

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

(Incorporated in Malaysia)

Condensed Consolidated Statements of Financial Position as at 31 March 2012

	31 March 2012	31 December 2011
	RM' 000	RM' 000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Intangible asset	841	841
Property, plant and equipment	51,062	51,729
Land use rights	8,348	8,401
Other investments	436	436
Land held for property development	5,148	5,148
	65,835	66,555
Current assets		
Property development costs	14,583	14,773
Inventories	8,215	8,523
Trade receivables	32,707	33,341
Other receivables, deposits and prepayments	2,719	4,146
Tax recoverable	1,302	1,119
Fixed deposits with licensed banks and financial institutions	710	698
Cash and bank balances	2,075	4,659
	62,312	67,259
TOTAL ASSETS	128,147	133,814
EQUITY AND LIABILITIES		
Equity attributable to Equity Holders of the Company		
Share capital	48,092	48,092
Share premium	150	150
(Accumulated losses)/ Revenue reserve	(1,323)	(1,958)
TOTAL EQUITY	46,919	46,284
Non-current liabilities		
Lease payables	2,630	3,380
Term loans	23,211	28,575
Deferred tax liabilities	4,526	4,526
	30,368	36,481
Current liabilities		
Bank overdrafts	7,767	5,800
Term loans	6,642	6,533
Borrowings	13,577	13,041
Trade payables	8,662	10,953
Other payables and accruals	10,502	10,992
Amount due to related companies	45	45
Lease payables	3,516	3,676
Income tax payable	149	9
	50,861	51,049
TOTAL LIABILITIES	81,229	87,530
TOTAL EQUITY AND LIABILITIES	128,147	133,814
Net assets per share attributable to Equity Holders of the Company (RM)	0.98	0.96

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

B. I. G. INDUSTRIES BERHAD (195285-D)
(Incorporated in Malaysia)

Condensed Consolidated Statements of Comprehensive Income
For the three months ended 31 March 2012

	3 months ended 31 March		3 months ended 31 March	
	2012	2011	2012	2011
Note	RM'000	RM'000	RM'000	RM'000
Revenue	24,065	19,296	24,065	19,296
Other income	565	632	565	632
Interest income	1	3	1	3
Changes in inventories of finished goods	(543)	297	(543)	297
Inventories purchased and raw materials consumed	(10,722)	(8,307)	(10,722)	(8,307)
Carriage outwards	(162)	(152)	(162)	(152)
Employee benefits expense	(2,284)	(2,308)	(2,284)	(2,308)
Depreciation of property, plant and equipment	(1,023)	(1,011)	(1,023)	(1,011)
Amortisation of prepaid land lease payments	(53)	(32)	(53)	(32)
Development costs	(3,404)	(3,523)	(3,404)	(3,523)
Other expenses	(4,908)	(3,712)	(4,908)	(3,712)
Operating profit	1,532	1,183	1,532	1,183
Finance costs	(776)	(950)	(776)	(950)
Impairment loss on trade receivables	-	(1,787)	-	(1,787)
Impairment loss on other receivables	-	(1,762)	-	(1,762)
Profit/(loss) before tax	756	(3,316)	756	(3,316)
Income tax expense	(121)	(1,820)	(121)	(1,820)
Loss net of tax, representing total comprehensive income for the period	635	(5,136)	635	(5,136)
Total comprehensive income for the period				
Profit attributable to:				
Owners of the Company	635	(5,136)	635	(5,136)
Non-controlling interests	-	-	-	-
Earning per share attributable to equity holders of the Company:				
Earnings/(loss) per share (sen)				
- Basic	1.32	(10.68)	1.32	(10.68)
- Diluted	NA	NA	NA	NA

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

B. I. G. INDUSTRIES BERHAD (195285-D)
(Incorporated in Malaysia)

Condensed Consolidated Statements of Changes in Equity
For the three months ended 31 March 2012

	-----Attributable to Equity Holders of Company-----			
	----Non-distributable-----		Distributable	
	Share Capital	Share Premium	Revenue Reserve/ (Accumulated losses)	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2012	48,092	150	(1,958)	46,284
Total Comprehensive Income	-	-	635	635
At 31 March 2012	<u>48,092</u>	<u>150</u>	<u>(1,323)</u>	<u>46,919</u>

