

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

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

	(UNAUDITED) 31.12.2021 RM' 000	(AUDITED) 30.6.2021 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	18,319	19,186
Right-of-use assets	6,436	6,725
Other investments	-	-
Goodwill on consolidation	-	-
	24,755	25,911
Current assets		
Inventories	7,516	7,757
Trade and other receivables	8,942	6,936
Contract assets	45	847
Prepayments	320	229
Tax recoverable	160	153
Investment securities	8	8
Cash and short-term deposits	13,078	4,914
	30,069	20,844
TOTAL ASSETS	54,824	46,755
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	57,620	49,685
Accumulated losses	(20,592)	(23,420)
TOTAL EQUITY	37,028	26,265
Non-current liabilities		
Lease liabilities	355	507
Deferred tax liabilities	2,864	3,006
	3,219	3,513
Current liabilities		
Trade and other payables	12,665	15,538
Contract liabilities	-	-
Loans and borrowings	1,284	915
Lease liabilities	393	506
Tax liability	235	18
	14,577	16,977
TOTAL LIABILITIES	17,796	20,490
TOTAL EQUITY AND LIABILITIES	54,824	46,755
Net assets per share attributable to owners of the Company (RM)	0.64	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 2021 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 2021

	Quarter Ended			Year-To-Date Ended		
	31.12.2021	31.12.2020	Changes	31.12.2021	31.12.2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	11,525	8,934	29.00	20,946	17,531	19.48
Other income	1,683	658	155.78	2,087	979	113.18
Changes in inventories	(2,863)	(1,305)	119.39	(4,546)	(1,219)	272.93
Inventories purchased and raw materials consumed	(3,570)	(3,508)	1.77	(7,051)	(7,770)	(9.25)
Carriage outwards	-	(1)	(100.00)	(1)	(6)	(83.33)
Employees benefits expense	(1,663)	(1,493)	11.39	(3,284)	(3,363)	(2.35)
Depreciation of property, plant, equipment and right-of-use assets	(718)	(736)	(2.45)	(1,449)	(1,465)	(1.09)
Administrative and other expenses	(1,955)	(1,633)	19.72	(3,359)	(3,425)	(1.93)
Impairment losses of financial assets	(160)	-	100.00	(178)	-	100.00
Total expenses	(10,929)	(8,676)	25.97	(19,868)	(17,248)	15.19
Operating profit	2,279	916	148.80	3,165	1,262	150.79
Finance costs	(23)	(56)	(58.93)	(49)	(103)	(52.43)
Profit before taxation	2,256	860	162.33	3,116	1,159	168.85
Income tax expense	(196)	(240)	(18.33)	(288)	(240)	20.00
Profit for the period, representing total comprehensive income for the period	2,060	620	232.26	2,828	919	207.73
Total comprehensive profit for the period						
Profit attributable to:						
- Owners of the Company	2,060	620	232.26	2,828	919	207.73
Profit per share attributable to owners of the Company:						
Profit per share (sen)						
- Basic	3.77	1.17		5.17	1.74	
- 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 2021 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 2021

	-----Attributable to owners of the Company-----		
	Share Capital RM'000	Accumulated losses RM'000	Total RM'000
At 1 July 2021	49,685	(23,420)	26,265
Total comprehensive profit for the period	-	2,828	2,828
Issuance of shares	7,935	-	7,935
At 31 December 2021	<u>57,620</u>	<u>(20,592)</u>	<u>37,028</u>
At 1 July 2020	49,685	(23,223)	26,462
Total comprehensive profit for the period	-	919	919
At 31 December 2020	<u>49,685</u>	<u>(22,304)</u>	<u>27,381</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 2021 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 2021

