 million recorded in the preceding year corresponding period. The lower loss was due to various cost rationalization measures taken by the Group.

- **Property Division**

No revenue from the Property Division for the current quarter under review.

The new project in Melalin is currently at the stage of application for approved permit and developer licence.

## **B2. Comparison of Material Change with Preceding Quarter's Results**

<b>Group Results</b>	<b>Current Quarter ended 30.9.2018</b>	<b>Preceding Quarter ended 30.6.2018</b>	<b>Changes</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>%</b>
Revenue	11,765	10,260	14.67
Profit/(Loss) Before Tax	232	(1,602)	114.48

Revenue for the current quarter under review was RM11.765 million as compared to RM10.260 million for the preceding quarter. Higher revenue was achieved by Gas Division which saw higher demand from oil and gas industry.

The Group recorded a profit before tax of RM0.232 million as compared to a loss before tax of RM1.602 million for the preceding quarter ended 30 June 2018. The higher loss for the preceding quarter was due to impairment of property, plant and equipment, impairment of trade receivables and provision of a legal claim.

## **B3. Current Year Prospects**

The market condition continues to be challenging due to persistent trade war between China and United States of America and volatility of crude oil prices. The Group will continue its prudent policy on costs and to improve its efficiency.



With the increased in activities in the oil and gas industry, the Group expects the performance of the Gas Division to remain satisfactory in the next quarter.

The Concrete Division is expected to remain weak for the next quarter due to acute sand shortage, fewer project launches and overcapacity in the ready-mixed concrete industry. The Group will continue to be prudent in its expenditures and optimizing its operational efficiency.

The new project in Melalin is currently at the stage of application for approved permit and developer licence.

**B4. Statement of the Board of Directors' Opinion on Achievement of Forecast or Target**

The disclosure requirement is not applicable for the current quarter.

**B5. Profit Forecast**

The Company has not provided any profit forecast in any public document.

**B6. Taxation**

	Current Year Quarter 30.9.2018 (RM'000)	Preceding Year Quarter 30.9.2017 (RM'000)	Changes %	Current Year To date 30.9.2018 (RM'000)	Preceding Year To date 30.9.2017 (RM'000)	Changes %
<b>Taxation comprises:</b>						
Current tax	-	-	-	-	-	-
Deferred tax	-	-	-	-	-	-
Total	-	-	-	-	-	-

The Group's effective tax rate for the current quarter under review is lower than the statutory rate as certain wholly-owned subsidiary companies of the Company have sufficient capital allowances and trading losses to offset taxable profits.

**B7. Corporate Proposals**

There are no pending corporate proposals as at the date of this report.

## B8. Borrowings

### a) Short Term Borrowings

	30 September 2018			30 September 2017		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank overdraft	-	-	-	1,786	-	1,786
Bankers' acceptance and revolving credits	6,602	-	6,602	5,386	-	5,386
Term loans	119	-	119	109	331	440
Lease payables	827	-	827	1,316	-	1,316
<b>Total</b>	<b>7,548</b>	<b>-</b>	<b>7,548</b>	<b>8,597</b>	<b>331</b>	<b>8,928</b>

### b) Long Term Borrowings

	30 September 2018			30 September 2017		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Term loans	207	-	207	327	-	327
Lease payables	603	-	603	1,129	-	1,129
<b>Total</b>	<b>810</b>	<b>-</b>	<b>810</b>	<b>1,456</b>	<b>-</b>	<b>1,456</b>

None of the Group's borrowings as at the financial year ended are denominated in foreign currencies.

## B9. Changes in Material Litigations

There was no litigation at the date of issue of these interim financial statements except for the following:

On 26 June 2012, the Company's wholly-owned subsidiary, B.I.G. Industrial Gas Sdn. Bhd. ("BIGG") entered into a conditional Sale and Purchase Agreement ("SPA") with Pan Wijaya Property Sdn. Bhd. ("PWPSB") subject to the consent from the Director of Lands and Surveys for the disposal of a piece of vacant leasehold land held under Lot 2072, Block 26, Kemena Land District, Kidurong Industrial Area, Bintulu, Sarawak measuring approximately 1.2243 hectares in area for a cash consideration of RM3.1 million.

Director of Lands and Surveys, Sarawak via its letter dated 12 March 2013 rejected the application for consent to transfer ownership of land title held under Lot 2072. Accordingly, the conditional SPA dated 26 June 2012 on the proposed disposal was treated as cancelled, null and void.

