

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	(UNAUDITED) 31.12.2020 RM' 000	(AUDITED) 30.6.2020 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	20,196	21,369
Right-of-use assets	6,871	7,198
	27,067	28,567
Current assets		
Inventories	3,336	4,172
Property development costs	4,424	3,006
Trade receivables	5,916	5,758
Other receivables, deposits and prepayments	1,248	1,422
Tax recoverable	398	396
Short term deposits placed with licensed banks	442	1,969
Short term deposits held as security value	1,400	1,400
Cash held pursuant to Housing Development Act	578	241
Investment securities	8	8
Cash and bank balances	3,189	3,262
	20,939	21,634
TOTAL ASSETS	48,006	50,201
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	49,685	49,685
Accumulated losses	(22,304)	(23,223)
TOTAL EQUITY	27,381	26,462
Non-current liabilities		
Loans and borrowings	293	417
Lease liabilities	427	563
Other Payable	1,832	2,390
Deferred tax liabilities	3,232	3,232
	5,784	6,602
Current liabilities		
Bank overdrafts	-	164
Loans and borrowings	1,919	2,485
Trade payables	3,013	3,281
Contract liabilities	1,042	208
Cylinder deposits received	4,998	4,901
Other payables and accruals	3,593	5,809
Lease liabilities	271	283
Income tax payable	6	6
	14,842	17,137
TOTAL LIABILITIES	20,626	23,739
TOTAL EQUITY AND LIABILITIES	48,006	50,201
Net assets per share attributable to owners of the Company (RM)	0.55	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 SECOND QUARTER ENDED 31 DECEMBER 2020

	Quarter Ended			Year-To-Date Ended		
	31.12.2020	31.12.2019	Changes	31.12.2020	31.12.2019	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	8,934	8,967	(0.37)	17,531	19,731	(11.15)
Other income	642	535	20.00	954	804	18.66
Interest income	16	8	100.00	25	21	19.05
Inventories purchased and raw materials consumed	(4,142)	(4,573)	(9.42)	(8,318)	(9,517)	(12.60)
Carriage outwards	(1)	(27)	(96.30)	(6)	(73)	(91.78)
Employees salaries and other benefits expenses	(1,493)	(2,023)	(26.20)	(3,363)	(4,016)	(16.26)
Depreciation of property, plant equipment and right-of-use asse	(736)	(830)	(11.33)	(1,465)	(1,658)	(11.64)
Development costs	(671)	-	100.00	(671)	(855)	(21.52)
Other expenses	(1,633)	(2,121)	(23.01)	(3,425)	(3,850)	(11.04)
Operating profit	916	(64)	(1531.25)	1,262	587	114.99
Finance costs	(56)	(71)	(21.13)	(103)	(132)	(21.97)
Profit before tax	860	(135)	(737.04)	1,159	455	154.73
Income tax expense	(240)	(45)	100.00	(240)	(133)	100.00
Profit for the period, representing total comprehensive income for the period	620	(180)	(444.44)	919	322	185.40
Total comprehensive income for the period						
Profit attributable to:						
- Owners of the Company	620	(180)	444.44	919	322	(185.40)
Earnings per share attributable to owners of the Company:						
Earnings per share (sen)						
- Basic	1.17	(0.37)		1.74	0.67	
- 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 SECOND QUARTER ENDED 31 DECEMBER 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	-	919	919
At 31 December 2020	<u>49,685</u>	<u>(22,304)</u>	<u>27,381</u>
At 1 July 2019	48,242	(21,379)	26,863
Total comprehensive profit	-	322	322
At 31 December 2019	<u>48,242</u>	<u>(21,057)</u>	<u>27,185</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 SECOND QUARTER ENDED 31 DECEMBER 2020

	6 Months Ended 31.12.2020 RM'000	6 Months Ended 31.12.2019 RM'000
Profit before tax	1,159	455
Adjustments for :		
Depreciation for property, plant and equipment	1,139	1,527
Depreciation for right-of-use assets	326	131
Reversal of impairment loss on:		
- property, plant and equipment	-	(16)
- trade receivables	(19)	(282)
Written off on:		
- property, plant and equipment	57	34
- trade receivables	24	-
- inventory	50	-
Gain on disposal of property, plant and equipment	(346)	(98)
Interest income	(25)	(21)
Interest expenses	103	132
Operating cash flows before working capital changes	2,468	1,862
Changes in Working Capital:		
Inventories	(632)	735
Receivables	12	1,415
Payables	(2,111)	(1,482)
	(263)	2,530
Interest received	25	21
Interest paid	(14)	-
Income tax paid, net of refunds	(242)	(211)
Net Operating Cash Flows	(494)	2,340
Investing activities		
Purchase of property, plant & equipment	(376)	(228)
Proceeds from disposal of property, plant & equipment	699	164
Net cash flows from/ (used in) investing activities	323	(64)
Financing activities		
Repayment of loans and borrowings	(62)	(62)
Net change of short term borrowings	(111)	(982)
Payment of lease liabilities	(148)	(124)
Issuance of shares	-	-
(Increase)/decrease in fixed deposits pledged	(338)	33
Interest paid	(89)	(132)
Repayment of lease payables	(120)	(169)
Net cash flows used in financing activities	(868)	(1,436)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2020
(Cont....)