	6 Months Ended 31.12.2021 RM'000	6 Months Ended 31.12.2020 RM'000
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before taxation	3,116	1,159
Adjustments for :		
Impairment loss on:		
- property, plant and equipment	35	-
- trade receivables	178	-
Reversal of impairment loss on:		
- trade receivables	(4)	(19)
Depreciation for property, plant and equipment	1,160	1,139
Depreciation for right-of-use assets	289	326
Interest expenses	49	103
Interest income	(5)	(25)
Written off on:		
- property, plant and equipment	34	57
- trade receivables	1	24
- inventories	-	50
Gain on disposal of property, plant and equipment	(303)	(346)
Unrealised gain on foreign exchange ("i")	-	-
Operating profit before working capital changes	<u>4,550</u>	<u>2,468</u>
Changes in Working Capital:		
Inventories	240	(632)
Receivables	(1,470)	12
Payables	(2,873)	(2,111)
	<u>447</u>	<u>(263)</u>
Interest paid	(19)	(14)
Interest received	5	25
Tax paid, net of refund	(219)	(242)
Net Operating Cash inflows/(Outflows)	<u>214</u>	<u>(494)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant & equipment	(489)	(376)
Proceeds from disposal of property, plant & equipment	431	699
Net cash flows from/ (used in) investing activities	<u>(58)</u>	<u>323</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest paid	(30)	(89)
Issuance of ordinary shares	7,935	-
Repayment of loan and borrowings	-	(62)
Net change of short-terms deposits pledged and restricted cash	(551)	(338)
Net change of short term borrowings	369	(111)
Net repayment of:		
- lease liabilities	(265)	(268)
Net cash flows (used in)/from financing activities	<u>7,458</u>	<u>(868)</u>

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

	6 Months Ended 31.12.2021 RM'000	6 Months Ended 31.12.2020 RM'000
NET CHANGE IN CASH AND CASH EQUIVALENTS	7,614	(1,039)
CASH AND CASH EQUIVALENTS AT 1 JULY	2,732	4,670
CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2021	10,346	3,631
Analysis of cash and cash equivalents:		
Cash and bank balances	10,346	3,631
Bank overdrafts	-	-
	10,346	3,631

Remarks:

"i" figures less than thousand

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

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PART A –EXPLANATORY NOTES PURSUANT TO FRS134

A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of 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 2021. 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 2021.

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 2021 except for the adoption of the pronouncement that became effective from 1 January 2022.

		Effective for periods beginning on or after
<hr/>		
<u>New MFRS</u>		
MFRS 17	Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Reporting Standards	1 January 2022
MFRS 3	Business Combinations	1 January 2022
MFRS 116	Property, Plant and Equipment	1 January 2022
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
MFRS 141	Agriculture	1 January 2022

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 2021 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 Dec --- (Individual Quarter)					
	2021 RM'000	2020 RM'000	Changes %	2021 RM'000	2020 RM'000	Changes %
Gas	6,792	5,772	17.67	662	750	(11.73)
Concrete	1,856	2,194	(15.41)	(56)	(52)	(7.69)
Property	2,877	968	197.21	379	224	69.20
Others	-	-	0.00	1,271	(62)	2150.00
Total	11,525	8,934	29.00	2,256	860	162.33

SEGMENT	Revenue			Profit/(Loss) before tax		
	--- 6 months ended 31 Dec --- (Cumulative Quarter)					
	2021 RM'000	2020 RM'000	Changes %	2021 RM'000	2020 RM'000	Changes %
Gas	12,247	11,476	6.72	1,249	1,106	12.93
Concrete	3,496	5,087	(31.28)	(155)	(38)	(307.89)
Property	5,203	968	437.50	822	226	263.72
Others	-	-	-	1,200	(135)	988.89
Total	20,946	17,531	19.48	3,116	1,159	168.85

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 a cash consideration of Ringgit Malaysia one million (RM1,000,000).

The Purchaser made the final payment of RM900,000 on 26 October 2021. With the final payment the Proposed Disposal became unconditional and TKS B ceased to be a subsidiary on 28 October 2021.

