

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 except for the adoption of the following new/revised FRS effective for the financial period beginning on or after 1 July 2007:

FRS, Amendments to FRS and IC Interpretations		Effective for financial periods beginning on or after
FRS 107	Cash Flow Statements	1 July 2007
FRS 111	Construction Contracts	1 July 2007
FRS 112	Income Taxes	1 July 2007
FRS 118	Revenue	1 July 2007
FRS 119	Employee Benefits	1 July 2007
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
FRS 126	Accounting and Reporting by Retirement Benefit Plans	1 July 2007
FRS 129	Financial Reporting in Hyperinflationary Economies	1 July 2007
FRS 134	Interim Financial Reporting	1 July 2007
FRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 July 2007
Amendment to FRS 121	The Effect of Changes in Foreign Exchange Rate – Net Investment in a Foreign Operation	1 July 2007
IC Int 01	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Int 02	Members’ Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Int 05	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007

IC Int 06	Liabilities Arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment	1 July 2007
IC Int 07	Applying the Restatement Approach Under FRS 129 ₂₀₀₄ – Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Int 08	Scope of FRS 2	1 July 2007

Effective date deferred indefinitely

FRS 139 Financial Instruments : Recognition and Measurement

The impact of applying FRS 139 on the interim financial statements upon its first adoption as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemption given in FRS 139.103AB.

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 30 September (Individual Quarter)-----			
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Industrial Gas	11,652	6,990	1,939	447
Ready-mix concrete/RC Piles	12,637	10,342	178	(99)
Property Development	1,209	962	108	(442)
Others	112	85	(191)	99
Total	25,610	18,379	2,034	5

	Revenue		Profit/(loss) before taxation	
	----- 9 months ended 30 September (Cumulative Quarter)-----			
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Industrial Gas	27,659	17,597	4,052	1,691
Ready-mix concrete/RC Piles	36,663	27,882	790	(1,347)
Property Development	3,222	2,930	(435)	(473)
Others	221	314	(712)	243
Total	67,765	48,723	3,695	114

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 RM25,610,000 for the third quarter ended 30 September 2008, an increase of 39% over the corresponding quarter ended 30 September 2007 of RM18,379,000. The increase is mainly attributable to the increase in sales of industrial gases by RM4,662,000 as well as sales of ready mixed concrete and reinforced concrete piles by RM2,295,000.

The Group's consolidated profit before taxation was RM2,034,000 for the quarter under review as compared to the corresponding quarter of the preceding year of RM5,000. The improvement in profit was mainly contributed by the industrial gas division.

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

Group Results	Current quarter ended 30/09/2008	Preceding quarter ended 30/06/2008
	RM'000	RM'000
Revenue	25,610	22,530
Profit Before Taxation	2,034	994

Revenue for the current quarter under review was RM25,610,000, an increase of 13.7% as compared to RM22,530,000 of the preceding quarter. The profit before taxation of RM2,034,000 has increased by 105% as compared to the preceding quarter mainly contributed by the industrial gas division.

B3. Current Year Prospects

The Oil, Gas and Petrochemical Industries have remained buoyant leading to a higher demand for industrial gases, services & maintenance and engineering products. In line with that we are positive of achieving a favourable result as compared to the preceding year.

Demand for the group's ready mixed concrete and reinforced concrete piles is expected to be soft in line with the economic slowdown.

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 30/09/2008	Preceding Year Quarter 30/09/2007	Current Year To date 30/09/2008	Preceding Year To date 30/09/2007
	RM'000	RM'000	RM'000	RM'000
Taxation comprises:-				
Current income tax:				
Malaysian income tax	20	(15)	112	7

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 has sufficient reinvestment allowances, capital allowances and trading losses 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	6,122	-	6,122
Bankers' acceptance and Revolving credits	7,557	11,124	18,681
Term loans	104	45,000	45,104
Lease payables	2,471	-	2,471
Total	16,254	56,124	72,378

b) Long Term Borrowings

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Term loans	175	-	175
Lease payables	7,561	-	7,561
Total	7,736	-	7,736

None of the Group's borrowings as at the financial period 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.

On 25 September 2007, Dapan Construction Sdn Bhd has filed an appeal 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.

On 26 March 2008, Uni-Mix Sdn. Bhd. applied for leave to appeal to the Federal Court of Malaysia against the decision of the Court of Appeal in dismissing the winding up petition against Dapan Construction Sdn. Bhd.. The case is still pending.

- (b) 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 Kinablu 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.

- (c) 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.

B12. Dividend Payable

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

B13. Earnings Per Share

	Current Year Quarter 30/09/2008	Preceding Year Quarter 30/09/2007	Current Year To date 30/09/2008	Preceding Year To date 30/09/2007
a) Basic				
Net profit attributable to equity holders of the parent (RM'000)	2,014	20	3,583	107
Weighted average number of ordinary share in issue ('000)	48,092	48,092	48,092	48,092
Basic earnings per share (sen)	4.19	0.04	7.45	0.22
b) Diluted				
Net profit attributable to equity holders of the parent (RM'000)	2,014	20	3,583	107
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)	4.19	0.04	7.45	0.22

By Order of the Board

Pauline Ng Peck Kun (MAICSA 7029550)

Chan Sau Leng (MAICSA 7012211)

Joint Secretaries

Shah Alam, Selangor.

28 November 2008