

**B. I. G. INDUSTRIES BERHAD**  
**Registration No. 199001003718 (195285-D)**  
(Incorporated in Malaysia)

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

|  | (UNAUDITED)<br>31.12.2019<br>RM' 000 | (AUDITED)<br>30.6.2019<br>RM' 000 |
|--|--------------------------------------|-----------------------------------|
| <b>ASSETS</b>  |                                      |                                   |
| <b>Non-current assets</b>  |                                      |                                   |
| Property, plant and equipment  | 29,214                               | 30,597                            |
| Right-of-use assets  | 600                                  | -                                 |
|  | 29,814                               | 30,597                            |
| <b>Current assets</b>  |                                      |                                   |
| Inventories  | 4,918                                | 6,118                             |
| Property under development   | 1,691                                | 1,225                             |
| Trade receivables  | 8,111                                | 9,186                             |
| Other receivables, deposits and prepayments                            | 1,313                                | 1,371                             |
| Tax recoverable  | 146                                  | 132                               |
| Short term deposits placed with licensed banks                         | 2,388                                | 728                               |
| Short term deposits held as security value                             | 1,348                                | 1,382                             |
| Cash held pursuant to Housing Development Act                          | 219                                  | 218                               |
| Investment securities  | 8                                    | 8                                 |
| Cash and bank balances   | 1,399                                | 2,220                             |
|  | 21,541                               | 22,588                            |
| <b>TOTAL ASSETS</b>  | 51,355                               | 53,185                            |
| <b>EQUITY AND LIABILITIES</b>  |                                      |                                   |
| <b>Equity attributable to owners of the Company</b>                    |                                      |                                   |
| Share capital  | 48,242                               | 48,242                            |
| Accumulated losses   | (21,057)                             | (21,379)                          |
| <b>TOTAL EQUITY</b>  | 27,185                               | 26,863                            |
| <b>Non-current liabilities</b>   |                                      |                                   |
| Lease payables   | 524                                  | 678                               |
| Lease liabilities  | 408                                  | -                                 |
| Term loans   | 47                                   | 114                               |
| Other Payable  | 2,734                                | 3,774                             |
| Deferred tax liabilities   | 3,458                                | 3,458                             |
|  | 7,171                                | 8,024                             |
| <b>Current liabilities</b>   |                                      |                                   |
| Term loans   | 131                                  | 126                               |
| Borrowings   | 1,899                                | 2,882                             |
| Trade payables   | 3,764                                | 4,320                             |
| Cylinder deposits received   | 4,769                                | 4,749                             |
| Other payables and accruals  | 5,610                                | 5,515                             |
| Lease payables   | 308                                  | 324                               |
| Lease liabilities  | 199                                  | -                                 |
| Income tax payable   | 320                                  | 382                               |
|  | 17,000                               | 18,298                            |
| <b>TOTAL LIABILITIES</b>   | 24,171                               | 26,322                            |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                    | 51,355                               | 53,185                            |
| <b>Net assets per share attributable to owners of the Company (RM)</b> | 0.56                                 | 0.56                              |

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

**B. I. G. INDUSTRIES BERHAD**  
**Registration No. 199001003718 (195285-D)**  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE SECOND QUARTER ENDED 31 DECEMBER 2019**

