

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

(Incorporated in Malaysia)

Unaudited Condensed Consolidated Statements of Financial Position**As at 31 March 2013**

	31 March 2013	31 December 2012
	RM' 000	RM' 000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Intangible asset	841	841
Property, plant and equipment	48,237	49,275
Land use rights	7,304	7,558
Other investments	436	436
Land held for property development	5,171	5,171
	61,989	63,281
Current assets		
Property development costs	9,716	7,906
Inventories	10,285	13,035
Trade receivables	30,310	24,759
Other receivables, deposits and prepayments	4,466	11,726
Tax recoverable	535	875
Fixed deposits with licensed banks and financial institutions	732	732
Cash and bank balances	1,934	2,467
	57,979	61,500
	119,968	124,781
TOTAL ASSETS		
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	(3,302)	(4,503)
	44,940	43,739
TOTAL EQUITY		
Non-current liabilities		
Lease payables	2,099	2,411
Term loans	19,468	19,555
Deferred tax liabilities	7,490	7,490
	29,058	29,456
Current liabilities		
Bank overdrafts	4,238	3,988
Term loans	6,062	6,689
Borrowings	12,469	13,070
Trade payables	13,832	13,548
Other payables and accruals	7,397	12,109
Amount due to related companies	45	45
Lease payables	1,683	2,123
Income tax payable	244	14
	45,971	51,586
	75,029	81,042
	119,968	124,781
TOTAL LIABILITIES		
TOTAL EQUITY AND LIABILITIES		
	119,968	124,781
Net assets per share attributable to Equity Holders of the Company (RM)	0.93	0.91

The condensed consolidated statements of financial position should be read in conjunction with the audited statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

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

Unaudited Condensed Consolidated Statements of Comprehensive Income
For the three months ended 31 March 2013

	Note	3 months ended 31 March		3 months ended 31 March	
		2013	2012	2013	2012
		RM'000	RM'000	RM'000	RM'000
Revenue		23,959	24,065	23,959	24,065
Other income		1,508	565	1,508	565
Interest income		6	1	6	1
Changes in inventories of finished goods		(850)	(543)	(850)	(543)
Inventories purchased and raw materials consumed		(10,078)	(10,722)	(10,078)	(10,722)
Carriage outwards		(128)	(162)	(128)	(162)
Employee benefits expenses		(2,800)	(2,284)	(2,800)	(2,284)
Net loss on disposal of investment property		-	-	-	-
Net gain on disposal of land use rights		-	-	-	-
Net gain on disposal of property, plant and equipment		-	-	-	-
Foreseeable loss, net of reversal		-	-	-	-
Depreciation of plant, property and equipment		(1,306)	(1,023)	(1,310)	(1,023)
Amortisation of land use rights		(44)	(53)	(40)	(53)
Development costs		(4,575)	(3,404)	(4,575)	(3,404)
Other expenses		(3,734)	(4,908)	(3,734)	(4,908)
Operating profit/(loss)		1,958	1,532	1,958	1,532
Finance costs		(716)	(776)	(716)	(776)
Profit/(loss) before tax		1,242	756	1,242	756
Income tax expense		(41)	(121)	(41)	(121)
Loss net of tax, representing total comprehensive income for the period		1,201	635	1,201	635
Total comprehensive income for the period					
Profit attributable to:					
Owners of the Company		1,201	635	1,201	635
Non-controlling interests		-	-	-	-
Earning per share attributable to equity holders of the Company:					
Earnings/(loss) per share (sen)					
- Basic		2.50	1.32	2.50	1.32
- 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 2012 and the accompanying explanatory notes attached to the interim financial statements.

B. I. G. INDUSTRIES BERHAD (195285-D)
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Unaudited Condensed Consolidated Statements of Changes in Equity
For the three months ended 31 March 2013

	-----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 2013	48,092	150	(4,503)	43,739
Total Comprehensive Income	-	-	1,201	1,201
At 31 March 2013	48,092	150	(3,302)	44,940

	-----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	48,092	150	(1,323)	46,919

The condensed consolidated statements of changes in equity should be read in conjunction with the audited statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

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

(Incorporated in Malaysia)

Unaudited Condensed Consolidated Statements of Cash Flows for the three months ended 31 March 2013

