

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

(Incorporated in Malaysia)

**Condensed Consolidated Statements of Financial Position as at 31 December 2012**

	<b>31 December 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	49,272	51,729
Land use rights	7,558	8,401
Other investments	436	436
Land held for property development	5,171	5,148
	63,278	66,555
<b>Current assets</b>		
Property development costs	12,360	14,773
Inventories	13,069	8,523
Trade receivables	26,886	33,341
Other receivables, deposits and prepayments	3,800	4,146
Tax recoverable	973	1,119
Fixed deposits with licensed banks and financial institutions	731	698
Cash and bank balances	2,468	4,659
	60,288	67,259
<b>TOTAL ASSETS</b>	123,566	133,814
<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	(4,361)	(1,958)
<b>TOTAL EQUITY</b>	43,881	46,284
<b>Non-current liabilities</b>		
Lease payables	2,273	3,380
Term loans	19,633	28,575
Deferred tax liabilities	7,490	4,526
	29,397	36,481
<b>Current liabilities</b>		
Bank overdrafts	3,987	5,800
Term loans	6,608	6,533
Borrowings	13,076	13,041
Trade payables	14,353	10,953
Other payables and accruals	9,964	10,992
Amount due to related companies	45	45
Lease payables	2,255	3,676
Income tax payable	-	9
	50,289	51,049
<b>TOTAL LIABILITIES</b>	79,686	87,530
<b>TOTAL EQUITY AND LIABILITIES</b>	123,566	133,814
<b>Net assets per share attributable to Equity Holders of the Company (RM)</b>	0.91	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 twelve months ended 31 December 2012**

	Note	3 months ended 31 December		12 months ended 31 December	
		2012	2011	2012	2011
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>		23,128	31,609	98,059	92,693
Other income		761	82	2,842	1,991
Interest income		59	46	60	49
Changes in inventories of finished goods		205	(307)	1,156	588
Inventories purchased and raw materials consumed		(11,679)	(18,711)	(50,468)	(46,856)
Carriage outwards		(121)	(243)	(525)	(691)
Employee benefits expense		(3,041)	(2,421)	(9,903)	(9,153)
Net loss on disposal of investment property		-	(1,314)	-	(1,314)
Net gain on disposal of land use rights		-	135	-	135
Net gain on disposal of property, plant and equipment		-	336	-	336
Foreseeable loss, net of reversal		-	595	-	595
Depreciation of plant, property and equipment		(1,019)	(1,363)	(4,159)	(4,430)
Amortisation of prepaid land lease payments		(53)	(61)	(213)	(203)
Impairment loss on trade receivables		(1,254)	47	(1,654)	(159)
Impairment loss on other receivables		-	1,007	-	(755)
Impairment loss on inventories		(105)	-	(105)	-
Impairment on property, plant and equipment		(112)	(268)	(1,328)	(888)
Impairment on land use rights		-	-	-	(1,279)
Development costs		(3,692)	(3,838)	(13,683)	(13,023)
Other expenses		(3,995)	(4,037)	(14,821)	(16,643)
<b>Operating profit/(loss)</b>		<b>(918)</b>	<b>1,294</b>	<b>5,258</b>	<b>993</b>
Finance costs		(422)	(1,023)	(3,583)	(4,228)
<b>Profit/(loss) before tax</b>		<b>(1,340)</b>	<b>271</b>	<b>1,675</b>	<b>(3,235)</b>
Income tax expense		(3,046)	(1,355)	(4,078)	(3,309)
<b>Loss net of tax, representing total comprehensive income for the period</b>		<b>(4,386)</b>	<b>(1,084)</b>	<b>(2,403)</b>	<b>(6,544)</b>
<b>Total comprehensive income for the period</b>					
Profit attributable to:					
Owners of the Company		(4,386)	(1,084)	(2,403)	(6,544)
Non-controlling interests		-	-	-	-
<b>Earning per share attributable to equity holders of the Company:</b>					
Earnings/(loss) per share (sen)					
- Basic		(9.12)	(2.25)	(5.00)	(13.61)
- 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)**

(Incorporated in Malaysia)

**Condensed Consolidated Statements of Changes in Equity****For the twelve months ended 31 December 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
<b>At 1 January 2012</b>	48,092	150	(1,958)	46,284
Total Comprehensive Income	-	-	(2,403)	(2,403)
<b>At 31 December 2012</b>	<u>48,092</u>	<u>150</u>	<u>(4,361)</u>	<u>43,881</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
<b>At 1 January 2011</b>	48,092	150	4,586	52,828
Total Comprehensive Income	-	-	(6,544)	(6,544)
<b>At 31 December 2011</b>	<u>48,092</u>	<u>150</u>	<u>(1,958)</u>	<u>46,284</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)**  
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**Condensed Consolidated Statements of Cash Flows for the twelve months ended 31 December 2012**