|  | Quarter Ended |            |          | Year-To-Date Ended |            |         |
|--|---------------|------------|----------|--------------------|------------|---------|
|  | 31.12.2019    | 31.12.2018 | Changes  | 31.12.2019         | 31.12.2018 | Changes |
|  | RM'000        | RM'000     | %        | RM'000             | RM'000     | %       |
| <b>Revenue</b>   | 8,967         | 14,313     | (37.35)  | 19,731             | 26,078     | (24.34) |
| Other income   | 535           | 1,515      | (64.69)  | 804                | 1,944      | (58.64) |
| Interest income  | 8             | 5          | 60.00    | 21                 | 16         | 31.25   |
| Inventories purchased and raw materials consumed                                     | (4,573)       | (6,893)    | (33.66)  | (9,517)            | (13,518)   | (29.60) |
| Carriage outwards  | (27)          | (52)       | (48.08)  | (73)               | (231)      | (68.40) |
| Employees salaries and other benefits expenses                                       | (2,023)       | (2,011)    | 0.60     | (4,016)            | (4,067)    | (1.25)  |
| Depreciation and amortisation  | (830)         | (840)      | (1.19)   | (1,658)            | (1,750)    | (5.26)  |
| Development costs  | -             | -          | 100.00   | (855)              | -          | 100.00  |
| Other expenses   | (2,121)       | (4,094)    | (48.19)  | (3,850)            | (6,176)    | (37.66) |
| <b>Operating profit</b>  | (64)          | 1,943      | (103.29) | 587                | 2,296      | (74.43) |
| Finance costs  | (71)          | (110)      | (35.45)  | (132)              | (231)      | (42.86) |
| <b>Profit before tax</b>   | (135)         | 1,833      | (107.36) | 455                | 2,065      | (77.97) |
| Income tax expense   | (45)          | -          | 100.00   | (133)              | -          | 100.00  |
| <b>Profit for the period, representing total comprehensive income for the period</b> | (180)         | 1,833      | (109.82) | 322                | 2,065      | (84.41) |
| <b>Total comprehensive income for the period</b>                                     |               |            |          |                    |            |         |
| Profit attributable to:  |               |            |          |                    |            |         |
| - Owners of the Company  | (180)         | 1,833      | 109.82   | 322                | 2,065      | 84.41   |
| <b>Earnings per share attributable to owners of the Company:</b>                     |               |            |          |                    |            |         |
| Earnings per share (sen)   |               |            |          |                    |            |         |
| - Basic  | (0.37)        | 3.81       |          | 0.67               | 4.29       |         |
| - 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 2019 and the accompanying explanatory notes attached to the interim financial statements.

**B. I. G. INDUSTRIES BERHAD**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2019**

|                                   | -----Attributable to owners of the Company----- |                              |                 |
|-----------------------------------|---|------------------------------|-----------------|
|                                   | Share Capital<br>RM'000                         | Accumulated losses<br>RM'000 | Total<br>RM'000 |
| <b>At 1 July 2019</b>             | 48,242  | (21,379)                     | 26,863          |
| Total comprehensive profit/(loss) | -   | 322                          | 322             |
| <b>At 31 December 2019</b>        | <u>48,242</u>                                   | <u>(21,057)</u>              | <u>27,185</u>   |
| <br>                              |   |                              |                 |
| <b>At 1 July 2018</b>             | 48,242  | (22,334)                     | 25,908          |
| Total comprehensive loss          | -   | 2,065                        | 2,065           |
| <b>At 31 December 2018</b>        | <u>48,242</u>                                   | <u>(20,269)</u>              | <u>27,973</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 2019 and the accompanying explanatory notes attached to the interim financial statements.

**B. I. G. INDUSTRIES BERHAD**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE SECOND QUARTER ENDED 31 DECEMBER 2019**

