

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

(Incorporated in Malaysia)

**Condensed Consolidated Statements of Financial Position as at 30 June 2012**

	<b>30 June 2012</b>	<b>31 December 2011</b>
	<b>RM' 000</b>	<b>RM' 000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible asset	841	841
Property, plant and equipment	50,405	51,729
Land use rights	8,294	8,401
Other investments	436	436
Land held for property development	6,320	5,148
	<b>66,296</b>	<b>66,555</b>
<b>Current assets</b>		
Property development costs	14,640	14,773
Inventories	9,584	8,523
Trade receivables	32,420	33,341
Other receivables, deposits and prepayments	4,966	4,146
Tax recoverable	1,216	1,119
Fixed deposits with licensed banks and financial institutions	715	698
Cash and bank balances	2,472	4,659
	<b>66,014</b>	<b>67,259</b>
<b>TOTAL ASSETS</b>	<b>132,310</b>	<b>133,814</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Equity Holders of the Company</b>		
Share capital	48,092	48,092
Share premium	150	150
(Accumulated losses)/ Revenue reserve	(560)	(1,958)
<b>TOTAL EQUITY</b>	<b>47,682</b>	<b>46,284</b>
<b>Non-current liabilities</b>		
Lease payables	2,252	3,380
Term loans	22,536	28,575
Deferred tax liabilities	4,526	4,526
	<b>29,315</b>	<b>36,481</b>
<b>Current liabilities</b>		
Bank overdrafts	8,747	5,800
Term loans	5,245	6,533
Borrowings	13,225	13,041
Trade payables	10,691	10,953
Other payables and accruals	14,324	10,992
Amount due to related companies	-	45
Lease payables	3,081	3,676
Income tax payable	-	9
	<b>55,314</b>	<b>51,049</b>
<b>TOTAL LIABILITIES</b>	<b>84,629</b>	<b>87,530</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>132,310</b>	<b>133,814</b>
<b>Net assets per share attributable to Equity Holders of the Company (RM)</b>	<b>0.99</b>	<b>0.96</b>

The condensed consolidated statements of financial position should be read in conjunction with the audited 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 six months ended 30 June 2012**

	3 months ended 30 June		6 months ended 30 June		
	Note	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Revenue</b>		25,237	21,387	49,302	40,683
Other income		510	400	1,075	1,032
Interest income		-	-	1	3
Changes in inventories of finished goods		1,139	212	596	509
Inventories purchased and raw materials consumed		(14,952)	(9,393)	(25,674)	(17,700)
Carriage outwards		(139)	(170)	(301)	(322)
Employee benefits expense		(2,345)	(2,199)	(4,629)	(4,507)
Depreciation of property, plant and equipment		(1,093)	(1,039)	(2,116)	(2,050)
Amortisation of prepaid land lease payments		(54)	(32)	(107)	(64)
Development costs		(2,888)	(3,900)	(6,292)	(7,423)
Other expenses		(3,215)	(3,550)	(8,123)	(7,262)
<b>Operating profit</b>		<u>2,200</u>	<u>1,716</u>	<u>3,732</u>	<u>2,899</u>
Finance costs		(1,379)	(1,693)	(2,155)	(2,643)
Impairment loss on trade receivables		-	(613)	-	(2,400)
Impairment loss on other receivables		-	-	-	(1,762)
<b>Profit/(loss) before tax</b>		<u>821</u>	<u>(590)</u>	<u>1,577</u>	<u>(3,906)</u>
Income tax expense		(58)	(52)	(179)	(1,872)
<b>Loss net of tax, representing total comprehensive income for the period</b>		<u><u>763</u></u>	<u><u>(642)</u></u>	<u><u>1,398</u></u>	<u><u>(5,778)</u></u>
<b>Total comprehensive income for the period</b>					
Profit attributable to:					
Owners of the Company		763	(642)	1,398	(5,778)
Non-controlling interests		-	-	-	-
<b>Earning per share attributable to equity holders of the Company:</b>					
Earnings/(loss) per share (sen)					
- Basic		<u>1.59</u>	<u>(1.33)</u>	<u>2.91</u>	<u>(12.01)</u>
- Diluted		<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited 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 six months ended 30 June 2012**

	-----Attributable to Equity Holders of Company-----			Total RM'000
	Share Capital RM'000	Share Premium RM'000	-----Non-distributable-----  Distributable Revenue Reserve/ (Accumulated losses) RM'000	
<b>At 1 January 2012</b>	48,092	150	(1,958)	46,284
Total Comprehensive Income	-	-	1,398	1,398
<b>At 30 June 2012</b>	<u>48,092</u>	<u>150</u>	<u>(560)</u>	<u>47,682</u>

	-----Attributable to Equity Holders of Company-----			Total RM'000
	Share Capital RM'000	Share Premium RM'000	-----Non-distributable-----  Distributable Revenue Reserve/ (Accumulated losses) RM'000	
<b>At 1 January 2011</b>	48,092	150	4,586	52,828
Total Comprehensive Income	-	-	(5,778)	(5,778)
<b>At 30 June 2011</b>	<u>48,092</u>	<u>150</u>	<u>(1,192)</u>	<u>47,050</u>