On 5 February 2013, PWPSB created a caveat instrument registered as Instrument No.L703/2013 at Bintulu Land District on 5 February 2013 (“Caveat”) forbidding the registration of any dealing with the estate or the interest of the land held under Lot 2072. In view of the cancellation of proposed disposal and refusal of PWPSB to remove the caveat, BIGG had on 26 July 2013 commenced a legal proceeding against PWPSB for the removal of the caveat. On 3 September 2013, PWPSB sued BIGG for specific performance of the SPA and in the alternative for damages for breach of contract. BIGG refuted the claim as the Director of Lands and Surveys, Sarawak had refused to grant the consent and thus it was impossible to perform the SPA and therefore void. In the event the High Court ruled in favour of PWPSB, the financial impact to BIGG would be RM0.620 million as pre-estimated liquidated damages.

On 10 April 2014, the High Court had ordered (“Court Order”):

- i) the removal of the said caveat from the Register of the Department of Lands and Surveys Bintulu Division (“DLS-Bintulu”) with costs; and
- ii) BIGG was entitled to damages subject to proofs.

On 11 August 2014, the solicitors of BIGG had sent a sealed copy of the Court Order to the DLS-Bintulu for the aforesaid removal of caveat.

On 10 September 2014, PWPSB filed an appeal against the High Court’s ruling of 10 April 2014 and on 17 October 2014, the Court of Appeal had ordered for a full hearing at the High Court.

The full trial at the High Court was held on 11 May 2015 and 12 May 2015. The High Court fixed the ruling date on 23 July 2015 which was re-scheduled to 17 August 2015. However, on 17 August 2015 and 15 September 2015, the High Court again scheduled the ruling date to 15 September 2015 and 18 November 2015 respectively.

The Bintulu High Court had again re-scheduled the ruling date to 28 December 2015 and later 4 February 2016. Subsequently on 4 February 2016, the ruling date was postponed to 26 February 2016. On 26 February 2016, the ruling date was again postponed to 18 March 2016.

On 18 March 2016, the High Court ruled as follows:

1. The Caveat to be withdrawn upon receipt of RM620,000.00 from BIGG;
2. No specific performance is granted against BIGG;
3. Global costs of RM55,000.00 payable to PWPSB;
4. BIGG to pay damages (to be assessed by Registrar) under Section 75 of Contract Act 1950 or Clause 6 of SPA.

BIGG had on 14 April 2016 filed an appeal to the Court of Appeal against the High Court decision.

The Court of Appeal hearing was held on 15 February 2017 and the judgement was as follows:

1. The Caveat to be withdrawn upon receipt of RM620,000.00 from BIGG;
2. No specific performance is granted against BIGG;
3. BIGG to pay damages (to be assessed by Registrar) under Section 75 of the Contract Act 1950 or Clause 6 of SPA; and
4. Each party to bear their own costs.

On 15 May 2017, the High Court in Bintulu had allowed BIGG's application to stay the PWPSB's Notice for Directions for assessment of damages dated 16 March 2017 pending the final disposal of BIGG's Notice of Motion for leave to appeal to the Federal Court dated 14 March 2017.

The hearing of the Notice of Motion for Leave before Federal Court is fixed on 14 September 2017.

On 14 September 2017, the Federal Court granted leave to BIGG against the decision of the Court of Appeal. On 6 October 2017, BIGG had filed and served a Notice of Appeal.

BIG had filed the Memorandum and Record of Appeal to the Federal Court. The hearing of the appeal before the Federal Court is fixed on 18 July 2018.

On 18 July 2018, the Federal Court dismissed the appeal of BIGG. The Federal Court was not prepared to consider the question of law posed as it held that BIGG ought to have appealed against the decision of the Director of Land & Survey, Sarawak.

The High Court in Bintulu has fixed the trial date on 3<sup>rd</sup> and 4<sup>th</sup> January 2019.

#### **B10. Dividend Payable**

No interim ordinary dividend has been recommended for the quarter under review.

#### **B11. Earnings Per Share**

	<b>Current Quarter Ended 30.9.2018</b>	<b>Preceding Year Ended 30.9.2017</b>	<b>Current Year To-Date 30.9.2018</b>	<b>Preceding Year To-Date 30.9.2017</b>
<b>a) Basic</b>				
Profit/(Loss) net of tax, attributable to Equity Holders of the Company (RM'000)	232	(1,117)	(1,914)	(6,612)
Weighted average number of ordinary shares, in issue ('000)	48,092	48,092	48,092	48,092
Basic earnings/(loss) per share (sen)	<b>0.48</b>	<b>(2.32)</b>	<b>(3.98)</b>	<b>(13.75)</b>
<b>b) Diluted</b>				
Profit/(Loss) net of tax, attributable to Equity Holders of the Company (RM'000)	N/A	N/A	N/A	N/A
Weighted average number of ordinary shares, in issue ('000)	N/A	N/A	N/A	N/A
Fully diluted earnings per share (sen)	N/A	N/A	N/A	N/A