

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	(UNAUDITED) 31.3.2021 RM' 000	(AUDITED) 30.6.2020 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	19,601	21,369
Right-of-use assets	6,919	7,198
	26,520	28,567
Current assets		
Inventories	3,488	4,172
Property development costs	5,415	3,006
Trade receivables	4,893	5,758
Other receivables, deposits and prepayments	1,286	1,422
Tax recoverable	392	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	365	241
Investment securities	8	8
Cash and bank balances	3,139	3,262
	20,828	21,634
TOTAL ASSETS	47,348	50,201
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	49,685	49,685
Accumulated losses	(22,293)	(23,223)
TOTAL EQUITY	27,392	26,462
Non-current liabilities		
Loans and borrowings	231	417
Lease liabilities	388	563
Other Payable	1,535	2,390
Deferred tax liabilities	3,232	3,232
	5,386	6,602
Current liabilities		
Bank overdrafts	-	164
Loans and borrowings	1,326	2,485
Trade payables	2,908	3,281
Contract liabilities	734	208
Cylinder deposits received	5,035	4,901
Other payables and accruals	4,284	5,809
Lease liabilities	278	283
Income tax payable	6	6
	14,571	17,137
TOTAL LIABILITIES	19,957	23,739
TOTAL EQUITY AND LIABILITIES	47,348	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 THIRD QUARTER ENDED 31 MARCH 2021

	Quarter Ended			Year-To-Date Ended		
	31.3.2021 RM'000	31.3.2020 RM'000	Changes %	31.3.2021 RM'000	31.3.2020 RM'000	Changes %
Revenue	7,753	7,682	0.92	25,284	27,413	(7.77)
Other income	385	269	43.12	1,339	1,073	24.79
Interest income	2	42	(95.24)	27	63	(57.14)
Inventories purchased and raw materials consumed	(2,767)	(3,985)	(30.56)	(11,085)	(13,502)	(17.90)
Carriage outwards	(2)	(13)	(84.62)	(8)	(86)	(90.70)
Employees salaries and other benefits expenses	(1,658)	(2,001)	(17.14)	(5,021)	(6,017)	(16.55)
Depreciation of property, plant equipment and right-of-use asse	(742)	(816)	(9.07)	(2,207)	(2,474)	(10.79)
Development costs	(1,306)	-	100.00	(1,977)	(855)	131.23
Other expenses	(1,495)	(1,820)	(17.86)	(4,920)	(5,670)	(13.23)
Operating profit	170	(642)	(126.48)	1,432	(55)	(2703.64)
Finance costs	(30)	(64)	(53.13)	(133)	(196)	(32.14)
Profit before tax	140	(706)	(119.83)	1,299	(251)	(617.53)
Income tax expense	(129)	222	(158.11)	(369)	89	(514.61)
Profit for the period, representing total comprehensive income for the period	11	(484)	(102.27)	930	(162)	(674.07)
Total comprehensive income for the period						
Profit attributable to:						
- Owners of the Company	11	(484)	102.27	930	(162)	674.07
Earnings per share attributable to owners of the Company:						
Earnings per share (sen)						
- Basic	0.02	(0.91)		1.76	(0.31)	
- 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 THIRD QUARTER ENDED 31 MARCH 2021**

	-----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	-	930	930
At 31 March 2021	<u>49,685</u>	<u>(22,293)</u>	<u>27,392</u>
At 1 July 2019	48,242	(21,379)	26,863
Total comprehensive profit	-	(162)	(162)
Issuance of shares	1,443	-	1,443
At 31 March 2020	<u>49,685</u>	<u>(21,541)</u>	<u>28,144</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 THIRD QUARTER ENDED 31 MARCH 2021

	9 Months Ended 31.3.2021 RM'000	9 Months Ended 31.3.2020 RM'000
Profit before tax	1,299	(251)
Adjustments for :		
Depreciation for property, plant and equipment	1,725	2,255
Depreciation for right-of-use assets	482	219
Net reversal of impairment loss on:		
- property, plant and equipment	-	(16)
- trade receivables	(7)	(321)
Written off on:		
- property, plant and equipment	87	69
- trade receivables	27	224
- inventory	50	-
Gain on disposal of property, plant and equipment	(478)	(164)
Interest income	(27)	(63)
Interest expenses	133	196
Operating cash flows before working capital changes	3,291	2,148
Changes in Working Capital:		
Inventories	(1,776)	549
Receivables	981	2,636
Payables	(2,092)	(2,846)
	404	2,487
Interest received	27	63
Interest paid	(63)	-
Income tax paid, net of refunds	(365)	(374)
Net Operating Cash Flows	3	2,176
Investing activities		
Purchase of property, plant & equipment	(622)	(400)
Proceeds from disposal of property, plant & equipment	890	271
Net cash flows from/ (used in) investing activities	268	(129)
Financing activities		
Repayment of loans and borrowings	(94)	(93)
Net change of short term borrowings	(663)	(966)
Payment of lease liabilities	(217)	(213)
Issuance of shares	-	1,443
(Increase)/decrease in fixed deposits pledged	(124)	31
Interest paid	(70)	(196)
Repayment of lease payables	(192)	(248)
Net cash flows used in financing activities	(1,360)	(242)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 MARCH 2021
(Cont....)

