

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2019**

	(UNAUDITED) 31.3.2019 RM' 000	(AUDITED) 30.6.2018 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	31,527	33,664
Land held for property development	6,507	6,272
Other investments	10	10
	38,044	39,946
Current assets		
Inventories	7,153	7,807
Trade receivables	11,214	10,956
Other receivables, deposits and prepayments	1,464	1,058
Tax recoverable	856	1,204
Short term deposits placed with licensed banks	425	653
Short term deposits held as security value	1,382	247
Cash held pursuant to Housing Development Act	668	658
Investment securities	8	7
Cash and bank balances	1,161	2,219
	24,331	24,809
TOTAL ASSETS	62,375	64,755
EQUITY AND LIABILITIES		
Equity attributable to Equity Holders of the Company		
Share capital	48,242	48,242
(Accumulated losses)/ Revenue reserve	(14,414)	(17,058)
TOTAL EQUITY	33,828	31,184
Non-current liabilities		
Lease payables	741	544
Term loans	145	238
Other Payable	4,001	5,216
Deferred tax liabilities	3,435	3,435
	8,323	9,433
Current liabilities		
Bank overdrafts	1,001	489
Term loans	125	117
Borrowings	3,532	6,184
Trade payables	5,864	5,464
Cylinder deposits received	4,562	4,302
Other payables and accruals	4,623	6,545
Amount due to related companies	-	45
Lease payables	518	992
Income tax payable	-	-
	20,225	24,138
TOTAL LIABILITIES	28,548	33,571
TOTAL EQUITY AND LIABILITIES	62,375	64,755
Net assets per share attributable to Equity Holders of the Company (RM)	0.70	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 THIRD QUARTER ENDED 31 MARCH 2019**

	Quarter Ended			Year-To-Date Ended		
	31.3.2019 RM'000	31.3.2018 RM'000	Changes %	31.3.2019 RM'000	31.3.2018 RM'000	Changes %
Revenue	9,967	10,499	(5.07)	36,045	29,649	21.57
Other income	1,254	267	369.66	3,198	964	231.74
Interest income	5	3	66.67	21	9	133.33
Inventories purchased and raw materials consumed	(4,191)	(6,163)	(32.00)	(17,709)	(16,328)	8.46
Carriage outwards	(22)	(140)	(84.29)	(253)	(339)	(25.37)
Employee salaries and other benefits expenses	(2,221)	(1,931)	15.02	(6,288)	(6,728)	(6.54)
Depreciation of plant, property and equipment	(835)	(1,134)	(26.37)	(2,585)	(3,578)	(27.75)
Development costs	(598)	165	(462.42)	(598)	165	(462.42)
Other expenses	(2,648)	(2,153)	22.99	(8,824)	(7,109)	24.12
Operating profit/(loss)	711	(587)	221.12	3,007	(3,295)	191.26
Finance costs	(108)	(135)	(20.00)	(339)	(551)	(38.48)
Profit/(Loss) before tax	603	(722)	183.52	2,668	(3,846)	169.37
Income tax expense	(24)	-	100.00	(24)	-	100.00
Profit/(Loss) net of tax, representing total comprehensive income for the period	579	(722)	180.19	2,644	(3,846)	168.75
Total comprehensive income for the period						
Profit/(Loss) attributable to: Owners of the Company	579	(722)	180.19	2,644	(3,846)	168.75
Earning per share attributable to equity holders of the Company:						
Earnings/(Loss) per share (sen)						
- Basic	1.20	(1.50)		5.50	(8.00)	
- 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 THIRD QUARTER ENDED 31 MARCH 2019**

	-----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
At 1 July 2018	48,242	-	(17,058)	31,184
Total comprehensive profit/(loss)	-	-	2,644	2,644
At 31 March 2019	<u>48,242</u>	<u>-</u>	<u>(14,414)</u>	<u>33,828</u>
At 1 July 2017	48,242	-	(12,540)	35,702
Total comprehensive loss	-	-	(3,846)	(3,846)
At 31 March 2018	<u>48,242</u>	<u>-</u>	<u>(16,386)</u>	<u>31,856</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.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 MARCH 2019**

