

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	(UNAUDITED) 31.12.2022 RM' 000	(RESTATED) 1.7.2022 RM' 000	(AUDITED) 30.6.2022 RM' 000
ASSETS			
Non-current assets			
Property, plant and equipment	17,185	18,563	17,642
Right-of-use assets	8,450	8,528	9,449
Other investments	-	-	-
Goodwill on consolidation	-	-	-
	25,635	27,091	27,091
Current assets			
Inventories	6,534	4,524	4,524
Trade and other receivables	7,148	6,873	6,873
Contract assets	2,290	4,131	4,131
Prepayments	334	122	122
Tax recoverable	171	383	383
Investment securities	5,251	3,108	3,108
Cash and short-term deposits	9,733	9,731	9,731
	31,461	28,872	28,872
TOTAL ASSETS	57,096	55,963	55,963
EQUITY AND LIABILITIES			
Equity attributable to owners of the			
Share capital	57,620	57,620	57,620
Accumulated losses	(18,904)	(19,724)	(19,724)
Total equity	38,716	37,896	37,896
Non-current liabilities			
Lease liabilities	1,893	1,939	2,326
Loans and borrowings	642	387	-
Deferred tax liabilities	2,829	2,786	2,786
	5,364	5,112	5,112
Current liabilities			
Trade and other payables	11,163	11,350	11,350
Loans and borrowings	1,479	1,300	1,099
Lease liabilities	317	299	500
Tax liability	57	6	6
	13,016	12,955	12,955
TOTAL LIABILITIES	18,380	18,067	18,067
TOTAL EQUITY AND LIABILITIES	57,096	55,963	55,963
Net assets per share attributable to owners of the Company (RM)	0.61	0.60	0.60

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 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 2022

	Quarter Ended			Year-To-Date Ended		
	31.12.2022 RM'000	31.12.2021 RM'000	Changes %	31.12.2022 RM'000	31.12.2021 RM'000	Changes %
Revenue	9,550	11,525	(17.14)	18,970	20,946	(9.43)
Other income	352	1,683	(79.08)	732	2,087	(64.93)
Changes in inventories	(787)	(2,863)	(72.51)	(1,663)	(4,546)	(63.42)
Inventories purchased and raw materials consumed	(3,636)	(3,570)	1.85	(6,714)	(7,051)	(4.78)
Carriage outwards	-	-	0.00	-	(1)	(100.00)
Employees benefits expense	(1,753)	(1,663)	5.41	(3,498)	(3,284)	6.52
Depreciation of property, plant, equipment and right-of-use assets	(578)	(718)	(19.50)	(1,329)	(1,449)	(8.28)
Administrative and other expenses	(2,558)	(1,955)	30.84	(4,661)	(3,359)	38.76
Impairment losses on financial instruments	-	(160)	(100.00)	(219)	(178)	23.03
Total expenses	(9,312)	(10,929)	(14.80)	(18,084)	(19,868)	(8.98)
Operating profit	590	2,279	(74.11)	1,618	3,165	(48.88)
Finance costs	(84)	(23)	265.22	(163)	(49)	232.65
Profit before taxation	506	2,256	(77.57)	1,455	3,116	- 53.31
Income tax expense	(421)	(196)	114.80	(635)	(288)	120.49
Profit for the period, representing total comprehensive income for the period	85	2,060	(95.87)	820	2,828	(71.00)
Profit, representing total comprehensive income attributable to:						
- Owner of the Company	85	2,060	(95.87)	820	2,828	(71.00)
Earnings per share attributable to owner of the Company (sen per share):						
- Basic	0.13	3.87		1.29	5.31	
- 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 2022 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 2022

	-----Attributable to owners of the Company-----		
	Share Capital RM'000	Accumulated losses RM'000	Total RM'000
At 1 July 2022	57,620	(19,724)	37,896
Total comprehensive profit for the period	-	820	820
At 31 December 2022	<u>57,620</u>	<u>(18,904)</u>	<u>38,716</u>
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>

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 2022 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 2022

