

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

(Incorporated in Malaysia)

Condensed Consolidated Statements of Financial Position as at 30 September 2012

	30 September 2012	31 December 2011
	RM' 000	RM' 000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Intangible asset	841	841
Property, plant and equipment	49,660	51,729
Land use rights	8,251	8,401
Other investments	436	436
Land held for property development	5,171	5,148
	64,359	66,555
Current assets		
Property development costs	15,076	14,773
Inventories	9,658	8,523
Trade receivables	29,406	33,341
Other receivables, deposits and prepayments	5,397	4,146
Tax recoverable	862	1,119
Fixed deposits with licensed banks and financial institutions	715	698
Cash and bank balances	1,948	4,659
	63,063	67,259
TOTAL ASSETS	127,422	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	25	(1,958)
TOTAL EQUITY	48,267	46,284
Non-current liabilities		
Lease payables	2,468	3,380
Term loans	22,863	28,575
Deferred tax liabilities	4,526	4,526
	29,858	36,481
Current liabilities		
Bank overdrafts	3,431	5,800
Term loans	5,602	6,533
Borrowings	12,530	13,041
Trade payables	12,750	10,953
Other payables and accruals	12,343	10,992
Amount due to related companies	45	45
Lease payables	2,596	3,676
Income tax payable	-	9
	49,298	51,049
TOTAL LIABILITIES	79,156	87,530
TOTAL EQUITY AND LIABILITIES	127,422	133,814
Net assets per share attributable to Equity Holders of the Company (RM)	1.00	0.96

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 nine months ended 30 September 2012

	Note	3 months ended 30 September		9 months ended 30 September	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue		25,629	20,401	74,931	61,084
Other income		1,006	877	2,081	1,909
Interest income		-	-	1	3
Changes in inventories of finished goods		355	386	951	895
Inventories purchased and raw materials consumed		(13,115)	(10,445)	(38,789)	(28,145)
Carriage outwards		(103)	(126)	(404)	(448)
Employee benefits expense		(2,233)	(2,225)	(6,862)	(6,732)
equipment		(1,024)	(1,017)	(3,140)	(3,067)
Amortisation of prepaid land lease payments		(53)	(78)	(160)	(142)
Development costs		(3,699)	(1,762)	(9,991)	(9,185)
Other expenses		(2,703)	(5,344)	(10,826)	(12,606)
Operating profit		4,060	667	7,792	3,566
Finance costs		(1,006)	(562)	(3,161)	(3,205)
Impairment loss on trade receivables		(400)	2,194	(400)	(206)
Impairment on fixed assets		(1,216)	(1,899)	(1,216)	(1,899)
Impairment loss on other receivables		-	-	-	(1,762)
Profit/(loss) before tax		1,438	400	3,015	(3,506)
Income tax expense		(853)	(82)	(1,032)	(1,954)
Loss net of tax, representing total comprehensive income for the period		585	318	1,983	(5,460)
Total comprehensive income for the period					
Profit attributable to:					
Owners of the Company		585	318	1,983	(5,460)
Non-controlling interests		-	-	-	-
Earning per share attributable to equity holders of the Company:					
Earnings/(loss) per share (sen)					
- Basic		1.22	0.66	4.12	(11.35)
- Diluted		NA	NA	NA	NA

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)
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Condensed Consolidated Statements of Changes in Equity
For the nine months ended 30 September 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	-	-	1,983	1,983
At 30 September 2012	48,092	150	25	48,267

	-----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	-	-	(5,460)	(5,460)
At 30 September 2011	48,092	150	(874)	47,368

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 September 2012

	30 September 2012	30 September 2011
	RM'000	RM'000
Profit/(Loss) before tax	3,015	(3,506)
Adjustments for :		
Amortisation of prepaid land lease payments	160	141
Depreciation of property, plant and equipment	3,140	3,067
Net gain on disposal of property, plant & equipment	(628)	(583)
Impairment loss on trade receivables	400	207
Impairment loss on other receivables	-	1,762
Impairment loss on property, plant and equipment	1,216	1,899
Reversal of impairment loss on trade receivables	(41)	-
Interest expenses	3,161	3,205
Interest income	(1)	(13)
Operating cash flows before working capital changes	10,422	6,179
Changes in working capital:		
Property development costs	(326)	6,214
Inventories	(1,135)	(740)
Receivables	2,215	(3,523)
Payables	3,148	(1,124)
Cash flows from operations	14,324	7,006
Interest received	1	13
Income tax paid, net of tax refunds	(674)	(208)
Net cash flows from operating activities	13,651	6,811
Investing activities		
Purchase of property, plant & equipment	(1,610)	(2,062)
Acquisition of land use rights	-	(1,579)
Proceeds from disposal of property, plant & equipment	834	1,033
Net cash flows from/ (used in) investing activities	(776)	(2,608)
Financing activities		
Repayment of loans and borrowings	(8,150)	(191)
Proceeds from lease creditors	-	826
Proceeds from term loan	996	-
(Increase)/decrease in fixed deposits pledged	(17)	(16)
Interest paid	(3,161)	(3,205)
Repayment of lease payables	(2,885)	(2,449)
Net cash flows used in financing activities	(13,217)	(5,035)
Net increase/(decrease) in cash and cash equivalents	(342)	(832)
Cash and cash equivalents at 1 January	(1,141)	(2,767)
Cash and cash equivalents at 30 June	(1,483)	(3,599)
Analysis of cash and cash equivalents:		
Cash and bank balances	1,948	1,898
Bank overdrafts	(3,431)	(5,497)
	(1,483)	(3,599)

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.