	9 Months Ended 31.3.2019 RM'000	9 Months Ended 31.3.2018 RM'000
Profit/(Loss) before tax	2,668	(3,846)
Adjustments for :		
Depreciation of property, plant and equipment	2,585	3,578
Bad debts written off	-	24
Property, plant and equipment written off	25	68
Net gain on disposal of property, plant and equipment	(2,423)	(254)
Impairment loss on inventories	117	-
Reversal of impairment loss on other receivables	(109)	(128)
Interest expenses	339	551
Interest income	(21)	(9)
Operating cash flows before working capital changes	3,181	(16)
Changes in working capital:		
Inventories	537	270
Receivables	(564)	506
Payables	(2,512)	2,353
Cash flows from operations	642	3,113
Interest received	21	9
Income tax paid, net of refunds	325	169
Net cash flows from operating activities	988	3,291
Investing activities		
Purchase of property, plant & equipment	(185)	(152)
Proceeds from disposal of property, plant & equipment	2,675	471
Net advance to associate	-	(1)
Subsequent expenditure on land held for development	(236)	(46)
Net cash flows from/ (used in) investing activities	2,254	272
Financing activities		
Repayment of loans and borrowings	(85)	(908)
Net change of short term borrowings	(2,653)	487
(Increase)/decrease in fixed deposits pledged	(1,145)	34
Interest paid	(339)	(551)
Repayment of lease payables	(817)	(1,126)
Net cash flows used in financing activities	(5,039)	(2,064)
Net increase/(decrease) in cash and cash equivalents	(1,797)	1,499
Cash and cash equivalents at 1 July	2,382	273
Cash and cash equivalents at 31 March	585	1,772
Analysis of cash and cash equivalents:		
Cash and bank balances	1,586	2,200
Bank overdrafts	(1,001)	(428)
	585	1,772

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.

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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 31 Mar --- (Individual Quarter)					
SEGMENT	2019 RM'000	2018 RM'000	Changes %	2019 RM'000	2018 RM'000	Changes %
Gas	7,255	5,454	33.02	772	(764)	201.05
Concrete	2,457	5,045	(51.30)	(399)	(240)	(66.25)
Property	255	-	100.00	276	228	21.05
Others	-	-	-	(46)	54	(185.19)
Total	9,967	10,499	(5.07)	603	(722)	183.52

	Revenue			Profit/(Loss) before tax		
	--- 9 months ended 31 Mar --- (Cumulative Quarter)					
SEGMENT	2019 RM'000	2018 RM'000	Changes %	2019 RM'000	2018 RM'000	Changes %
Gas	24,749	16,740	47.84	2,837	(2,295)	223.62
Concrete	9,674	12,909	(25.06)	(849)	(1,472)	42.32
Property	1,622	-	100.00	774	(20)	3970.00
Others	-	-	-	(94)	(59)	(59.32)
Total	36,045	29,649	21.57	2,668	(3,846)	169.37

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 final notice of the striking off of B.I.G. Marine Sdn. Bhd. was dated 25 September 2018. It was dissolved on 22 October 2018.

The final notice of the striking off of Sistem SDS Sdn. Bhd. was dated 29 October 2018. It was dissolved on 15 November 2018.

- ii) On 8 February 2019, the Company announced that the following company is applying for striking off from the Registry pursuant to Section 550 of the Companies Act 2016:
 - a) B.I.G. Construction Sdn. Bhd., a wholly-owned subsidiary.

The above company is dormant and non-operating. It has no intention to carry out any business in the future.

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

There was no capital commitment for the Group as at 31 March 2019.

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 RM9.967 million as compared to RM10.499 million recorded in the preceding year corresponding quarter. The lower revenue was caused by the Concrete Division with less demand of our concrete products owing to lesser projects and shorter working days due to festival. The performance of Gas division was satisfactory with higher sales of liquefied gas for the maintenance activities of oil and gas industry.

For the current nine months financial period, the Group recorded a gross revenue of RM36.045 million as compared to RM29.649 million recorded in the preceding year corresponding period, an increase of RM6.396 million. The increase was mainly contributed by the Gas Division which saw its revenue increased by RM8.009 million.

For the current quarter under review, the Group recorded a profit before tax of RM0.603 million as compared to a loss before tax of RM0.722 million recorded in the preceding year corresponding quarter. The profit was due to the gain from disposal of vacant land from the Gas Division and sales of completed houses by the Property Division in Kuching, Sarawak.

For the current nine months financial period, the Group recorded a profit before tax of RM2.668 million as compared to a loss before tax of RM3.846 million recorded in the preceding year corresponding quarter. The profit was due to the gain on disposal of vacant land, higher revenue from the Gas and Property Divisions.

- **Gas Division**

During the current quarter under review, the Gas Division recorded a gross revenue of RM7.255 million as compared to RM5.454 million recorded in the preceding year corresponding quarter, an increase of RM1.801 million. For the current nine months financial period, the Group recorded a gross revenue of RM24.749 million as compared to RM16.740 million recorded in the preceding year corresponding period. The higher revenue was attributable to higher demand of liquefied gas from the oil and gas industry for their maintenance services.

The division recorded a profit before tax of RM0.772 million for the current quarter under review as compared to loss before tax of RM0.764 million recorded in the preceding year corresponding quarter. The higher profit was mainly contributed by gain on disposal of vacant land. For the current nine months financial period, the Group recorded a profit before tax of RM2.837 million as compared to loss before tax of RM2.295 million recorded in the preceding year corresponding period. The higher profit was attributable to gain on disposal of vacant land and higher revenue.