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 2021 in relation to property, plant and equipment amounted to RM0.969 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 RM11.525 million as compared to RM8.934 million recorded in the preceding year corresponding quarter. The higher revenue was contributed by the Gas and Property Divisions with the increase in revenue of RM1.020 million and RM1.909 million respectively. The Concrete Division recorded a decrease in revenue of RM0.338 million.

For the six months financial period, the Group recorded a gross revenue of RM20.946 million as compared to RM17.531 million recorded in the preceding corresponding period. The higher revenue was mainly contributed by the Property Division.

For the current quarter under review, the Group recorded a profit before tax of RM2.256 million as compared to a profit before tax of RM0.860 million recorded in the preceding year corresponding quarter. The Property Division reported a higher profit before tax due to higher revenue. The Group level reported a profit before tax of RM1.271 million attributed to gain on disposal of a wholly-owned subsidiary.

For the six months financial period, the Group recorded a profit before tax of RM3.116 million as compared to a profit before tax of RM1.159 million recorded in the preceding corresponding period.

- **Gas Division**

During the current quarter under review, the Gas Division recorded a gross revenue of RM6.792 million as compared to RM5.772 million for the preceding year corresponding quarter. The higher revenue was contributed by cylinder gas and liquefied gas with increased in revenue of RM0.367 million and RM0.672 million respectively.

For the current six months financial period, the Gas Division reported a gross revenue of RM12.247 million as compared to RM11.476 million for the preceding corresponding period.

The Gas Division recorded a profit before tax of RM0.662 million for the current quarter under review as compared to a profit before tax of RM0.750 million for the preceding year corresponding quarter. The lower profit was mainly due to the impairments on trade receivables and property, plant and equipment. For the current six months financial period, the Gas Division reported a profit before tax of RM1.249 million as compared to RM1.106 million for the preceding corresponding period. The improved profit before tax was due to higher revenue.

- **Concrete Division**

During the current quarter under review, the Concrete Division registered a gross revenue of RM1.856 million as compared to a revenue of RM2.194 million for the preceding year corresponding quarter. For the current six months financial period, the Concrete Division recorded a gross revenue of RM3.496 million as compared to RM5.087 million for the preceding corresponding period. The demand for the ready-mixed concrete has been slow as the developers had scaled back their property development launches.

For the current quarter under review, the Concrete Division reported a loss before tax of RM0.056 million as compared to a loss before tax of RM0.052 million for the preceding year corresponding quarter. For the current six months financial period, the Concrete Division reported a loss before tax of RM0.155 million as compared to RM0.038 million for the preceding corresponding period. The higher losses were due to lower revenue.

- **Property Division**

For the current quarter under review, the Property Division recorded a gross revenue of RM2.877 million as compared to a revenue of RM0.968 million for the preceding year corresponding quarter. For the current six months financial period, the Property Division recorded a gross revenue of RM5.203 million as compared to a gross revenue of RM0.968 million for the preceding corresponding period. The higher revenue was attributable to higher progress recognition from the ongoing Suasana Melalin, Kota Kinabalu project.

For the current quarter under review, the Property Division reported a profit before tax of RM0.379 million as compared to a profit before tax of RM0.224 million for the preceding year corresponding quarter. For the current six months financial period, the Property Division recorded a profit before tax of RM0.822 million as compared to RM0.226 million for the preceding corresponding period. The higher profit was due to higher progress recognition in the current financial period from the on-going Suasana Melalin, Kota Kinabalu project.

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

Group Results	Current Quarter ended 31.12.2021	Preceding Quarter ended 30.9.2021	Changes
	(RM'000)	(RM'000)	%
Revenue	11,525	9,421	22.33
Profit Before Tax	2,256	860	162.33

Revenue for the current quarter under review was RM11.525 million as compared to RM9.421 million for the preceding quarter. All the divisions recorded higher revenue with the Gas Division increased by RM1.337 million, Concrete Division increased by RM0.216 million and the Property Division increased by RM0.551 million.

