

B. I. G. INDUSTRIES BERHAD (195285-D)

(Incorporated in Malaysia)

PART A –EXPLANATORY NOTES PURSUANT TO FRS 134**A1 Basis of Preparation**

The interim financial statements have been prepared under the historical cost convention.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards (“FRS”) No.134, “Interim Financial Reporting” and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007. These explanatory notes attached to the interim financial statements 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 year ended 31 December 2007.

A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2007.

A3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the year ended 31 December 2007 was not qualified.

A4. Segmental Information

	Revenue		Profit/(loss) before taxation	
	-----3 months ended 31 March (Individual Quarter)-----			
	2008 RM’000	2007 RM’000	2008 RM’000	2007 RM’000
Industrial Gas	6,577	4,804	652	557
Ready-mix concrete/ Quarry/RCP	12,263	7,988	326	(510)
Property & Construction	728	864	(273)	(96)
Others	57	115	(38)	76
Total	19,625	13,771	667	27

	Revenue		Profit/(loss) before taxation	
	----- 3 months ended 31 March (Cumulative Quarter)-----			
	2008 RM’000	2007 RM’000	2008 RM’000	2007 RM’000
Industrial Gas	6,577	4,804	652	557
Ready-mix concrete/ Quarry/RCP	12,263	7,988	326	(510)
Property & Construction	728	864	(273)	(96)
Others	57	115	(38)	76
Total	19,625	13,771	667	27

A5. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flow during the current quarter under review.

A6. Changes in Estimates

There were no changes in the estimates of amounts reported in the current quarter under review.

A7. Comments about Seasonal or Cyclical Factors

The business operations of the Group were not affected by any significant seasonal or cyclical factors.

A8. Dividends Paid

No dividend has been paid for the quarter under review.

A9. Carrying Amount of Revalued Assets

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

A10. Debts and Equity Securities

There were no debt and equity securities issued, cancelled, repurchased, resold or repaid during the current quarter under review.

A11. Changes in Composition of the Group

There are no material changes in the composition of the Group during the current quarter under review.

A12. 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.

A13. Material Subsequent Events

There were no material events subsequent to the end of the current quarter under review.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BMSB

B1. Performance Review

The Group recorded a revenue of RM19,625,000 for the first quarter ended 31 March 2008, an increase of 43% over the corresponding quarter ended 31 March 2007 of RM13,771,000. The increase is mainly attributable to the increase in sales of ready mixed concrete and reinforced concrete piles by RM4,275,000 (54%) as well as the increase in sales of industrial gases by RM1,773,000 (37%) respectively.

The Group's consolidated profit before taxation was RM667,000 for the quarter under review as compared to the corresponding quarter of the preceding year of RM27,000. The improvement in profit was mainly contributed by the ready mixed concrete and reinforced concrete piles division.

B2. Comparison of Material Change with preceding quarter's result

Group Results	Current quarter ended 31/03/2008	Preceding quarter ended 31/12/2007
	RM'000	RM'000
Revenue	19,625	19,748
Profit Before Taxation	667	244

Revenue for the current quarter under review was RM19,625,000 as compared to RM19,748,000 of the preceding quarter. The profit before taxation has increase substantially compared to the preceding quarter due mainly to the improvement in operations efficiency in the ready mixed concrete and reinforced concrete piles division.

B3. Current Year Prospects

The Oil, Gas and Petrochemical Industries have remained buoyant leading to a high demand for industrial gases, services & maintenance and engineering products.

Following the announcement of the 9th Malaysia Plan, there was an increase in activities in infrastructure projects.

Barring unforeseen circumstances, the group is optimistic of the current year's prospects.

B4. Profit Forecast

The company has not provided any profit forecast in a public document.

B5. Taxation

	Current Year Quarter 31/03/2008	Preceding Year Quarter 31/03/2007	Current Year To date 31/03/2008	Preceding Year To date 31/03/2007
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:-				
Current income tax:				
Malaysian income tax	2	3	2	3

The Group's effective tax rate for the current quarter under review is lower than the statutory rate as certain wholly owned subsidiary of the Company has sufficient reinvestment allowance and capital allowances to offset taxable profit.

B6. Sale of Unquoted Investment and Properties

There were no sales of unquoted investments and properties for the current quarter under review.