	<b>31 December 2012</b>	<b>31 December 2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit/(Loss) before tax	1,675	(3,234)
Adjustments for:		
Amortisation of prepaid land lease payments	212	203
Depreciation of property, plant and equipment	4,159	4,430
Net (gain)/loss on disposal of property, plant & equipment	(779)	248
Impairment loss on trade receivables	1,654	263
Impairment loss on other receivables	-	755
Impairment loss on property, plant and equipment	1,329	2,167
Impairment loss on inventories	105	-
Reversal of impairment loss on trade receivables	-	(66)
Interest expenses	3,583	4,228
Interest income	(60)	(49)
<b>Operating cash flows before working capital changes</b>	<b>11,878</b>	<b>8,945</b>
Changes in working capital:		
Property development costs	2,825	7,661
Inventories	(4,651)	(873)
Receivables	5,147	(2,835)
Payables	2,372	(1,943)
Cash flows from operations	17,571	10,955
Interest received	60	49
Income tax paid, net of tax refunds	(977)	(805)
<b>Net cash flows from operating activities</b>	<b>16,654</b>	<b>10,199</b>
<b>Investing activities</b>		
Purchase of property, plant & equipment	(2,203)	(2,907)
Acquisition of land use rights	-	(1,861)
Proceeds from disposal of property, plant & equipment	1,422	4,183
<b>Net cash flows from/ (used in) investing activities</b>	<b>(781)</b>	<b>(585)</b>
<b>Financing activities</b>		
Repayment of loans and borrowings	(9,828)	(45,501)
Proceeds from loan and borrowings	-	44,978
Proceeds from term loan	996	-
(Increase)/decrease in fixed deposits pledged	(33)	(18)
Interest paid	(3,583)	(4,228)
Repayment of lease payables	(3,803)	(3,218)
<b>Net cash flows used in financing activities</b>	<b>(16,251)</b>	<b>(7,987)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(378)</b>	<b>1,627</b>
<b>Cash and cash equivalents at 1 January</b>	<b>(1,141)</b>	<b>(2,767)</b>
<b>Cash and cash equivalents at 31 December</b>	<b>(1,519)</b>	<b>(1,140)</b>
<b>Analysis of cash and cash equivalents:</b>		
Cash and bank balances	2,468	4,660
Bank overdrafts	(3,987)	(5,800)
	<b>(1,519)</b>	<b>(1,140)</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.

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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, MFRSSs (“MFRSSs Framework”) for application in the annual periods beginning on or after 1 January 2012.

The MFRSSs 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 MFRSSs framework for an additional one year. Transitioning Entities also include those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to apply the FRSSs 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 MFRSSs Framework for another year. As such, the MFRSSs 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 MFRSSs framework. The Group and the Company will prepare its first MFRSSs financial statements using the MFRSSs 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 31 Dec (Individual Quarter) ----			
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Industrial Gas	8,561	8,488	(1,219)	100
Ready-mix concrete/RC Piles	10,664	12,387	(22)	(1,239)
Property	3,903	10,734	51	1,284
Others	0	0	(150)	126
<b>Total</b>	<b>23,128</b>	<b>31,609</b>	<b>(1,340)</b>	<b>271</b>

	Revenue		Profit/(Loss) before tax	
	---- 12 months ended 31 Dec (Cumulative Quarter) ----			
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Industrial Gas	34,697	32,449	1,223	(785)
Ready-mix concrete/RC Piles	46,641	39,472	515	(364)
Property	16,721	20,772	1,040	1,604
Others	0	0	(1,103)	(3,690)
<b>Total</b>	<b>98,059</b>	<b>92,693</b>	<b>1,675</b>	<b>(3,235)</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 31 December 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 RM23.128 million for the fourth quarter ended 31 December 2012 as compared to RM31.609 million recorded in the comparative quarter, a decrease of RM8.481 million or 26.83%. The decrease in revenue was mainly due to Property Division and Ready-Mix Concrete Division which registered a decrease of RM6.831 million and RM1.723 million respectively, whereas Gas Division performed marginally better by RM0.073 million compared with previous comparative quarter.

The Group registered a loss before tax of RM1.340 million for the fourth quarter ended 31 December 2012 as compared to a profit before tax of RM0.271 million for the comparative quarter ended 31 December 2011.

- **Gas Division**

During the current quarter under review, the Gas Division recorded a revenue of RM8.561 million as compared to RM8.488 million recorded in the comparative quarter. The division recorded a loss before tax of RM1.219 million for the current quarter ended 31 December 2012 compared to a profit before tax of RM0.100 million for the comparative quarter. The loss for the comparative quarter was mainly due to impairment loss on trade receivables, inventories and property, plant and equipment at RM1.254 million, RM0.105 million and RM0.112 million respectively.