	-----Attributable to Equity Holders of Company-----			
	----Non-distributable-----		Distributable	
	Share Capital	Share Premium	Revenue Reserve/ (Accumulated losses)	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2011	48,092	150	4,586	52,828
Total Comprehensive Income	-	-	(5,136)	(5,136)
At 31 March 2011	<u>48,092</u>	<u>150</u>	<u>(550)</u>	<u>47,692</u>

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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

(Incorporated in Malaysia)

Condensed Consolidated Statements of Cash Flows for the three months ended 31 March 2012

	31 March 2012	31 March 2011
	RM'000	RM'000
Profit/(Loss) before tax	756	(3,316)
Adjustments for :		
Amortisation of prepaid land lease payments	53	47
Fixed assets written off	17	-
Depreciation of property, plant and equipment	1,023	1,035
Net gain on disposal of property, plant & equipment	(30)	(142)
Impairment loss on trade receivables	-	1,788
Impairment loss on other receivables	-	1,762
Interest expenses	777	950
Interest income	(1)	(3)
Operating cash flows before working capital changes	2,595	2,121
Changes in working capital:		
Property development costs	190	7,312
Inventories	308	(530)
Receivables	2,061	(3,586)
Payables	(2,781)	(4,964)
Cash flows from operations	2,373	353
Interest received	1	3
Income tax paid, net of tax refunds	(164)	326
Net cash flows from operating activities	2,210	682
Investing activities		
Purchase of property, plant & equipment	(384)	(658)
Purchase of land use rights	-	-
Proceeds from disposal of property, plant & equipment	41	425
Net cash flows from/ (used in) investing activities	(343)	(233)
Financing activities		
Decrease in bank borrowings	(4,719)	(1,262)
Proceeds from lease creditors	-	174
(Increase)/decrease in fixed deposits pledged	(12)	(12)
Interest paid	(777)	(950)
Repayment of lease payables	(910)	(742)
Net cash flows used in financing activities	(6,418)	(2,792)
Net increase/(decrease) in cash and cash equivalents	(4,551)	(2,343)
Cash and cash equivalents at 1 January	(1,141)	(2,767)
Cash and cash equivalents at 31 March	(5,692)	(5,110)
Analysis of cash and cash equivalents:		
Cash and bank balances	2,075	1,905
Bank overdrafts	(7,767)	(7,015)
	(5,692)	(5,110)

The condensed consolidated statements of cash flow should be read in conjunction with the audited financial statement for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

B. I. G. INDUSTRIES BERHAD (195285-D)
(Incorporated in Malaysia)

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 Financial Reporting Standards (“FRS”) 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 year ended 31 December 2011. 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 2011.

A2. Changes in Accounting Policies

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Board on 1 January 2012, the MASB had on 19 November 2011 issue a new MASB approved accounting standards, MFRSs (“MFRSs Framework”) for application in the annual periods beginning on or after 1 January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 *Agriculture* and/or IC Int 15 *Agreement for the Construction of Real Estate* (“*Transitioning Entities*”). The Transitioning Entities are given an option to defer adoption of the MFRSs framework for an additional one year. Transitioning Entities also includes those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

Accordingly, certain subsidiaries in the Group which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework for an additional one year. The Group and the Company will prepare its first MFRSs financial statements using the MFRSs framework for the financial year ending 31 December 2013.

A3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements of the Company and its subsidiaries for the year ended 31 December 2011 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 flow during the current quarter under review.

A6. Changes in Estimates

There were no unusual items affecting assets, liabilities, equity, net income or cash flow during the current quarter 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 Mar (Individual Quarter) ----			
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Industrial Gas	7,525	7,918	367	(573)
Ready-mix concrete/RC Piles	12,218	8,024	266	157
Property Development	4,322	3,354	500	(365)
Others	0	0	(377)	(2,535)
Total	24,065	19,296	756	(3,316)

	Revenue		Profit/(Loss) before tax	
	---- 3 months ended 31 Mar (Cumulative Quarter) ----			
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Industrial Gas	7,525	7,918	367	(573)
Ready-mix concrete/RC Piles	12,218	8,024	266	157
Property Development	4,322	3,354	500	(365)
Others	0	0	(377)	(2,535)
Total	24,065	19,296	756	(3,316)

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

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

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

There are no capital commitments for the Group as at 31 March 2012.