	6 Months Ended 31.12.2020 RM'000	6 Months Ended 31.12.2019 RM'000
Net increase/(decrease) in cash and cash equivalents	(1,039)	840
Cash and cash equivalents at 1 July	4,670	2,947
Cash and cash equivalents at 31 December	3,631	3,787
Analysis of cash and cash equivalents :		
Cash and bank balances	3,631	3,787
Bank overdrafts	-	-
	3,631	3,787

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
<hr/>		
<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

	Revenue			Profit/(Loss) before tax		
	--- 3 months ended 31 Dec ---					
	(Individual Quarter)					
SEGMENT	2020 RM'000	2019 RM'000	Changes %	2020 RM'000	2019 RM'000	Changes %
Gas	5,772	6,058	(4.72)	750	191	292.67
Concrete	2,194	2,909	(24.58)	(52)	(168)	69.05
Property	968	-	100.00	224	(16)	(1500.00)
Others	-	-	-	(62)	(142)	56.34
Total	8,934	8,967	(0.37)	860	(135)	(737.04)

	Revenue			Profit/(Loss) before tax		
	--- 6 months ended 31 Dec ---					
	(Cumulative Quarter)					
SEGMENT	2020 RM'000	2019 RM'000	Changes %	2020 RM'000	2019 RM'000	Changes %
Gas	11,476	12,035	(4.64)	1,106	557	98.56
Concrete	5,087	6,086	(16.41)	(38)	(542)	92.99
Property	968	1,610	(39.88)	226	653	(65.39)
Others	-	-	-	(135)	(213)	36.62
Total	17,531	19,731	(11.15)	1,159	455	154.73

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 below, there were no changes in the composition of the Group during the current quarter:

Proposed Disposal of Subsidiary

On 26 February 2021, the Company entered into a Share Sale Agreement (“Agreement”) with Valencia Peak Sdn. Bhd. (“Purchaser”) for the disposal of its 5,000,000 ordinary shares (entire 100% equity interest) in Tani Kukuh Sdn. Bhd. (“TKSB”) for working capital for a cash consideration of Ringgit Malaysia one million (RM1,000,000).

Upon completion of the Proposed Disposal, TKS B will cease to be a subsidiary of the Company.

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 2020 in relation to property, plant and equipment amounted to RM0.111 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 RM8.934 million as compared to RM8.967 million recorded in the preceding year corresponding quarter. The revenue for the Concrete Division had decreased by 24.58% due to the discontinuation of the manufacturing of concrete piles. The Property Division contributed a revenue of RM0.968 million.

For the current six months financial period, the Group recorded a gross revenue of RM17.531 million as compared to RM19.731 million recorded in the preceding year corresponding period. Both the Concrete Division and the Property Division reported lower revenue of RM0.999 million and RM0.642 million respectively.

For the current quarter under review, the Group recorded a profit before tax of RM0.860 million as compared to a loss before tax of RM0.135 million recorded in the preceding year corresponding quarter. The higher profit was mainly attributed to gain on disposal of property, plant and equipment and bad debts recovered.

- **Gas Division**

During the current quarter under review, the Gas Division recorded a gross revenue of RM5.772 million as compared to RM6.058 million for the preceding year corresponding quarter. The performance of cylinder and liquefied petroleum gas (“LPG”) sales was not encouraging while revenue for the liquefied gas improved with the supply to the oil and gas players for their maintenance services. For the current six months financial period, the Gas Division recorded a revenue of RM11.476 million as compared to RM12.035 million for the preceding year corresponding period.

The division recorded a profit before tax of RM0.750 million for the current quarter under review as compared to a profit before tax of RM0.191 million for the preceding year corresponding quarter. The higher profit was due to gain on disposal of property, plant and equipment and bad debts recovered. For the current six months financial period, the division recorded a profit before tax of RM1.106 million as compared to RM0.557 million for the preceding year corresponding period. The higher profit was mainly attributed to various costs optimization measures; gain on disposal of property, plant and equipment; and bad debts recovered.

- **Concrete Division**

During the current quarter under review, the Concrete Division registered a gross revenue of RM2.194 million as compared to a revenue of RM2.909 million for the preceding year corresponding quarter. The lower revenue was caused by the discontinuation of the manufacturing of concrete piles. For the six months financial period, the Concrete Division registered a gross revenue of RM5.087 million as compared to RM6.086 million for the preceding year corresponding period.