|  | <b>6 Months Ended<br/>31.12.2019<br/>RM'000</b> | <b>6 Months Ended<br/>31.12.2018<br/>RM'000</b> |
|--|---|---|
| Profit before tax  | 455   | 2,065   |
| Adjustments for :  |   |   |
| Depreciation and amortisation  | 1,658   | 1,750   |
| Property, plant and equipment written off                            | 34  | 10  |
| Net gain on disposal of property, plant and equipment                | (98)  | (1,400)   |
| Impairment loss on property, plant and equipment,<br>net of reversal | (16)  | -   |
| Impairment loss on trade receivables, net of reversal                | (282)   | (68)  |
| Interest expenses  | 115   | 231   |
| Interest expense on lease liabilities                                | 17  | -   |
| Interest income  | (21)  | (16)  |
| <b>Operating cash flows before working capital changes</b>           | <b>1,862</b>                                    | <b>2,572</b>                                    |
| Changes in Working Capital:  |   |   |
| Inventories  | 1,201   | 654   |
| Receivables  | 1,415   | (4,812)   |
| Payables   | (1,482)   | 125   |
|  | <b>2,996</b>                                    | <b>(1,461)</b>                                  |
| Interest received  | 21  | 16  |
| Income tax paid, net of refunds                                      | (211)   | (100)   |
| <b>Net Operating Cash Flows</b>                                      | <b>2,806</b>                                    | <b>(1,545)</b>                                  |
| <b>Investing activities</b>  |   |   |
| Purchase of property, plant & equipment                              | (228)   | (99)  |
| Proceeds from disposal of property, plant & equipment                | 164   | 1,574   |
| Expenditure incurred on land held for development                    | (466)   | (62)  |
| <b>Net cash flows from/ (used in) investing activities</b>           | <b>(530)</b>                                    | <b>1,413</b>                                    |
| <b>Financing activities</b>  |   |   |
| Repayment of loans and borrowings                                    | (62)  | (56)  |
| Net change of short term borrowings                                  | (982)   | (561)   |
| Payment of lease liabilities   | (124)   | -   |
| (Increase)/decrease in fixed deposits pledged                        | 33  | (13)  |
| Interest paid  | (115)   | (231)   |
| Interest on lease liabilities  | (17)  | -   |
| Repayment of lease payables  | (169)   | (554)   |
| <b>Net cash flows used in financing activities</b>                   | <b>(1,436)</b>                                  | <b>(1,415)</b>                                  |

**B. I. G. INDUSTRIES BERHAD**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE SECOND QUARTER ENDED 31 DECEMBER 2019**  
(Cont....)

|  | 6 Months Ended<br>31.12.2019<br>RM'000 | 6 Months Ended<br>31.12.2018<br>RM'000 |
|--|--|--|
| Net increase/(decrease) in cash and cash equivalents | 840                                    | (1,547)                                |
| Cash and cash equivalents at 1 July                  | 2,947                                  | 2,382                                  |
| Cash and cash equivalents at 31 December             | 3,787                                  | 835                                    |
| <b>Analysis of cash and cash equivalents:</b>        |  |  |
| Cash and bank balances                               | 3,787                                  | 1,833                                  |
| Bank overdrafts                                      | -                                      | (998)                                  |
|  | 3,787                                  | 835                                    |

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

**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 Malaysian Financial Reporting Standards (“MFRS”) 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 2019. 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 2019.

**A2. Changes in Accounting Policies**

The accounting policies adopted in the preparation of the interim Financial Report are consistent with those used in the preparation of the Group’s audited financial statements for the financial year ended 30 June 2019 except for the adoption of the pronouncement’s that became effective from 1 January 2019.

Effective for  
periods beginning  
on or after

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|         |        |                |
|---------|--------|----------------|
| MFRS 16 | Leases | 1 January 2019 |
|---------|--------|----------------|

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 2019 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 Dec --- |                |                |                          |                |                 |
|              | (Individual Quarter)          |                |                |                          |                |                 |
| SEGMENT      | 2019<br>RM'000                | 2018<br>RM'000 | Changes<br>%   | 2019<br>RM'000           | 2018<br>RM'000 | Changes<br>%    |
| Gas          | 6,058                         | 9,685          | (37.45)        | 191                      | 1,573          | (87.86)         |
| Concrete     | 2,909                         | 3,261          | (10.79)        | (168)                    | (252)          | 33.33           |
| Property     | -                             | 1,367          | (100.00)       | (16)                     | 542            | (102.95)        |
| Others       | -                             | -              | -              | (142)                    | (30)           | (373.33)        |
| <b>Total</b> | <b>8,967</b>                  | <b>14,313</b>  | <b>(37.35)</b> | <b>(135)</b>             | <b>1,833</b>   | <b>(107.36)</b> |