	9 Months Ended 31.3.2021 RM'000	9 Months Ended 31.3.2020 RM'000
Net increase/(decrease) in cash and cash equivalents	(1,089)	1,805
Cash and cash equivalents at 1 July	4,670	2,947
Cash and cash equivalents at 31 March	3,581	4,752
Analysis of cash and cash equivalents :		
Cash and bank balances	3,581	5,167
Bank overdrafts	-	(415)
	3,581	4,752

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

SEGMENT	Revenue			Profit/(Loss) before tax		
	--- 3 months ended 31 Mar ---					
	(Individual Quarter)					
	2021 RM'000	2020 RM'000	Changes %	2021 RM'000	2020 RM'000	Changes %
Gas	4,540	4,496	0.98	111	(704)	115.77
Concrete	1,588	3,152	(49.62)	(72)	43	(267.44)
Property	1,625	34	4679.41	243	13	1769.23
Others	-	-	-	(142)	(58)	(144.83)
Total	7,753	7,682	0.92	140	(706)	(119.83)

SEGMENT	Revenue			Profit/(Loss) before tax		
	--- 9 months ended 31 Mar ---					
	(Cumulative Quarter)					
	2021 RM'000	2020 RM'000	Changes %	2021 RM'000	2020 RM'000	Changes %
Gas	16,016	16,531	(3.12)	1,217	(147)	927.89
Concrete	6,675	9,238	(27.74)	(110)	(499)	77.96
Property	2,593	1,644	57.73	469	666	(29.58)
Others	-	-	-	(277)	(271)	(2.21)
Total	25,284	27,413	(7.77)	1,299	(251)	617.53

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 March 2021 in relation to property, plant and equipment amounted to RM0.107 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 RM7.753 million as compared to RM7.682 million recorded in the preceding year corresponding quarter. The revenue for the Concrete Division decreased by 49.62% due to the implementation of Movement Control Order 2.0 (“MCO 2.0”) while the Property Division contributed a revenue of RM1.625 million from its Suasana Melalin project.

For the current nine months financial period, the Group recorded a gross revenue of RM25.284 million as compared to RM27.413 million recorded in the preceding year corresponding period. The lower revenue was mainly due to the Concrete Division which registered lower revenue of RM2.563 million or 27.74%. The revenue for the Property Division was 57.73% higher than the preceding year corresponding period which was contributed by its Suasana Melalin project.

For the current quarter under review, the Group recorded a profit before tax of RM0.140 million as compared to a loss before tax of RM0.706 million recorded in the preceding year corresponding quarter. The higher losses for the preceding year corresponding quarter was mainly due to impairment losses of trade receivables and higher maintenance costs of plant and equipment.

For the current nine months financial period, the Group recorded a profit before tax of RM1.299 million as compared to loss before tax of RM0.251 million recorded in the preceding corresponding period. The higher profit was mainly attributed to gain on disposal of property, plant and equipment, and various costs optimization measures that were undertaken by the Group.

- **Gas Division**

During the current quarter under review, the Gas Division recorded a gross revenue of RM4.540 million as compared to RM4.496 million for the preceding year corresponding quarter. The performance of liquefied petroleum gas (“LPG”) sales had improved for the current quarter but was offset by the lackluster demand of liquefied gas. For the current nine months financial period, the Gas Division recorded a revenue of RM16.016 million as compared to RM16.531million for the preceding year corresponding period.

The division recorded a profit before tax of RM0.111 million for the current quarter under review as compared to a loss before tax of RM0.704 million for the preceding year corresponding quarter. The higher losses for the preceding year corresponding quarter was due to impairment of trade receivables and higher maintenance costs of plant and equipment. For the current nine months financial period, the division recorded a profit before tax of RM1.217 million as compared to loss before tax of RM0.147 million for the preceding year corresponding period.