	Year-To-Date Ended	
	31.12.2022	31.12.2021
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before taxation	1,455	3,116
Adjustments for :		
Impairment loss on:		
- property, plant and equipment	408	35
- trade receivables	-	178
Reversal of impairment loss on:		
- trade receivables	(46)	(4)
Depreciation for property, plant and equipment	1,136	1,160
Depreciation for right-of-use assets	193	289
Interest income	(25)	(5)
Interest expenses	163	49
Dividend income	(4)	-
Written off on:		
- property, plant and equipment	512	34
- trade receivables	14	1
Gain on disposal of property, plant and equipment	(181)	(303)
Gain on disposal of right-of-use assets	(57)	-
Unrealised gain on investment securities	(89)	-
Unrealised gain on foreign exchange ("I")	-	-
Operating profit before working capital changes	3,479	4,550
Changes in Working Capital:		
Inventories	(2,011)	240
Receivables	(243)	(2,181)
Contract assets	1,841	802
Prepayments	(212)	(91)
Payables	(270)	(2,873)
Net cash generated from operations	2,584	447
Interest paid	(20)	(19)
Interest received	25	5
Tax paid, net of refund	(328)	(219)
Net cash from operating activities	2,261	214
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant & equipment	(281)	(489)
Purchase of right-of-use assets	(50)	-
Proceeds from disposal of property, plant & equipment	236	431
Proceeds from disposal of right-of-use assets	157	-
Net change in investment securities	(2,054)	-
Dividend income	4	-
Net cash flows used in investing activities	(1,988)	(58)

Remarks:

"I" figures less than thousand

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2022
(Cont....)

	Year-To-Date Ended	
	31.12.2022	31.12.2021
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest paid	(143)	(30)
Proceeds from issuance of ordinary shares	-	7,935
Net change of short-terms deposits pledged and restricted cash	-	-
Net change of short term borrowings	117	369
Net repayment of:		
- lease liabilities	(115)	(141)
- loan and borrowings	(130)	(124)
Net cash flows from/(used in) financing activities	<u>(271)</u>	<u>8,009</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	2	8,165
CASH AND CASH EQUIVALENTS AT 1 JULY	7,847	3,064
Effects of exchange rate changes on cash and cash equivalents ("i")	-	-
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	<u>7,849</u>	<u>11,229</u>
Analysis of cash and cash equivalents:		
Cash and bank balances	7,849	11,229
Bank overdrafts	-	-
	<u>7,849</u>	<u>11,229</u>

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 2022 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 2022. 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 2022.

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 2022 except for the adoption of the pronouncement that became effective from 1 January 2023.

	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 101 Presentation of Financial Statements	1 January 2023
MFRS 108 Accounting Policies, Changes in Accounting Estimates and Error	1 January 2023
MFRS 112 Income Taxes	1 January 2023

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 2022 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	2022 RM'000	2021 RM'000	Changes %	2022 RM'000	2021 RM'000	Changes %
Gas	6,035	6,792	(11.15)	272	662	(58.91)
Concrete	2,292	1,856	23.49	126	(56)	325.00
Property	1,223	2,877	(57.49)	262	379	(30.87)
Others	-	-	0.00	(154)	1,271	(112.12)
Total	9,550	11,525	(17.14)	506	2,256	(77.57)

	Revenue			Profit/(Loss) before tax		
	--- 6 months ended 31 Dec --- (Cumulative Quarter)					
SEGMENT	2022 RM'000	2021 RM'000	Changes %	2022 RM'000	2021 RM'000	Changes %
Gas	12,939	12,247	5.65	1,360	1,249	8.89
Concrete	3,975	3,496	13.70	56	(155)	136.13
Property	2,056	5,203	(60.48)	379	822	(53.89)
Others	-	-	-	(340)	1,200	(128.33)
Total	18,970	20,946	(9.43)	1,455	3,116	(53.31)

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 subsequent event as at the date of this report.

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

Capital expenditure of the Group approved and contracted but not provided for as at 31 December 2022 in relation to property, plant and equipment amounted to RM0.117 million.

A15. Related Parties

For the purposes of these interim financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

The related party transactions of the Group are as follows:

	Individual Quarter		Cumulative Quarter	
	3 months ended 31.12.2022 RM'000	3 months ended 31.12.2021 RM'000	6 months ended 31.12.2022 RM'000	6 months ended 31.12.2021 RM'000
Transactions with related company				
Rental expenses paid/payable to: - Halaman Seri Sdn. Bhd.	34	34	68	68
Project management services paid/payable to: - Seristana Sdn Bhd (Suasana Melalin)	29	-	51	-
Project management services paid/payable to: - Seristana Sdn Bhd (Kiduriong Industrial Park)	-	-	-	-
Project management services paid/payable to: - Seristana Sdn Bhd (Samalaju Industrial Park)	-	-	-	-
Provision of consultancy services paid/payable to: - Chng Ping Teong	56	-	56	-

All the Related Party Transactions were entered into in the ordinary course of business on normal commercial terms.