|              | Revenue                       |                |                | Profit/(Loss) before tax |                |                |
|--------------|-------------------------------|----------------|----------------|--------------------------|----------------|----------------|
|              | --- 6 months ended 31 Dec --- |                |                |                          |                |                |
|              | (Cumulative Quarter)          |                |                |                          |                |                |
| SEGMENT      | 2019<br>RM'000                | 2018<br>RM'000 | Changes<br>%   | 2019<br>RM'000           | 2018<br>RM'000 | Changes<br>%   |
| Gas          | 12,035                        | 17,494         | (31.20)        | 557                      | 2,065          | (73.03)        |
| Concrete     | 6,086                         | 7,217          | (15.67)        | (542)                    | (450)          | (20.44)        |
| Property     | 1,610                         | 1,367          | 17.78          | 653                      | 498            | 31.12          |
| Others       | -                             | -              | -              | (213)                    | (48)           | (343.75)       |
| <b>Total</b> | <b>19,731</b>                 | <b>26,078</b>  | <b>(24.34)</b> | <b>455</b>               | <b>2,065</b>   | <b>(77.97)</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:

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

The final notice of the striking off of B.I.G. Construction Sdn. Bhd was dated 13 August 2019. It was dissolved on 3 September 2019

#### **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**

Capital expenditure of the Group approved and contracted but not provided for as at 31 December 2019 in relation to property, plant and equipment amounted to RM0.131 million.



## **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 RM8.967 million as compared to RM14.313 million recorded in the preceding year corresponding quarter. The lower revenue was mainly caused by lesser sales of liquefied gas in the Gas Division and no sales from the Property Division.

For the current six months financial period, the Group recorded a gross revenue of RM19.731 million as compared to RM26.078 million recorded in the preceding corresponding period, a decrease of RM6.347 million or 24.34%. The decrease was mainly caused by the Gas and Concrete Divisions which recorded lower revenue of RM5.459 million and RM1.131 million respectively. The lower revenue of the Gas Division was attributable to lesser sales of liquefied gas while the Concrete Division was due to lesser demand for the concrete products. Overall the market sentiment was sluggish.

For the current quarter under review, the Group recorded a loss before tax of RM0.135 million as compared to a profit before tax of RM1.833 million recorded in the preceding year corresponding quarter. The profit for the preceding year corresponding quarter was due to the gain on disposal of vacant land and higher revenue from the Gas and Property Divisions.

For the current six months financial period, the Group recorded a profit before tax of RM0.455 million as compared to a profit before tax of RM2.065 million for the preceding corresponding period. The higher profit for the preceding corresponding period was due to the gain on disposal of vacant land.

- **Gas Division**

During the current quarter under review, the Gas Division recorded a gross revenue of RM6.058 million as compared to RM9.685 million for the preceding year corresponding quarter. The lower revenue was mainly due to lower demand for the liquefied gas by RM2.686 million. For the current six months financial period, the Gas Division recorded a gross revenue of RM12.035 million as compared to RM17.494 million reported in the preceding corresponding period. The lower revenue was caused by lower demand of liquefied gas from the oil and gas industry for maintenance services.

The division recorded a profit before tax of RM0.191 million for the current quarter under review as compared to profit before tax of RM1.573 million for the preceding year corresponding quarter. The higher profit for the preceding year corresponding quarter was due to gain on disposal of vacant land. For the current six months financial period, the Gas Division recorded a profit before tax of RM0.557 million as compared to profit before tax of RM2.065 million for the preceding corresponding year. The higher profit for the preceding year corresponding period was due to gain on disposal of vacant land and higher revenue from sales of liquefied gas.

- **Concrete Division**

During the current quarter under review, the Concrete Division registered a gross revenue of RM2.909 million as compared to a revenue of RM3.261 million for the preceding year corresponding quarter. For the current six months financial period, the Concrete Division recorded a gross revenue of RM6.086 million as compared to RM7.217 million for the preceding corresponding period. The lower revenue was caused by sand shortage experienced in Kota Kinabalu and a sluggish demand of concrete products.

For the current quarter under review, the Concrete Division reported a loss before tax of RM0.168 million as compared to a loss before tax of RM0.252 million for the preceding corresponding quarter. For the current six months financial period, the Concrete Division recorded a loss before tax of RM0.542 million as compared to loss before tax of RM0.450 million for the preceding corresponding period due to sand issue and lesser infrastructure projects.

- **Property Division**

No revenue was recorded by the Property Division during current quarter under review. For the current six months financial period, the Property Division recorded a gross revenue of RM1.610 million as compared to RM1.367 million for the preceding corresponding period. All the revenue was from sales of completed single-storey terraced houses.

