

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

	(UNAUDITED) 30.9.2020 RM' 000	(AUDITED) 30.6.2020 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	20,830	21,369
Right-of-use assets	7,065	7,198
	27,895	28,567
Current assets		
Inventories	4,136	4,172
Property development costs	3,242	3,006
Trade receivables	6,699	5,758
Other receivables, deposits and prepayments	1,768	1,422
Tax recoverable	527	396
Short term deposits placed with licensed banks	937	1,969
Short term deposits held as security value	1,400	1,400
Cash held pursuant to Housing Development Act	331	241
Investment securities	8	8
Cash and bank balances	2,616	3,262
	21,664	21,634
TOTAL ASSETS	49,559	50,201
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	49,685	49,685
Accumulated losses	(22,924)	(23,223)
TOTAL EQUITY	26,761	26,462
Non-current liabilities		
Lease payables	354	417
Lease liabilities	494	563
Other Payable	2,090	2,390
Deferred tax liabilities	3,232	3,232
	6,170	6,602
Current liabilities		
Bank overdrafts	107	164
Term loans	85	115
Borrowings	2,735	2,109
Trade payables	3,678	3,281
Contract liabilities	577	208
Cylinder deposits received	4,879	4,901
Other payables and accruals	4,012	5,809
Lease payables	277	261
Lease liabilities	273	283
Income tax payable	6	6
	16,629	17,137
TOTAL LIABILITIES	22,799	23,739
TOTAL EQUITY AND LIABILITIES	49,559	50,201
Net assets per share attributable to owners of the Company (RM)	0.54	0.53

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020

	Quarter Ended			Year-To-Date Ended		
	30.9.2020 RM'000	30.9.2019 RM'000	Changes %	30.9.2020 RM'000	30.9.2019 RM'000	Changes %
Revenue	8,597	10,764	(20.13)	8,597	10,764	(20.13)
Other income	312	269	15.99	312	269	15.99
Interest income	9	13	(30.77)	9	13	(30.77)
Inventories purchased and raw materials consumed	(4,176)	(4,944)	(15.53)	(4,176)	(4,944)	(15.53)
Carriage outwards	(5)	(46)	(89.13)	(5)	(46)	(89.13)
Employees salaries and other benefits expenses	(1,870)	(1,993)	(6.17)	(1,870)	(1,993)	(6.17)
Depreciation of property, plant equipment and right-of-use assets	(729)	(828)	(11.96)	(729)	(828)	(11.96)
Development costs	-	(855)	100.00	-	(855)	(100.00)
Other expenses	(1,792)	(1,729)	3.64	(1,792)	(1,729)	3.64
Operating profit	346	651	(46.85)	346	651	(46.85)
Finance costs	(47)	(61)	(22.95)	(47)	(61)	(22.95)
Profit before tax	299	590	(49.32)	299	590	(49.32)
Income tax expense	-	(88)	100.00	-	(88)	100.00
Profit for the period, representing total comprehensive income for the period	299	502	(40.44)	299	502	(40.44)
Total comprehensive income for the period						
Profit attributable to:						
- Owners of the Company	299	502	40.44	299	502	40.44
Earnings per share attributable to owners of the Company:						
Earnings per share (sen)						
- Basic	0.57	1.04		0.57	1.04	
- 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 2020 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020**

	-----Attributable to owners of the Company-----		
	Share Capital RM'000	Accumulated losses RM'000	Total RM'000
At 1 July 2020	49,685	(23,223)	26,462
Total comprehensive profit	-	299	299
At 30 September 2020	<u>49,685</u>	<u>(22,924)</u>	<u>26,761</u>
At 1 July 2019	48,242	(21,379)	26,863
Total comprehensive profit	-	502	502
At 30 September 2019	<u>48,242</u>	<u>(20,877)</u>	<u>27,365</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 2020 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020