The sales volume on cylinders gases and bulk liquid gases increased marginally but its profit margins were reduced due to intense competition.

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

During the current quarter under review, the RMC Division recorded a revenue of RM10.664 million as compared to RM12.387 million recorded in the comparative quarter. The division recorded a loss before tax of RM0.220 million as compared to loss before tax of RM1.239 million for the comparative quarter.

- **Property Division**

During the current quarter under review, the Property Division recorded a revenue of RM3.903 million as compared to RM10.734 million recorded in the comparative quarter. The decrease in revenue was attributable to slow pick-up rate.

The division recorded a profit before tax of RM0.051 million against profit before tax of RM1.284 million in the comparative quarter.



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

<b>Group Results</b>	<b>Current Quarter ended 31/12/2012</b>	<b>Preceding Quarter ended 30/09/2012</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
Revenue	23,128	25,629
Profit/(Loss) Before Tax	(1,340)	1,438

Revenue for the current quarter under review was at RM23.128 million compared to RM25.629 million for the preceding quarter, decreased by 9.76%. For the current quarter, the Group recorded a loss before tax of RM1.340 million as compared to a profit before tax of RM1.438 million for the preceding quarter ended 30 September 2012. The losses were attributable to recognition of impairment loss on trade receivables, inventories and property, plant and equipment.

**B3. Current Year Prospects**

The competition within the industries of industrial gas and ready-mixed concrete are particularly intense due to more players. Faced with uncertain operating environment and constant pressure on margin, the Group continues to work on efficiency by enhancing the productivity and tighten costs control in order to remain competitive.

The Directors expect the Group's operating environment remains challenging and competitive in the coming year. Barring any unforeseen circumstances, the Group is optimistic of its future prospects.

**B4. Profit Forecast**

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

**B5. Taxation**

	<b>Current Year Quarter 31/12/12</b>	<b>Preceding Year Quarter 31/12/11</b>	<b>Current Year To date 31/12/12</b>	<b>Preceding Year To date 31/12/11</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
<b>Taxation comprises:</b>				
Current tax	82	(347)	1,114	118
Deferred tax	2,964	1,585	2,964	3,074
<b>Total</b>	<b>3,046</b>	<b>1,238</b>	<b>4,078</b>	<b>3,192</b>

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 27 February 2013.

## B7. Borrowings

### a) Short Term Borrowings

	31 December 2012			31 December 2011		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank overdraft	3,987	-	3,987	5,800	-	5,800
Bankers' acceptance and Revolving credits	13,076	-	13,076	13,041	-	13,041
Term loans	608	6,000	6,608	533	6,000	6,533
Lease payables	2,255	-	2,255	3,676	-	3,676
<b>Total</b>	<b>19,926</b>	<b>6,000</b>	<b>25,926</b>	<b>23,050</b>	<b>6,000</b>	<b>29,050</b>

### b) Long Term Borrowings

	31 December 2012			31 December 2011		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Term loans	1,133	18,500	19,633	4,075	24,500	28,575
Lease payables	2,273	-	2,273	3,380	-	3,380
<b>Total</b>	<b>3,406</b>	<b>18,500</b>	<b>21,906</b>	<b>7,455</b>	<b>24,500</b>	<b>31,955</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</b>	<b>Preceding</b>	<b>Current</b>	<b>Preceding</b>
	<b>Year</b>	<b>Year</b>	<b>Year</b>	<b>Year</b>
	<b>Quarter</b>	<b>Quarter</b>	<b>To date</b>	<b>To date</b>
	<b>31/12/2012</b>	<b>31/12/2011</b>	<b>31/12/2012</b>	<b>31/12/2011</b>
<b>a) Basic</b>				
Profit/(Loss) net of tax, attributable to Equity Holders of the Company (RM'000)	(4,386)	(1,084)	(2,403)	(6,544)
Weighted average number of ordinary shares, in issue ('000)	48,092	48,092	48,092	48,092
Basic earnings/(loss) per share (sen)	<b>(9.12)</b>	<b>(2.25)</b>	<b>(5.00)</b>	<b>(13.61)</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 31/12/12</b>	<b>As at the financial year ended 31/12/11</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
Total revenue reserve / (accumulated losses) of the Company and its subsidiaries:		
- Realised	7,532	6,968
- Unrealised	(7,490)	(4,526)
	42	2,442
Less : Consolidation adjustments	(4,400)	(4,400)
(Accumulated losses) / revenue reserve as per financial statements	(4,358)	(1,958)