For the current quarter under review, the Property Division reported a loss before tax of RM0.016 million as compared to a profit before tax of RM0.542 million for the preceding corresponding quarter. For the current six months financial period, the Property Division reported a profit before tax of RM0.653 million as compared to RM0.498 million for the preceding corresponding period. The higher profit was in tandem with higher revenue.

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

| <b>Group Results</b>     | <b>Current Quarter<br/>ended 31.12.2019</b> | <b>Preceding Quarter<br/>ended 30.9.2019</b> | <b>Changes</b> |
|--------------------------|---|--|----------------|
|                          | <b>(RM'000)</b>                             | <b>(RM'000)</b>                              | <b>%</b>       |
| Revenue                  | 8,967                                       | 10,764                                       | (16.69)        |
| (Loss)/Profit Before Tax | (135)                                       | 590  | (122.88)       |

Revenue for the current quarter under review was RM8.967 million as compared to RM10.764 million for the preceding quarter. The lower revenue was due to the Property Division did not record any revenue in the current quarter as compared to a revenue of RM1.610 million in the preceding quarter.

The Group reported a loss before tax of RM0.135 million as compared to a profit before tax of RM0.590 million for the preceding quarter ended 30 September 2019. The losses for the current quarter was due to lower revenue of the Gas Division coupled with no revenue recorded by the Property Division.

### B3. Current Year Prospects

The challenging business environment is expected to persist. Although there was recent signing of the first phase of U.S.-China trade agreement, the immediate market improvements could not be anticipated as there is no further tariff reduction being made. The Group will continue to embark on costs optimization, enhance its operational efficiencies and explore more markets for our products.

The performance of the Gas Division is expected to be satisfactory notwithstanding the impacts arising from the Covid-19.

The prospect of the Concrete Division is expected to remain weak due to sluggish growth in the construction industry and overcapacity in the ready-mixed concrete industry.

The Property Division will continue to push for the sales of the remaining unit of single-storey house in Kuching, Sarawak and will officially launch the Suasana Melalin project in Sabah in the second quarter of 2020.

### 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<br>31.12.2019<br>(RM'000) | Preceding Year Quarter<br>31.12.2018<br>(RM'000) | Changes<br>% | Current Year To date<br>31.12.2019<br>(RM'000) | Preceding Year To date<br>31.12.2018<br>(RM'000) | Changes<br>% |
|----------------------------|--|--|--------------|--|--|--------------|
| <b>Taxation comprises:</b> |  |  |              |  |  |              |
| Current tax                | (45)   | -  | (100)        | (133)  | -  | (100)        |
| Deferred tax               | -  | -  | 0            | -  | -  | 0            |
| Total                      | (45)   | -  | (100)        | (133)  | -  | (100)        |

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

On 11 October 2019, the Company announced the proposal to undertake a private placement of up to 4,809,220 new B.I.G. Industries Berhad (“BIG”) shares representing up to ten percent (10%) of the issued share capital of the Company to the third party investor(s) to be identified later and at an issue price to be determined at a later date (“Proposed Private Placement”).

On 15 October 2019, Bursa Malaysia Securities Berhad (“Bursa Securities”) had vide its letter approved of the listing and quotation of up to 4,809,220 new BIG shares subject to certain conditions. On 12 February 2020, the Company has fixed the issue price at RM0.30 per placement share to be issued pursuant to the Proposed Private Placement.

The Private Placement exercise was subsequently completed upon full subscription, listing and quotation of 4,809,220 shares at RM0.30 each on the Main Market of Bursa Securities on 20 February 2020. The gross proceeds raised from the Private Placement exercise were RM1,442,766.

| Purpose  | Proposed Utilisation | Actual Utilisation | Timeframe for Utilisation       | Deviation | Explanations (if the deviation is 5% or more)         |
|--|----------------------|--------------------|---------------------------------|-----------|---|
|  | RM                   | RM                 |                                 | %         |   |
| Working Capital  | 1,382,766            | -                  | Within 6 months upon completion | -         |   |
| Estimated expenses in relation to the Proposed Private Placement | 60,000               | (52,089)           |                                 | (13.19)   | Actual utilisation is lower than proposed utilisation |
| Total  | 1,442,766            | (52,089)           |                                 |           |   |