	3 Months Ended 30.9.2020 RM'000	3 Months Ended 30.9.2019 RM'000
(Loss)/Profit before tax	299	590
Adjustments for :		
Depreciation for property, plant and equipment	554	779
Depreciation for right-of-use assets	175	49
Reversal of impairment loss on:		
- property, plant and equipment	-	(16)
- trade receivables	(20)	-
Written off on:		
- property, plant and equipment	4	-
- trade receivables	7	-
Gain on disposal of property, plant and equipment	(56)	(54)
Interest income	(9)	(12)
Interest expenses	47	61
Operating cash flows before working capital changes	1,001	1,397
Changes in Working Capital:		
Inventories	(201)	1,135
Receivables	(1,274)	467
Payables	(1,354)	(503)
	(1,828)	2,496
Interest received	9	12
Interest paid	-	-
Income tax paid, net of refunds	(130)	(105)
Net Operating Cash Flows	(1,949)	2,403
Investing activities		
Purchase of property, plant & equipment	(80)	(181)
Proceeds from disposal of property, plant & equipment	75	91
Net cash flows from/ (used in) investing activities	(5)	(90)
Financing activities		
Repayment of loans and borrowings	(31)	(30)
Net change of short term borrowings	1,023	(902)
Payment of lease liabilities	(79)	(46)
Issuance of shares	-	-
(Increase)/decrease in fixed deposits pledged	(90)	34
Interest paid	(47)	(61)
Repayment of lease payables	(46)	(92)
Net cash flows used in financing activities	730	(1,097)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020
(Cont....)

	3 Months Ended 30.9.2020 RM'000	3 Months Ended 30.9.2019 RM'000
Net increase/(decrease) in cash and cash equivalents	(1,224)	1,216
Cash and cash equivalents at 1 July	4,670	2,947
Cash and cash equivalents at 30 September	3,446	4,163
Analysis of cash and cash equivalents:		
Cash and bank balances	3,553	4,162
Bank overdrafts	(107)	-
	3,446	4,162

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 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 the 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 2020. 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 2020.

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 2020 except for the adoption of the pronouncement that became effective from 1 January 2020.

		Effective for periods beginning on or after
<u>Amendments/Improvements to MFRSs</u>		
MFRS 7	Financial Instruments: Disclosures	1 January 2020
MFRS 9	Financial Instruments	1 January 2020
MFRS 101	Presentation of Financial Statements	1 January 2020
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2020

The adoption of the above 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 2020 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

SEGMENT	Revenue			Profit/(Loss) before tax		
	--- 3 months ended 30 Sep ---					
	(Individual Quarter)					
	2020 RM'000	2019 RM'000	Changes %	2020 RM'000	2019 RM'000	Changes %
Gas	5,704	5,977	(4.57)	356	366	(2.73)
Concrete	2,893	3,177	(8.94)	14	(374)	103.74
Property	-	1,610	(100.00)	2	669	(99.70)
Others	-	-	-	(73)	(71)	(2.82)
Total	8,597	10,764	(20.13)	299	590	(49.32)

SEGMENT	Revenue			Profit/(Loss) before tax		
	--- 3 months ended 30 Sep ---					
	(Cumulative Quarter)					
	2020 RM'000	2019 RM'000	Changes %	2020 RM'000	2019 RM'000	Changes %
Gas	5,704	5,977	(4.57)	356	366	(2.73)
Concrete	2,893	3,177	(8.94)	14	(374)	103.74
Property	-	1,610	(100.00)	2	669	(99.70)
Others	-	-	-	(73)	(71)	(2.82)
Total	8,597	10,764	(20.13)	299	590	(49.32)

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

There were no changes in the composition of the Group during the current quarter.

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 were no capital commitments for the purchase of property, plant and equipment approved and contracted but not provided for as at 30 September 2020.

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 RM8.597 million as compared to RM10.764 million recorded in the preceding year corresponding quarter, representing a decrease of RM2.167 million or 20.13%. The lower revenue was mainly due to no revenue was recognised by the Property Division.

For the current quarter under review, the Group recorded a profit before tax of RM0.299 million as compared to a profit before tax of RM0.590 million recorded in the preceding year corresponding quarter. The lower profit was attributed to no revenue was recognised by the Property Division.

- **Gas Division**

During the current quarter under review, the Gas Division recorded a gross revenue of RM5.704 million as compared to RM5.977 million for the preceding year corresponding quarter. The performance of cylinder and LPG sales was impacted by the Movement Control Order (“MCO”), Conditional MCO (“CMCO”) and Recovery MCO (“RMCO”) implemented by the government to curb the spread of Covid-19 pandemic. The sales of liquefied gas had some improvement with the supply to the oil and gas players for their maintenance services.