B7. Quoted Investment

There were no sales or purchases of quoted investments for the current quarter under review.

B8. Corporate Proposals

There was no update on the corporate proposals for the current quarter under review.

B9. Borrowings**a) Short Term Borrowings**

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Bank overdraft	7,652	-	7,652
Bankers' acceptance and Revolving credits	4,575	8,532	13,107
Term loans	307	-	307
Lease payables	5,294	-	5,294
Total	17,828	8,532	26,360

b) Long Term Borrowings

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Term loans	175	45,000	45,175
Lease payables	868	-	868
Total	1,043	45,000	46,043

None of the Group's borrowings as at the financial year to date are denominated in foreign currency.

B10. Off Balance Sheet Financial Instruments

The Group did not have any financial instruments with off balance sheet risk at the date of issue of these interim financial statements.

B11. Changes in Material Litigation

There was no material litigation at the date of issue of these interim financial statements except for the following:

- (a) The Company's wholly owned subsidiary Uni-Mix Sdn Bhd had on 17 January 2007 issued a notice pursuant to Section 218 of the Companies Act 1965 for the recovery of RM817,877.76 from its trade debtor Dapan Construction Sdn Bhd. Upon expiry of the said notice, the Company's winding up petition was presented on 30 April 2007 in the High Court of Sabah and Sarawak at Kota Kinabalu. The winding up petition was heard on 27 August 2007 where the learned judge allowed the winding up petition against Dapan Construction Sdn Bhd.

Following the judge's decision on S218 matter, on 29 August 2007, Dapan Construction Sdn Bhd proceeded to make an application for review and rescind the Winding Up Order or Stay all proceedings until the Civil Suit No. K22-29 of 2007 is disposed of before the High Court in Kota Kinabalu under S243 and 307 of the Companies Act 1965 but the Court dismissed their application with cost on 19 September 2007.

On 25 September 2007, Dapan Construction Sdn Bhd has filed an appeal again for the said application and on 26 February 2008, the Court of Appeal dismissed with cost on our winding up petition against Dapan Construction Sdn Bhd.

- (b) The Company's wholly owned subsidiary Hypervictory Sdn Bhd had on 27 March 2007 commenced legal proceedings against its trade debtor Dapan Construction Sdn Bhd for the recovery of RM64,628.21 in the Sessions Court at Kota Kinabalu. The matter is still pending.

- (c) In response to (a) above, on 26 March 2007 Dapan Holdings Sdn. Bhd., Dapan Construction Sdn. Bhd. and Zillion Rank Sdn. Bhd. commenced legal proceedings in the High Court of Sabah and Sarawak at Kota Kinabalu against Uni-Mix Sdn. Bhd. and Hypervictory Sdn. Bhd. for inter-alia a declaration that the sub-contract agreement for the quarrying activities was validly terminated, damages to be assessed for breach of the sub-contract and/or rectification works on the damaged roads and retention ponds and an injunction for the removal of all such plant, equipment and/or machinery from the site.

Hypervictory Sdn. Bhd. has since obtained judgement in default of RM667,067.15 against Dapan Holdings Sdn. Bhd. for roadworks carried out at Bandar Sierra and Uni-Mix Sdn. Bhd. has filed a counter-claim of RM817,877.76 against Dapan Construction Sdn. Bhd. for supply of ready mixed cement. The case is still pending.

B12. Dividend Payable

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

B13. Earnings Per Share

	Current Year Quarter 31/03/2008	Preceding Year Quarter 31/03/2007	Current Year To date 31/03/2008	Preceding Year To date 31/03/2007
a) Basic				
Net profit attributable to equity holders of the parent (RM'000)	665	24	665	24
Weighted average number of ordinary share in issue ('000)	48,092	48,092	48,092	48,092
Basic earnings per share (sen)	1.38	0.05	1.38	0.05
b) Diluted				
Net profit attributable to equity holders of the parent (RM'000)	665	24	665	24
Weighted average number of ordinary shares for diluted earnings per share ('000)	48,092	48,092	48,092	48,092
Fully diluted earnings per share (sen)	1.38	0.05	1.38	0.05

By Order of the Board

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Joint Secretaries

Shah Alam, Selangor.
28 May 2008