The condensed consolidated statements of changes in equity should be read in conjunction with the audited 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 six months ended 30 June 2012**

	<b>30 June 2012</b>	<b>30 June 2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit/(Loss) before tax	1,577	(3,906)
Adjustments for :		
Amortisation of prepaid land lease payments	107	64
Fixed assets written off	17	-
Depreciation of property, plant and equipment	2,116	1,737
Net gain on disposal of property, plant & equipment	(138)	(136)
Impairment loss on trade receivables	-	2,400
Impairment loss on other receivables	-	1,762
Interest expenses	2,155	2,643
Interest income	(1)	(7)
<b>Operating cash flows before working capital changes</b>	<b>5,833</b>	<b>4,557</b>
Changes in working capital:		
Property development costs	(1,039)	6,270
Inventories	(1,061)	(929)
Receivables	258	(3,949)
Payables	3,025	(2,713)
Cash flows from operations	7,016	3,236
Interest received	1	7
Income tax paid, net of tax refunds	(442)	(208)
<b>Net cash flows from operating activities</b>	<b>6,575</b>	<b>3,035</b>
<b>Investing activities</b>		
Purchase of property, plant & equipment	(977)	(1,318)
Purchase of land use rights	-	-
Proceeds from disposal of property, plant & equipment	306	527
<b>Net cash flows from/ (used in) investing activities</b>	<b>(671)</b>	<b>(791)</b>
<b>Financing activities</b>		
Repayment of loans and borrowings	(7,143)	(2)
Proceeds from lease creditors	-	630
(Increase)/decrease in fixed deposits pledged	(17)	(12)
Interest paid	(2,155)	(2,643)
Repayment of lease payables	(1,723)	(1,591)
<b>Net cash flows used in financing activities</b>	<b>(11,038)</b>	<b>(3,618)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(5,134)</b>	<b>(1,374)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>(1,141)</b>	<b>(2,767)</b>
<b>Cash and cash equivalents at 30 June</b>	<b>(6,275)</b>	<b>(4,141)</b>
<b>Analysis of cash and cash equivalents:</b>		
Cash and bank balances	2,472	1,528
Bank overdrafts	(8,747)	(5,669)
	<b>(6,275)</b>	<b>(4,141)</b>

The condensed consolidated statements of cash flow 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)

### **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.

On 30 June 2012, MASB announced that the Transitioning Entities are allowed to extend their deferment on the adoption of MFRS Framework for another year. As such, the MFRS Framework will be mandatory for all companies for annual period beginning on or after 1 January 2014.

Accordingly, certain subsidiaries in the Group which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework. The Group and the Company will prepare its first MFRSs financial statements using the MFRSs framework for the financial year ending 31 December 2014.

#### **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 30 Jun (Individual Quarter) ----			
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Industrial Gas	9,025	8,076	519	(156)
Ready-mix concrete/RC Piles	12,078	8,840	328	333
Property Development	4,134	4,471	309	342
Others	0	0	(335)	(1,109)
<b>Total</b>	<b>25,237</b>	<b>21,387</b>	<b>821</b>	<b>(590)</b>

	Revenue		Profit/(Loss) before tax	
	---- 6 months ended 30 Jun (Cumulative Quarter) ----			
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Industrial Gas	16,550	15,994	886	(729)
Ready-mix concrete/RC Piles	24,296	16,864	594	490
Property Development	8,456	7,825	809	(23)
Others	0	0	(712)	(3,644)
<b>Total</b>	<b>49,302</b>	<b>40,683</b>	<b>1,577</b>	<b>(3,906)</b>

**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 30 June 2012.

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

### **B1. Performance Review**

The Group achieved revenue of RM25.237 million for the second quarter ended 30 June 2012 as compared to RM21.387 million recorded in the comparative quarter, which represent an increase of RM3.850 million or 18.00%. The increase in revenue was mainly from Ready-Mix Concrete Division which registered an increase of RM3.238 million. The Gas Division also showed an increase of RM0.949 million. However, Property Development Division showed a slight decrease of RM0.337 million.

The Group registered a profit before tax of RM0.821 million for the second quarter ended 30 June 2012 as compared to loss before tax of RM0.590 million for the comparative quarter ended 30 June 2011. The higher loss for the comparative quarter was mainly due to impairment loss on trade and other receivables.

- **Industrial Gas Division**

During the current quarter under review, the Gas Division recorded a revenue of RM9.025 million as compared to RM8.076 million recorded in the comparative quarter. The division recorded a profit before tax of RM0.519 million for the current quarter ended 30 June 2012 compared to a loss before taxation of RM0.156 million for the comparative quarter. The loss for comparative quarter was mainly attributable to impairment loss on trade receivables.

Cylinders gas sales volume had increased but its profit margins were reduced due to intense competition. The overall sales volume for bulk liquid gases were increased slightly from oil, gas and petrol chemical industries in the current quarter as compared to the comparative quarter.