## B8. Borrowings

### a) Short Term Borrowings

|   | 31 December 2019 |           |              | 31 December 2018 |           |              |
|---|------------------|-----------|--------------|------------------|-----------|--------------|
|   | Secured          | Unsecured | Total        | Secured          | Unsecured | Total        |
|   | RM'000           | RM'000    | RM'000       | RM'000           | RM'000    | RM'000       |
| Bank overdraft                            | -                | -         | -            | 998              | -         | 998          |
| Bankers' acceptance and revolving credits | 1,899            | -         | 1,899        | 5,623            | -         | 5,623        |
| Term loans                                | 131              | -         | 131          | 111              | -         | 111          |
| Lease payables                            | 308              | -         | 308          | 659              | -         | 659          |
| <b>Total</b>                              | <b>2,338</b>     | <b>-</b>  | <b>2,338</b> | <b>7,391</b>     | <b>-</b>  | <b>7,391</b> |

## b) Long Term Borrowings

|                | 31 December 2019 |           |        | 31 December 2018 |           |        |
|----------------|------------------|-----------|--------|------------------|-----------|--------|
|                | Secured          | Unsecured | Total  | Secured          | Unsecured | Total  |
|                | RM'000           | RM'000    | RM'000 | RM'000           | RM'000    | RM'000 |
| Term loans     | 47               | -         | 47     | 188              | -         | 188    |
| Lease payables | 524              | -         | 524    | 625              | -         | 625    |
| Total          | 571              | -         | 571    | 813              | -         | 813    |

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 was 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 was 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 was 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.

BIGG had filed the Memorandum and Record of Appeal to the Federal Court. The hearing of the appeal before the Federal Court was 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 had fixed the trial date on 3<sup>rd</sup> and 4<sup>th</sup> 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 had fixed new trial dates on 13 August 2019 to 16 August 2019. The continued trial in early April 2019 was vacated.

On 16 July 2019, the High Court in Bintulu again postponed the trial dates to 16 December 2019 to 20 December 2019 and the trial dates on 13 August 2019 to 16 August 2019 were vacated.

On 16 December 2019 at the High Court in Bintulu, the parties entered into a consent judgment whereby BIGG concurred to pay agreed damages as per the SPA and costs ordered by the court totalling RM805,000 (Ringgit Malaysia Eight Hundred and Five Thousand only) and to be settled by five (5) instalments of RM161,000 (Ringgit Malaysia One Hundred and Sixty One Thousand only) each.

#### B10. Dividend Payable

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

#### B11. Earnings Per Share

|  | Current<br>Quarter<br>Ended<br>31.12.2019 | Preceding<br>Year<br>Ended<br>31.12.2018 | Current<br>Year<br>To-Date<br>31.12.2019 | Preceding<br>Year<br>To-Date<br>31.12.2018 |
|--|---|--|--|--|
| <b>a) Basic</b>  |   |  |  |  |
| Profit/(Loss) net of tax,<br>attributable to Equity Holders<br>of the Company (RM'000) | (180)                                     | 1,833                                    | 322                                      | 2,065                                      |
| Weighted average number of<br>ordinary shares, in issue ('000)                         | 48,092                                    | 48,092                                   | 48,092                                   | 48,092                                     |
| Basic earnings/(loss) per share (sen)  | <b>(0.37)</b>                             | <b>3.81</b>                              | <b>0.67</b>                              | <b>4.29</b>                                |
| <b>b) Diluted</b>  |   |  |  |  |
| Profit/(Loss) net of tax,<br>attributable to Equity Holders<br>of the Company (RM'000) | N/A                                       | N/A                                      | N/A                                      | N/A  |
| Weighted average number of<br>ordinary shares, in issue ('000)                         | N/A                                       | N/A                                      | N/A                                      | N/A  |
| Fully diluted earnings<br>per share (sen)  | N/A                                       | N/A                                      | N/A                                      | N/A  |