The division recorded a profit before tax of RM0.356 million for the current quarter under review as compared to a profit before tax of RM0.366 million for the preceding year corresponding quarter. The lower profit was due to lower margin for the sales of liquefied gas as compared to cylinder gas.

- **Concrete Division**

During the current quarter under review, the Concrete Division registered a gross revenue of RM2.893 million as compared to a revenue of RM3.177 million for the preceding year corresponding quarter. The lower revenue was caused by the RMCO and CMCO.

For the current quarter under review, the Concrete Division reported a profit before tax of RM0.014 million as compared to a loss before tax of RM0.374 million for the preceding year corresponding quarter. The better performance was attributed to various cost rationalization measures taken by the division.

- **Property Division**

For the current quarter under review, no revenue was recognised by the Property Division as compared to RM1.610 million for the preceding year corresponding quarter. All the revenue for the preceding year corresponding quarter was derived from the sales of completed single-storey terraced houses in Kuching, Sarawak.

For the current quarter under review, the Property Division reported a profit before tax of RM0.002 million as compared to a profit before tax of RM0.669 million for the preceding year corresponding quarter. The profit for the preceding year corresponding quarter was derived from the sales of completed single-storey terraced houses in Kuching, Sarawak.

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

Group Results	Current Quarter ended 30.9.2020	Preceding Quarter ended 30.6.2020	Changes
	(RM'000)	(RM'000)	%
Revenue	8,597	4,438	93.71
Profit/(Loss) Before Tax	299	(1,908)	115.67

Revenue for the current quarter under review was RM8.597 million as compared to RM4.438 million for the preceding quarter. The lower revenue for the preceding quarter was mainly caused by the RMCO and CMCO implementation by the government.

The Group reported a profit before tax of RM0.299 million as compared to a loss before tax of RM1.908 million for the preceding quarter ended 30 June 2020. The higher losses for the preceding quarter was mainly due to lower revenue, impairment on trade receivables and property, plant and equipment.

B3. Current Year Prospects

The Group is constantly monitoring the situation of Covid-19 by taking all appropriate safety measures to safeguard the health and well-being of its employees.

With the recent rise in Covid-19 infections in the country, the Group expects the recovery of domestic demand and implementation of projects in the construction field will be at a slower pace.

Meanwhile, the Group continues to focus on long-term strategies for business sustainability, costs rationalisation and enhancing its operational efficiencies.

The Group is hopeful that the coming year will have better prospects and smoother operations in view of the announcement of Covid-19 vaccines.

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	Preceding Year	Changes	Current Year	Preceding Year	Changes
	Quarter	Quarter		To date	To date	
	30.9.2020	30.9.2019	%	30.9.2020	30.9.2019	%
	(RM'000)	(RM'000)		(RM'000)	(RM'000)	
Taxation comprises:						
Current tax	-	(88)	(100.00)	-	(88)	(100.00)
Deferred tax	-	-	0.00	-	-	0.00
Total	-	(88)	(100.00)	-	(88)	(100.00)

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 was no corporate proposal announced and not completed as at 30 September 2020.

B8. Borrowings**a) Short Term Borrowings**

	30 September 2020			30 September 2019		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank overdraft	107	-	107	-	-	-
Bankers' acceptance and revolving credits	2,735	-	2,735	1,980	-	1,980
Term loans	85	-	85	128	-	128
Lease payables	550	-	550	531	-	531
Total	3,477	-	3,477	2,639	-	2,639

b) Long Term Borrowings

	30 September 2020			30 September 2019		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Term loans	-	-	-	81	-	81
Lease payables	848	-	848	883	-	883
Total	848	-	848	964	-	964

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 material litigation against the Group as at 30 September 2020.

B10. Dividend Payable

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

B11. Earnings Per Share

	Current Quarter Ended 30.9.2020	Preceding Year Ended 30.9.2019	Current Year To-Date 30.9.2020	Preceding Year To-Date 30.9.2019
a) Basic				
Profit/(Loss) net of tax, attributable to Equity Holders of the Company (RM'000)	299	502	299	502
Weighted average number of ordinary shares, in issue ('000)	52,901	48,092	52,901	48,092
Basic earnings/(loss) per share (sen)	0.57	1.04	0.57	1.04
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