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

During the current quarter under review, the RMC Division recorded a revenue of RM12.078 million as compared to RM8.840 million recorded in the comparative quarter. The division recorded profit before tax of RM0.328 million as compared to profit before tax of RM0.333 million for the comparative quarter.

- **Property Division**

During the current quarter under review, the Property Development Division recorded revenue of RM4.134 million as compared to RM4.471 million recorded in the comparative quarter. The division recorded a profit before tax of RM0.309 million against profit before tax of RM0.342 million in the comparative quarter.



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

<b>Group Results</b>	<b>Current Quarter ended 30/06/2012</b>	<b>Preceding Quarter ended 31/03/2012</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
Revenue	25,237	24,065
Profit Before Tax	821	756

Revenue for the current quarter under review was RM25.237 million compared to RM24.065 million for the preceding quarter, increased by 4.87%. The current quarter recorded a profit before tax of RM0.821 million as compared to a profit before tax of RM0.756 million for the preceding quarter ended 31 March 2012.

**B3. Current Year Prospects**

The Group will continue to improve on its strategies to face increasing 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's activities are largely driven by domestic consumption and investment activities. Thus the economic outlook of Malaysia is critical for the Group's performance. 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 Company and its subsidiaries.

**B4. Profit Forecast**

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

**B5. Taxation**

	<b>Current Year Quarter 30/06/12</b>	<b>Preceding Year Quarter 30/06/11</b>	<b>Current Year To date 30/06/12</b>	<b>Preceding Year To date 30/06/11</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
<b>Taxation comprises:</b>				
Current tax	58	90	179	383
Deferred tax	0	0	0	1,489
Total	58	90	179	1,872

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

Except for the following, there are no other corporate proposals as at 27 August 2012:

The Company had on 26 June 2012 announced that B.I.G. Industrial Gas Sdn. Bhd., a wholly owned subsidiary, has entered into two sale and purchase agreements with the following companies:

- a. Pan Wijaya Property Sdn Bhd (“PWPSB”) for the disposal of a piece of vacant industrial leasehold land expiring 60 years upon registration of the new land title held under Lot 2072, Block 26, Kemena Land District, Kidurong Industrial Area, Bintulu, Sarawak measuring approximately 1.2243 hectares in area for a cash consideration of RM3,100,000;
- b. Kidurong Futsal Centre Sdn Bhd (“KFCSB”) for the disposal of a piece of vacant industrial leasehold land expiring in year 2056 held under Lot 2602, Block 32, Kemena Land District, Kemena Industrial Area, Bintulu, Sarawak measuring approximately 8,139 square metres in area for a cash consideration of RM1,100,000.

The above proposals are subject to the consent from the Director of Land and Surveys and any other relevant authorities, if required.

## B7. Borrowings

### a) Short Term Borrowings

	30 June 2012			30 June 2011		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank overdraft	8,747	-	8,747	5,669	-	5,669
Bankers' acceptance and Revolving credits	13,225	-	13,225	13,634	-	13,634
Term loans	244	5,000	5,244	379	3,000	3,379
Lease payables	3,082	-	3,082	3,632	-	3,632
<b>Total</b>	<b>25,298</b>	<b>5,000</b>	<b>30,298</b>	<b>23,314</b>	<b>3,000</b>	<b>26,314</b>

### b) Long Term Borrowings

	30 June 2012			30 June 2011		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Term loans	1,036	21,500	22,536	1,156	30,500	31,656
Lease payables	2,252	-	2,252	4,515	-	4,515
<b>Total</b>	<b>3,288</b>	<b>21,500</b>	<b>24,788</b>	<b>5,671</b>	<b>30,500</b>	<b>36,171</b>

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 12<sup>th</sup> – 14<sup>th</sup> March 2012.
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 2<sup>nd</sup> 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 2<sup>nd</sup> Plaintiff to the 1<sup>st</sup> Defendant could be set-off by debt purportedly due and owing by the 2<sup>nd</sup> Defendant to the Plaintiffs. The trial is fixed on 12<sup>th</sup> – 14<sup>th</sup> 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

	<b>Current Year Quarter 30/06/2012</b>	<b>Preceding Year Quarter 30/06/2011</b>	<b>Current Year To date 30/06/2012</b>	<b>Preceding Year To date 30/06/2011</b>
<b>a) Basic</b>				
Profit/(Loss) net of tax, attributable to Equity Holders of the Company (RM'000)	763	(642)	1,398	(5,778)
Weighted average number of ordinary shares, in issue ('000)	48,092	48,092	48,092	48,092
Basic earnings/(loss) per share (sen)	<b>1.59</b>	<b>1.33</b>	<b>2.91</b>	<b>(12.01)</b>
<b>b) Diluted</b>				
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

	<b>Current Year Quarter ended 30/06/12 (RM'000)</b>	<b>As at the financial year ended 31/12/11 (RM'000)</b>
Total revenue reserve / (accumulated losses) of the Company and its subsidiaries:		
- Realised	9,486	6,968
- Unrealised	(4,526)	(4,526)
	4,960	2,442
Less : Consolidation adjustments	(4,400)	(4,400)
(Accumulated losses) / revenue reserve as per financial statements	560	(1,958)