For the current quarter under review, the Concrete Division reported a loss before tax of RM0.052 million as compared to a loss before tax of RM0.168 million for the preceding year corresponding quarter. The lower loss was attributed to gain on disposal of property, plant and equipment. For the six months financial period, the Concrete Division reported a loss before tax of RM0.038 million as compared to RM0.542 million for the preceding year corresponding period. The lower loss was due to various costs optimization measures taken by the division and gain on disposal of property, plant and equipment.

- **Property Division**

For the current quarter under review, the Property Division recorded a gross revenue of RM0.968 million. No revenue was reported for the preceding year corresponding quarter. For the current six months financial period, the Property Division recorded a gross revenue of RM0.968 million as compared to RM1.610 million for the preceding year corresponding period. The current year revenue was from the Suasana Melalin, Kota Kinabalu project while the revenue for the preceding year corresponding period 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 RM0.224 million as compared to a loss before tax of RM0.016 million for the preceding year corresponding quarter. For the current six months financial period, the Property Division reported a profit before tax of RM0.226 million as compared to RM0.653 million for the preceding year corresponding period.

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

Group Results	Current Quarter ended 31.12.2020	Preceding Quarter ended 30.9.2020	Changes
	(RM'000)	(RM'000)	%
Revenue	8,934	8,597	3.92
Profit/(Loss) Before Tax	860	299	187.63

Revenue for the current quarter under review was RM8.934 million as compared to RM8.597 million for the preceding quarter. The higher revenue for the current quarter was mainly contributed by the Property Division with a gross revenue of RM0.968 million from its ongoing Suasana Melalin project.

The Group reported a profit before tax of RM0.860 million as compared to a profit before tax of RM0.299 million for the preceding quarter ended 30 September 2020. The higher profit for the current quarter was mainly due to gain on disposal of property, plant and equipment; and bad debts recovered.

B3. Current Year Prospects

The Government of Malaysia had implemented the second Movement Control Order (“MCO 2.0”) in all states except Sarawak to curb on the spike of the Covid-19 cases in January 2021. This poses a significant challenge to the Group as the Group’s activities are in Malaysia. The Group is mindful of the risks of Covid-19 and is constantly monitoring the situation by taking appropriate safety measures to safeguard the health and well-being of its employees. The national vaccine plan had been implemented and is still on going, this will give a big boost to the Malaysian economy.

The Group is looking forward to better prospects for this year.

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	Preceding Year Quarter	Changes	Current Year To date	Preceding Year To date	Changes
	30.12.2020	31.12.2019		30.12.2020	31.12.2019	
	(RM'000)	(RM'000)	%	(RM'000)	(RM'000)	%
Taxation comprises:						
Current tax	(240)	(45)	433.33	(240)	(133)	80.45
Deferred tax	-	-	0.00	-	-	0.00
Total	(240)	(45)	433.33	(240)	(133)	80.45

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

Save as the below proposal, there are no other corporate proposal as at the date of this report:

On 27 January 2021, the Company announced the proposal to undertake a Private Placement of up to 10,580,284 new B.I.G. Industries Berhad (“BIG”) shares representing up to 20% of the total number of the issued share of the Company to the independent third party investor(s) to be identified later and at an issue price to be determined at a later date (“Proposed Private Placement”).

The listing application in relation to the Proposed Private Placement had been submitted to Bursa Malaysia Securities Berhad on 17 February 2021 and approved on 24 February 2021.

B8. Borrowings

a) Short Term Borrowings

	31 December 2020			31 December 2019		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank overdraft	-	-	-	-	-	-
Bankers' acceptance and revolving credits	1,601	-	1,601	1,899	-	1,899
Term loans	53	-	53	131	-	131
Lease payables	265	-	265	308	-	308
Total	1,919	-	1,919	2,338	-	2,338

b) Long Term Borrowings

	31 December 2020			31 December 2019		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Term loans	-	-	-	47	-	47
Lease payables	293	-	293	524	-	524
Total	293	-	293	571	-	571

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 31 December 2020.

B10. Dividend Payable

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

B11. Earnings Per Share

	Current Quarter Ended 31.12.2020	Preceding Year Ended 31.12.2019	Current Year To-Date 31.12.2020	Preceding Year To-Date 31.12.2019
a) Basic				
Profit/(Loss) net of tax, attributable to Equity Holders of the Company (RM'000)	620	(180)	919	322
Weighted average number of ordinary shares, in issue ('000)	52,901	48,092	52,901	48,092
Basic earnings/(loss) per share (sen)	1.17	(0.37)	1.74	0.67
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