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

B1. Performance Review

The Group reported higher revenue of RM24.065 million for the first quarter ended 31 March 2012 or 24.71% higher as compared to RM19.296 million for the preceding year corresponding period. The increased was mainly attributable to higher sales in the Ready-Mix Concrete Division and Property Division.

The Group registered a profit before tax of RM0.756 million as compared to loss before tax of RM3.316 million for preceding year corresponding period. The higher loss for preceding corresponding period was attributable to impairment loss on trade and other receivables of RM3.55 million.

- **Industrial Gas Division**

During the current quarter under review, Gas Division recorded sales of RM7.53 million as compared to RM7.92 million reported in the preceding corresponding period. However the division recorded a profit before tax of RM0.367 million against loss of RM0.573 million. The loss for previous preceding period was mainly attributable to impairment of trade receivables for RM1.795 million.

Cylinders gas sales volume had increased but its profit margins were reduced due to higher competition. The overall sales volume for bulk liquid gases were subdued with generally lower demand from oil, gas and petrol chemical industries in the current period as compared to previous period.

- **Ready Mixed Concrete Division (RMC)**

During the current quarter under review, RMC Division recorded sales of RM12.22 million as compared to RM8.02 million recorded in the preceding corresponding period. Due to the higher sales, the division recorded a profit before tax of RM0.27 million for the period under review.

- **Property Division**

During the current quarter under review, Property Division recorded sales of RM4.32 million as compared to RM3.35 million recorded in the preceding corresponding period. The division recorded a profit before tax of RM0.50 million against loss before tax of RM0.365 million in the preceding corresponding period. The loss for previous corresponding period was mainly attributable to loss of RM1.3 million on disposal of warehouse.

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

Group Results	Current Quarter ended 31/03/2012	Preceding Quarter ended 31/12/2011
	(RM'000)	(RM'000)
Revenue	24,065	31,807
Profie Before Tax	756	643

Revenue for the current quarter under review was RM24.065 million compared to RM31.807 million for the preceding quarter. The current quarter recorded a profit before tax of RM0.756 million as compared to a profit before tax of RM0.643 million for the preceding corresponding quarter ended 31 December 2011.

Although the revenue was lower by 24.34%, the Group reported a higher profit mainly attributable to lower impairment loss recorded in current quarter under review.

B3. Current Year Prospects

The Group will continue to improve on its strategies to face increasingly competitive and challenging business environment as it had experienced in the current quarter, while at the same time, manage operating costs at its most efficient level. The Group activities are largely driven by domestic consumption and investment activities. Thus the economic outlook of Malaysia is critical for the Group performing. Barring any unforeseen circumstances, the Group is optimistic of its future prospects.

Nonetheless, the Group will continue to emphasise on good management control focusing on cost optimisation and moving towards lower gearing for the Group and its subsidiaries.

B4. Profit Forecast

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

B5. Taxation

	Current Year Quarter 31/03/12 (RM'000)	Preceding Year Quarter 31/03/11 (RM'000)	Current Year To date 31/03/12 (RM'000)	Preceding Year To date 31/03/11 (RM'000)
Taxation comprises:				
Current tax	121	331	121	331
Deferred tax	0	1,489	0	1,489
Total	121	1,820	121	1,820

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 reinvestment allowances, capital allowances and trading losses to offset taxable profits.

B6. Corporate Proposals

There are no corporate proposals as at 28 May 2012.