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 revenue of RM9.550 million as compared to RM11.525 million recorded for the preceding year corresponding quarter. Except for the Concrete Division which recorded a higher revenue of RM0.436 million, the Gas and Property Divisions recorded a lower revenue of RM0.757 million and RM1.654 million respectively.

For the six months financial period, the Group recorded a revenue of RM18.970 million as compared to RM20.946 million recorded for the preceding corresponding financial period. The Gas and Concrete Divisions recorded a higher revenue of RM0.692 million and RM0.479 million respectively. The Property Division recorded a lower revenue by RM3.147 million mainly due to the progress of the construction of Phase I of Suasana Melalin which is almost completed and Phase II only commenced in July 2022.

For the current quarter under review, the Group recorded a profit before tax of RM0.506 million as compared to a profit before tax of RM2.256 million recorded for the preceding year corresponding quarter. The Concrete Division recorded a higher profit before tax by RM0.182 million. The Gas and Property Divisions recorded a lower profit before tax by RM0.390 million and RM0.117 million respectively.

The Group level recorded a loss before tax of RM0.154 million as compared to profit before tax of RM1.271 million recorded in the preceding year corresponding quarter due to the one-off gain from the disposal of a wholly-owned subsidiary.

For the six months financial period, the Group recorded a profit before tax of RM1.455 million as compared to RM3.116 million recorded for the preceding year corresponding financial period. The Gas and Concrete Divisions recorded a higher profit before tax by RM0.111 million and RM0.211 million respectively. The Property Division recorded a lower profit before tax of RM0.443 million mainly due to the progress of the construction of Phase I of Suasana Melalin which is almost completed and Phase II only commenced in July 2022.

The Group level recorded a loss before tax of RM0.340 million as compared to profit before tax of RM1.200 million recorded in the preceding year corresponding period due to the one-off gain from the disposal of a wholly-owned subsidiary.

• Gas Division

During the current quarter under review, the Gas Division recorded a revenue of RM6.035 million as compared to RM6.792 million for the preceding year corresponding quarter. The cylinder gas recorded a higher revenue of RM0.355 million. The liquefied gas and other gases recorded a lower revenue of RM0.924 million and RM0.188 million respectively.

For the six months financial period, the Gas Division recorded a higher revenue by RM0.692 million. The higher revenue was contributed by cylinder gas by RM1.462 million. The liquefied gas and other gases recorded a lower revenue of RM0.673 million and RM0.097 million respectively.

For the current quarter under review, the Gas Division recorded a profit before tax of RM0.272 million as compared to a profit before tax of RM0.662 million for the preceding year corresponding quarter. The lower profit before tax was due to the impairment and written off of property, plant and equipment.

For the six months financial period, the Gas Division recorded a higher profit before tax by RM0.111 million mainly due to the higher revenue.

- **Concrete Division**

During the current quarter under review, the Concrete Division recorded a revenue of RM2.292 million as compared to a revenue of RM1.856 million for the preceding year corresponding quarter. For the six months financial period, the Concrete Division recorded a revenue of RM3.975 million as compared to a revenue of RM3.496 million recorded for the preceding year corresponding period.

For the current quarter under review, the Concrete Division recorded a profit before tax of RM0.126 million as compared to a loss before tax of RM0.056 million for the preceding year corresponding quarter.

For the six months financial period, the Concrete Division recorded a profit before tax of RM0.056 million as compared to a loss before tax of RM0.155 million for the preceding year corresponding period. The better performance was due to a higher sale of concrete.

- **Property Division**

For the current quarter under review, the Property Division recorded a revenue of RM1.223 million as compared to a revenue of RM2.877 million for the preceding year corresponding quarter. For the six months financial period, the Property Division recorded a revenue of RM2.056 million as compared to RM5.203 million recorded in the preceding year corresponding period. The lower revenue is due to the progress of the construction of the Phase I of Suasana Melalin as it is almost completed and Phase II only commenced in July 2022.