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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 MFRSs Framework for another year. As such, the MFRSs 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 Sep (Individual Quarter) ----			
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Industrial Gas	9,586	7,967	1,556	(157)
Ready-mix concrete/RC Piles	11,681	10,221	(57)	386
Property Development	4,362	2,213	180	344
Others	0	0	(241)	(173)
Total	25,629	20,401	1,438	400

	Revenue		Profit/(Loss) before tax	
	---- 9 months ended 30 Sep (Cumulative Quarter) ----			
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Industrial Gas	26,136	23,961	2,442	(885)
Ready-mix concrete/RC Piles	35,977	27,085	537	875
Property Development	12,818	10,038	989	320
Others	0	0	(953)	(3,816)
Total	74,931	61,084	3,015	(3,506)

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

Except for the following, there are no material changes in the composition of the Group during the current quarter under review:

On 8 October 2012, Besitek Konsortium Sdn. Bhd. (“Besitek”), a dormant subsidiary of the Company is applying to striking off its name from the Registry pursuant to Section 308(1) of the Companies Act, 1965.

Besitek is a wholly-owned subsidiary of Hypervictory Sdn. Bhd. (“Hypervictory”), which in turn Hypervictory is a wholly-owned subsidiary of the Company.

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 September 2012.

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

B1. Performance Review

The Group achieved a revenue of RM25.629 million for the third quarter ended 30 September 2012 as compared to RM20.401 million recorded in the comparative quarter, which represent an increase of RM5.228 million or 25.63%. The increase in revenue was mainly from its Property Division which registered an increase of RM2.149 million. The other divisions, namely the Gas Division and Ready-Mix Division also performed better than the previous comparative quarter by RM1.619 million and RM1.46 million respectively.

The Group registered a profit before tax of RM1.438 million for the third quarter ended 30 September 2012 as compared to a loss before tax of RM0.400 million for the comparative quarter ended 30 September 2011.

- **Gas Division**

During the current quarter under review, the Gas Division recorded a revenue of RM9.586 million as compared to RM7.967 million recorded in the comparative quarter. The division recorded a profit before tax of RM1.556 million for the current quarter ended 30 September 2012 compared to a loss before tax of RM0.157 million for the comparative quarter. The loss for the comparative quarter was mainly due to impairment loss of RM1.9 million on property, plant and equipment. For the current quarter, the Group also recognized gain on property, plant and equipment of RM0.48 million.

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 Division (RMC)**

During the current quarter under review, the RMC Division recorded a revenue of RM11.681 million as compared to RM10.221 million recorded in the comparative quarter. The division recorded a loss before tax of RM0.57 million as compared to profit before tax of RM0.386 million for the comparative quarter. The loss was due to impairment loss of RM0.400 million on trade receivables.

- **Property Division**

During the current quarter under review, the Property Division recorded a revenue of RM4.362 million as compared to RM2.213 million recorded in the comparative quarter. The division recorded a profit before tax of RM0.180 million against profit before tax of RM0.344 million in the comparative quarter.

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

Group Results	Current Quarter ended 30/09/2012	Preceding Quarter ended 30/06/2012
	(RM'000)	(RM'000)
Revenue	25,629	25,237
Profit Before Tax	1,438	821

Revenue for the current quarter under review was RM25.629 million compared to RM25.237 million for the preceding quarter, increased by 1.55%. For the current quarter, the Group recorded a profit before tax of RM1.438 million as compared to a profit before tax of RM0.821 million for the preceding quarter ended 30 June 2012. The higher profit was attributable to recognition of profit on the disposal of property, plant and equipment of RM0.48 million.

B3. Current Year Prospects

Given the intense competition within the gas, ready-mixed concrete and property industries, the Group has managed to produce a remarkable result for the past three quarters. The Group will continue to improve on its strategies to face increasing competitive and challenging business environment.

Moving forward, the Directors expect the Group's operating environment remains challenging and competitive. 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

	Current Year Quarter 30/09/12	Preceding Year Quarter 30/09/11	Current Year To date 30/09/12	Preceding Year To date 30/09/11
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Taxation comprises:				
Current tax	853	82	1,032	465
Deferred tax	0	0	0	1,489
Total	853	82	1,032	1,954

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 other corporate proposals as at 16 November 2012.

B7. Borrowings

a) Short Term Borrowings

	30 September 2012			30 September 2011		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank overdraft	3,431	-	3,431	5,497	-	5,497
Bankers' acceptance and Revolving credits	12,530	-	12,530	13,536	-	13,536
Term loans	602	5,000	5,602	380	7,000	7,380
Lease payables	2,596	-	2,596	3,480	-	3,480
Total	19,159	5,000	24,159	22,893	7,000	29,893

b) Long Term Borrowings

	30 September 2012			30 September 2011		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Term loans	1,363	21,500	22,863	1,065	26,500	27,565
Lease payables	2,468	-	2,468	4,006	-	4,006
Total	3,831	21,500	25,331	5,071	26,500	31,571

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.
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 30/09/2012	Preceding Year Quarter 30/09/2011	Current Year To date 30/09/2012	Preceding Year To date 30/09/2011
a) Basic				
Profit/(Loss) net of tax, attributable to Equity Holders of the Company (RM'000)	585	318	1,983	(5,460)
Weighted average number of ordinary shares, in issue ('000)	48,092	48,092	48,092	48,092
Basic earnings/(loss) per share (sen)	1.22	0.66	4.12	(11.35)
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 30/09/12 (RM'000)	As at the financial year ended 31/12/11 (RM'000)
Total revenue reserve / (accumulated losses) of the Company and its subsidiaries:		
- Realised	8,951	6,968
- Unrealised	(4,526)	(4,526)
	4,425	2,442
Less : Consolidation adjustments	(4,400)	(4,400)
(Accumulated losses) / revenue reserve as per financial statements	25	(1,958)