The Group reported a profit before tax of RM2.256 million as compared to a profit before tax of RM0.860 million for the preceding quarter ended 30 September 2021. The improved performance was contributed by the Gas Division which reported profit of RM0.662 million. The Group level recorded a profit before tax of RM1.271 million from the disposal of its wholly-owned subsidiary, Tani Kukuh Sdn Bhd.

B3. Current Year Prospects

The business activities pick up after most States in Malaysia transitioned into Phase 4 of the National Recovery Plan with less restrictive containment measures started from middle of October 2021. But with the emergence of a new Covid-19 variant, Omicron, it is difficult to predict the economic impact as Omicron spread easier than the previous variants. The Group will continue to monitor the development of the Covid-19 pandemic and taking appropriate measures and strategies to mitigate the business risks, focus on long-term strategies for business sustainability and enhancing operational efficiencies.

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 31.12.2021 (RM'000)	Preceding Year Quarter 31.12.2020 (RM'000)	Changes %	Current Year To date 31.12.2021 (RM'000)	Preceding Year To date 31.12.2020 (RM'000)	Changes %
Taxation comprises:						
Current tax	(286)	(240)	19.17	(430)	(240)	79.17
Deferred tax	90	-	0.00	142	-	0.00
Total	(196)	(240)	100.00	(288)	(240)	100.00

The Group's effective tax rate for the current quarter under review is lower than the statutory rate as certain wholly-owned subsidiaries of the Company have sufficient capital allowances and trading losses to offset taxable profits.

B7. Corporate Proposals

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

On 27 January 2021, the Company announced a 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.

On 9 August 2021, the Company submitted an application to Bursa Malaysia Securities Berhad (“Bursa Securities”) to seek the approval for an extension of time (“EOT”) to complete the implementation of the proposed private placement. Bursa Securities had on 24 August 2021 approved the EOT up to 31 December 2021.

On 27 December 2021, the Company has fixed the issue price at RM0.75 per placement share to be issued pursuant to the Proposed Private Placement.

The approved Proposed Private Placement was completed following the listing and quotation of 10,580,284 placement shares on the Main Market of Bursa Securities on 31 December 2021. The gross proceeds raised from the Proposed Private Placement exercise were RM7,935,213.

The status of utilization of proceeds as at 20 February 2022 is as follows:

Purpose	Proposed Utilisation	Actual Utilisation	% utilised	Timeframe for Utilisation
	RM'000	RM'000		
Funding of property development	2,000	690	34.50%	Within 24 months
Working Capital	5,865	4,320	73.66%	Within 12 months
Estimated expenses in relation to the Proposed Private Placement	70	70	100.00%	Upon completion
Total	7,935	5,080	64.02%	

B8. Borrowings

a) Short Term Borrowings

	31 December 2021			31 December 2020		
	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	1,284	-	1,284	1,601	-	1,601
Term loans	-	-	-	53	-	53
Total	1,284	-	1,284	1,654	-	1,654

b) Long Term Borrowings

There was no long term borrowing as at 31 December 2021.

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 2021.

B10. Dividend Payable

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

B11. Earnings Per Share

	Current Quarter Ended 31.12.2021	Preceding Year Ended 31.12.2020	Current Year To-Date 31.12.2021	Preceding Year To-Date 31.12.2020
a) Basic				
Profit net of tax, attributable to Equity Holders of the Company (RM'000)	2,060	620	2,828	919
Weighted average number of ordinary shares, in issue ('000)	54,665	52,901	54,665	52,901
Basic earnings per share (sen)	3.77	1.17	5.17	1.74

The diluted earnings per share is not presented as the Company has no dilutive potential ordinary shares in issue as at the end of the reporting period.

By order of the Board

Choong Wye Lin
Executive Director

23 February 2022