- **Concrete Division**

During the current quarter under review, the Concrete Division registered a gross revenue of RM1.588 million as compared to a revenue of RM3.152 million for the preceding year corresponding quarter. The lower revenue was caused by the discontinuation of the manufacturing of concrete piles and the implementation of MCO 2.0 to curb the spread of Covid-19. For the nine months financial period, the Concrete Division registered a gross revenue of RM6.675 million as compared to RM9.238 million for the preceding year corresponding period.

For the current quarter under review, the Concrete Division reported a loss before tax of RM0.072 million as compared to a profit before tax of RM0.043 million for the preceding year corresponding quarter. The poor performance was attributed to the implementation of MCO 2.0 and discontinuation of the manufacturing of concrete piles. For the nine months financial period, the Concrete Division reported a loss before tax of RM0.110 million as compared to loss before tax of RM0.499 million for the preceding year corresponding period. The lower loss was due to various costs optimization measures 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 RM1.625 million as compared to a revenue of RM0.034 million for the preceding year corresponding quarter. The revenue was attributed to the Suasana Melalin project. For the current nine months financial period, the Property Division recorded a gross revenue of RM2.593 million as compared to RM1.644 million for the preceding year corresponding period. The current 9 months' 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 RM0.243 million as compared to a profit before tax of RM0.013million for the preceding year corresponding quarter. The higher profit was in tandem with higher revenue. For the current nine months financial period, the Property Division reported a profit before tax of RM0.469 million as compared to RM0.666 million for the preceding year corresponding period.

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

Group Results	Current Quarter ended 31.3.2021	Preceding Quarter ended 31.12.2020	Changes
	(RM'000)	(RM'000)	%
Revenue	7,753	8,934	(13.22)
Profit/(Loss) Before Tax	140	860	(83.72)

Revenue for the current quarter under review was RM7.753 million as compared to RM8.934 million for the preceding quarter. The lower revenue was attributed to the implementation of MCO 2.0 by the Government to curb the spread of Covid-19.

The Group reported a profit before tax of RM0.140 million as compared to a profit before tax of RM0.860 million for the preceding quarter ended 31 December 2020. The lower profit for the current quarter was in tandem with lower revenue from the Gas and Concrete Divisions which registered a decrease in revenue of RM1.232 million and RM0.606 million respectively.

B3. Current Year Prospects

With the implementation of the third Movement Control Order (“MCO 3.0”) on 12 May 2021, the Group expects significant challenges to its business environment as adherence to the strict guidelines and Standard Operating Procedures, some of the Group’s activities are operating at minimal level.

The Group will continue to pursue other business opportunities and constantly monitoring the evolving Covid-19 situation by taking appropriate safety measures to safeguard the health and well-being of its employees. It expects the gas industry activities and business to be improved with the rise in the prices of crude oil.

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 31.3.2021	Preceding Year Quarter 31.3.2020	Changes	Current Year To date 31.3.2021	Preceding Year To date 31.3.2020	Changes
	(RM'000)	(RM'000)	%	(RM'000)	(RM'000)	%
Taxation comprises:						
Current tax	(129)	222	(158.11)	(369)	89	(514.61)
Deferred tax	-	-	0.00	-	-	0.00
Total	(129)	222	(158.11)	(369)	89	(514.61)

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 March 2021			31 March 2020		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank overdraft	-	-	-	415	-	415
Bankers' acceptance and revolving credits	1,049	-	1,049	1,915	-	1,915
Term loans	21	-	21	134	-	134
Lease payables	256	-	256	298	-	298
Total	1,326	-	1,326	2,762	-	2,762

b) Long Term Borrowings

	31 March 2021			31 March 2020		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Term loans	-	-	-	14	-	14
Lease payables	231	-	231	456	-	456
Total	231	-	231	470	-	470

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 March 2021.

B10. Dividend Payable

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

B11. Earnings Per Share

	Current Quarter Ended 31.3.2021	Preceding Year Ended 31.3.2020	Current Year To-Date 31.3.2021	Preceding Year To-Date 31.3.2020
a) Basic				
Profit/(Loss) net of tax, attributable to Equity Holders of the Company (RM'000)	11	(484)	930	(162)
Weighted average number of ordinary shares, in issue ('000)	52,901	52,901	52,901	52,901
Basic earnings/(loss) per share (sen)	0.02	(0.91)	1.76	(0.31)
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