For the current quarter under review, the Property Division reported a profit before tax of RM0.262 million as compared to a profit before tax of RM0.379 million for the preceding year corresponding quarter. For the six months financial period, the Property Division recorded a profit before tax of RM0.379 million as compared to RM0.822 million recorded in the preceding year corresponding period. The lower profit before tax was due to the progress of the construction of the Phase 1 of Suasana Melalin as it is almost completed and Phase II only commenced in July 2022.

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

Group Results	Current Quarter ended 31.12.2022	Preceding Quarter ended 30.9.2022	Changes
	(RM'000)	(RM'000)	%
Revenue	9,550	9,420	1.38
Profit Before Tax	506	949	(46.68)

Revenue for the current quarter under review was RM9.550 million as compared to RM9.420 million for the preceding quarter. The Concrete and Property Divisions recorded a higher revenue of RM0.609 million and RM0.390 million respectively. The Gas Division recorded a lower revenue of RM0.869 million.

The Group reported a profit before tax of RM0.506 million as compared to a profit before tax of RM0.949 million for the preceding quarter ended 30 September 2022. The lower profit before tax was mainly due the impairment and written off of property, plant and equipment by the Gas Division.

B3. Comment on Prospects

As per the Bank Negara Malaysia (“BNM”) reports, the Malaysian economy grew slower in the fourth quarter of 2022 at 7.00%. Overall for the year 2022, Malaysian economy still expanded by 8.70%. For 2023, according of BNM reports, the Malaysia economy is expected to expand at a more moderate pace at 4.00% - 5.00% per annum amid a challenging external environment, such as the escalating costs, the rising inflation rate, tighter monetary policy, financial stress and rising geopolitical tensions. The Board expects the market condition will remain challenging throughout 2023.

Despite the prevailing challenges, the Group remains cautiously optimistic on the long-term business prospect and will continue to improve its performance by taking appropriate measures and strategies to mitigate business risks and to enhance 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 31.12.2022 (RM'000)	Preceding Year Quarter 31.12.2021 (RM'000)	Changes %	Current Year To date 31.12.2022 (RM'000)	Preceding Year To date 31.12.2021 (RM'000)	Changes %
Taxation comprises:						
Current tax	(364)	(286)	27.27	(592)	(430)	37.67
Deferred tax	(57)	90	(163.33)	(43)	142	(130.28)
Total	(421)	(196)	114.80	(635)	(288)	120.49

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 has sufficient capital allowances and trading losses to offset taxable profits.

B7. Corporate Proposals

There was no corporate proposal announced and not completed as at 31 December 2022.

B8. Status of Utilisation of Proceeds

On 31 December 2021, the Group completed a private placement involving 10,580,284 new ordinary shares of the company, raising a total of RM7.935 million.

The status of utilisation of proceeds as at 22 February 2023 is as follows:

Purpose	Proposed Utilisation	Actual Utilisation	% utilised	Timeframe for Utilisation
	RM'000	RM'000		
Funding of property development	2,000	990	49.50%	30-Dec-23
Working Capital	5,865	5,865	100.00%	30-Dec-23
Estimated expenses in relation to the Proposed Private Placement	70	70	100.00%	30-Dec-21
Total	7,935	6,925	87.27%	

B9. Borrowings

a) Short Term Borrowings

	31 December 2022			31 December 2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Letter of credit, bankers' acceptance and revolving credits revolving credits	1,217	-	1,217	1,284	-	1,284
H.P. Liabilities	262	-	262	180	-	180
Total	1,479	-	1,479	1,464	-	1,464

b) Long Term Borrowings

	31 December 2022			31 December 2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
H.P. Liabilities	642	-	642	113	-	113
Total	642	-	642	113	-	113

None of the Group's borrowings as at the financial year ended are denominated in foreign currencies.

B10. Changes in Material Litigations

There was no material litigation against the Group as at the date of this report.

B11. Dividend Payable

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

B12. Earnings Per Share

	Current Quarter Ended 31.12.2022	Preceding Year Ended 30.12.2021	Current Year To-Date 31.12.2022	Preceding Year To-Date 30.12.2021
a) Basic				
Profit net of tax, attributable to Equity Holders of the Company (RM'000)	85	2,060	820	2,828
Weighted average number of ordinary shares, in issue ('000)	63,482	53,243	63,482	53,243
Basic earnings per share (sen)	0.13	3.87	1.29	5.31

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 the order of the Board

Choong Wye Lin
Executive Director

24 February 2023