B7. Borrowings

a) Short Term Borrowings

	31 March 2012			31 March 2011		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank overdraft	7,767	-	7,767	7,015	-	7,015
Bankers' acceptance and Revolving credits	13,577	-	13,577	12,275	-	12,275
Term loans	2,642	4,000	6,642	380	33,500	33,880
Lease payables	3,516	-	3,516	3,394	-	3,394
Total	27,502	4,000	31,502	23,064	33,500	56,564

b) Long Term Borrowings

	31 March 2012			31 March 2011		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Term loans	1,076	22,135	23,211	1,256	-	1,256
Lease payables	4,526	-	4,526	5,146	-	5,146
Total	5,602	22,135	27,737	6,402	-	6,402

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

B8. Changes in Material Litigations

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

1. The Company's wholly owned subsidiary company, Hypervictory Sdn. Bhd., had on 27 March 2007, by a Statement of Claim of the same date, commenced legal proceedings against its trade debtor, Dapan Construction Sdn. Bhd. ("Defendant"), in the Sessions Court at Kota Kinabalu. Hypervictory Sdn. Bhd.'s claim was for the sum of RM64,628.21 as at 31 October 2006 being the outstanding sum for goods sold and delivered to the Defendant on credit term. The Defendant filed its Defence on 5 September 2008 pleading a global set off arrangement (as pleaded in another suit which involved the Plaintiff and Defendant as well) to set off the amount owed by the Defendant against the amount purportedly owed by Uni-Mix Sdn. Bhd. (a subsidiary of the Company) to the Defendant's related companies, namely Dapan Holdings Sdn. Bhd. and Zillion Rank Sdn. Bhd. The trial is fixed on 12th – 14th March 2012.

B8. Changes in Material Litigations (continued)

2. By a Statement of Claim dated 26 March 2007 (amended on 7 October 2010), Dapan Holdings Sdn. Bhd., Dapan Construction Sdn. Bhd. and Zillion Rank Sdn. Bhd. commenced legal proceedings in the High Court in 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 between the Third Plaintiff and the Second Defendant was validly terminated, damages to be assessed for breach of the sub-contract and/or rectification works on the road leading to a housing project and retention pond, and an injunction requiring the 2nd Defendant to remove all its plant, equipment and/or machinery from the site.

By Defence dated 16 July 2007 and Counter-Claim dated 4 August 2010 (re-amended on 7 October 2010), Uni-Mix Sdn. Bhd. counter-claimed against Dapan Construction Sdn. Bhd. for the outstanding sum of RM817,877.76 as at 30 November 2006 for goods supplied to it on credit term. The Plaintiff alleged that the parties had agreed to a global set-off by which the debt due and owing by the 2nd Plaintiff to the 1st Defendant could be set off by debt purportedly due and owing by the 2nd Defendant to the Plaintiffs. The trial is fixed on 12th – 14th March 2012.

On 12 May 2012, a global settlement of RM800,000 was agreed upon by all parties concerned. The plaintiffs and defendants are to withdraw the above-mentioned cases with no liberty to file afresh.

B9. Dividend Payable

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

B10. Earnings Per Share

	Current Year Quarter 31/03/2012	Preceding Year Quarter 31/03/2011	Current Year To date 31/03/2012	Preceding Year To date 31/03/2011
a) Basic				
Profit/(Loss) net of tax, attributable to Equity Holders of the Company (RM'000)	635	(5,136)	635	(5,136)
Weighted average number of ordinary shares, in issue ('000)	48,092	48,092	48,092	48,092
Basic earnings/(loss) per share (sen)	1.32	(10.68)	1.32	(10.68)
b) Diluted				
Profit net of tax, attributable to Equity Holders of the Company (RM'000)	NA	NA	NA	NA
Weighted average number of ordinary shares for diluted earnings per share ('000)	NA	NA	NA	NA
Fully diluted earnings per share (sen)	NA	NA	NA	NA

B11. Realised and Unrealised Profits

	Current Year Quarter ended 31/03/2012 (RM'000)	As at the financial year ended 31/12/2011 (RM'000)
Total revenue reserve / (accumulated losses) of the Company and its subsidiaries:		
- Realised	7,603	6,968
- Unrealised	(4,526)	(4,526)
	3,077	2,442
Less : Consolidation adjustments	(4,400)	(4,400)
(Accumulated losses) / revenue reserve as per financial statements	(1,323)	(1,958)