- **Concrete Division**

During the current quarter under review, the Concrete Division recorded a gross revenue of RM2.457 million as compared to a revenue of RM5.045 million registered in the preceding year corresponding quarter. For the current nine months financial period, the Group recorded a gross revenue of RM9.674 million as compared to RM12.909 million recorded in the preceding year corresponding period, a decrease of RM3.235 million or 25.06%. The lower revenue was attributable to low demand for its concrete products and acute shortage of sand supply.

The Concrete Division recorded a loss before tax of RM0.399 million as compared to a loss before tax of RM0.240 million recorded in the preceding year corresponding period. For the current nine months financial period, the Group recorded a loss before tax of RM0.849 million as compared to RM1.472 million recorded in the preceding corresponding period. The lower loss was resulted by various cost rationalization measures taken by the Group.

- **Property Division**

During the quarter under review, the Group recorded revenue of RM0.255 million from sales of single-storey terraced houses. No revenue was recorded in the previous corresponding quarter.

The advertising permit and developer license for our new project in Melalin has been approved. The division is actively marketing the houses.

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

Group Results	Current Quarter ended 31.3.2019	Preceding Quarter ended 31.12.2018	Changes
	(RM'000)	(RM'000)	%
Revenue	9,967	14,313	(30.36)
Profit/(Loss) Before Tax	603	1,833	(67.10)

Revenue for the current quarter under review was RM9.967 million as compared to RM14.313 million for the preceding quarter. The higher revenue for the preceding quarter was contributed by the Gas and the Property Divisions. The higher revenue from Gas Division was due to securing supply of liquefied gas for oil and gas industry for their maintenance services, while Property Division was due to sales of single-storey terraced houses.

The Group recorded a profit before tax of RM0.603 million as compared to a profit before tax of RM1.833 million for the preceding quarter ended 31 December 2018. The higher profit for the preceding quarter was mainly contributed by the gain on disposal of vacant land, higher revenue from the Gas Division and sales of single-storey terraced houses by the Property Division in Kuching, Sarawak.

B3. Current Year Prospects

The Group expects the remaining quarter to be challenging due to the ongoing global trade tensions, volatile exchange rate and weak market conditions. Despite these challenges, the Group will continue its prudent policy on costs, enhance its operational efficiencies and look out for more markets for our products.

With the crude oil prices expected to hold above US\$50 per barrel and most oil and gas player has ramped up their activities, the Group expects the performance of the Gas Division to remain satisfactory for the current financial year.

The prospect of the Concrete Division remains to be weak for the current financial year due to slow down in the construction sector, acute sand shortage and overcapacity in the ready-mixed concrete industry. The Group will continue to be prudent in its expenditures and optimizing its operational efficiency.

The Property Division continues to push for the sales of remaining unit of single-storey houses.

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 31.3.2019 (RM'000)	Preceding Year Quarter 31.3.2018 (RM'000)	Changes %	Current Year To date 31.3.2019 (RM'000)	Preceding Year To date 31.3.2018 (RM'000)	Changes %
Taxation comprises:						
Current tax	(24)	-	100.00%	(24)	-	100.00%
Deferred tax	-	-	-	-	-	-
Total	(24)	-	-	(24)	-	-

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

	31 March 2019			31 March 2018		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank overdraft	1,001	-	1,001	428	-	428
Bankers' acceptance and revolving credits	3,532	-	3,532	5,813	-	5,813
Term loans	125	-	125	114	-	114
Lease payables	518	-	518	1,085	-	1,085
Total	5,176	-	5,176	7,440	-	7,440

b) Long Term Borrowings

	31 March 2019			31 March 2018		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Term loans	145	-	145	268	-	268
Lease payables	741	-	741	787	-	787
Total	886	-	886	1,055	-	1,055

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 3rd and 4th January 2019. The trial was held on 3 January 2019 and to be continued in early April 2019. At the case management held on 28 February 2019, the High Court in Bintulu has fixed a new trial dates on 13 August 2019 to 16 August 2019. The continued trial in early April 2019 was vacated.

B10. Dividend Payable

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

B11. Earnings Per Share

	Current Quarter Ended 31.3.2019	Preceding Year Ended 31.3.2018	Current Year To-Date 31.3.2019	Preceding Year To-Date 31.3.2018
a) Basic				
Profit/(Loss) net of tax, attributable to Equity Holders of the Company (RM'000)	579	(722)	2,668	(3,846)
Weighted average number of ordinary shares, in issue ('000)	48,092	48,092	48,092	48,092
Basic earnings/(loss) per share (sen)	1.20	(1.50)	5.55	(8.00)
b) Diluted				
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