	31 March 2013	31 March 2012
	RM'000	RM'000
Profit/(Loss) before tax	1,242	756
Adjustments for :		
Amortisation of prepaid land lease payments	43	53
Depreciation of property, plant and equipment	1,306	1,023
Fixed assets written off	-	17
Net gain on disposal of land use rights	(889)	-
Net gain on disposal of property, plant & equipment	(35)	(30)
Interest expenses	716	777
Interest income	(6)	(1)
Operating cash flows before working capital changes	2,377	2,595
Changes in working capital:		
Property development costs	(1,810)	190
Inventories	2,750	308
Receivables	1,709	2,061
Payables	(4,428)	(2,781)
Cash flows from operations	598	2,373
Interest received	6	1
Income tax paid, net of tax refunds	529	(164)
Net cash flows from operating activities	1,133	2,210
Investing activities		
Purchase of property, plant & equipment	(293)	(384)
Acquisition of land use rights	-	-
Proceeds from disposal of property, plant & equipment	60	41
Proceeds from disposal of land use rights	1,100	-
Proceeds from disposal of investment property	-	-
Net cash flows from/ (used in) investing activities	867	(343)
Financing activities		
Repayment of loans and borrowings	(1,315)	(4,719)
(Increase)/decrease in fixed deposits pledged	-	(12)
Interest paid	(716)	(777)
Repayment of lease payables	(752)	(910)
Net cash flows used in financing activities	(2,783)	(6,418)
Net increase/(decrease) in cash and cash equivalents	(783)	(4,551)
Cash and cash equivalents at 1 January	(1,521)	(1,141)
Cash and cash equivalents at 31 March	(2,304)	(5,692)
Analysis of cash and cash equivalents:		
Cash and bank balances	1,934	2,075
Bank overdrafts	(4,238)	(7,767)
	(2,304)	(5,692)

The condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 2012. 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 2012.

A2. Changes in Accounting Policies

The new and revised FRSs, Amendments to FRS and IC Interpretations are mandatory for companies with financial periods beginning on or after 1 January 2013 which do not give rise to any significant effects on the financial statements of the Group.

Malaysian Financial Reporting Standards (“MFRS Framework”)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called ‘Transitioning Entities’).

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014. The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2014.

In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

A2. Changes in Accounting Policies (con'd)

The Group has commenced transitioning its accounting policies and financial reporting from the current Financial Reporting Standards to the MFRS Framework by establishing a project team to plan and manage the adoption of the MFRS Framework.

The Group is in the process of assessing the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial statements and financial position as disclosed in these financial statements for the year ended 31 December 2012 could be different if prepared under the MFRS Framework.

The Group expects to fully comply with the requirements of the MFRS 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 2012 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) ----			
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Industrial Gas	7,766	7,525	1,007	367
Ready-mix concrete/RC Piles	10,820	12,218	189	266
Property	5,373	4,322	320	500
Others	0	0	(274)	(377)
Total	23,959	24,065	1,242	756

	Revenue		Profit/(Loss) before tax	
	---- 3 months ended 31 Mar (Cumulative Quarter) ----			
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Industrial Gas	7,766	7,525	1,007	367
Ready-mix concrete/RC Piles	10,820	12,218	189	266
Property	5,373	4,322	320	500
Others	0	0	(274)	(377)
Total	23,959	24,065	1,242	756

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 2013.

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

B1. Performance Review

The Group achieved a revenue of RM23.959 million for the first quarter ended 31 March 2013 as compared to RM24.065 million recorded in the comparative quarter, a decrease of RM0.106 million or 0.44%. The decrease in revenue was mainly due to Ready-Mix Concrete Division which registered a decrease of RM1.398 million whereas the Property Division registered an increase by RM1.051 million.

The Group registered a profit before tax of RM1.242 million for the first quarter ended 31 March 2013 as compared to a profit before tax of RM0.756 million for the comparative quarter ended 31 March 2012. The increase in profit was mainly due to profit on disposal of land use rights for RM0.889 million.

- **Industrial Gas Division**

During the current quarter under review, the Industrial Gas Division recorded a revenue of RM7.766 million as compared to RM7.525 million recorded in the comparative quarter. The division recorded a profit before tax of RM1.007 million for the current quarter ended 31 March 2013 compared to a profit before tax of RM0.367 million for the comparative quarter. The higher profit was due to recognition of profit on disposal of land use rights of RM0.889 million.

In term of revenue, we managed to increase our market share marginally amidst the intense competition from all the major players. But, our profit margins were reduced.

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

During the current quarter under review, the RMC Division recorded a revenue of RM10.820 million as compared to RM12.218 million recorded in the comparative quarter. The decrease in revenue was mainly due to slowdown in construction activities in Sabah for the first quarter.

The division recorded a profit before tax of RM0.189 million as compared to profit before tax of RM0.266 million for the comparative quarter.

- **Property Division**

During the current quarter under review, the Property Division recorded a revenue of RM5.373 million as compared to RM4.322 million recorded in the comparative quarter.

The division recorded a profit before tax of RM0.320 million against profit before tax of RM0.500 million in the comparative quarter.

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

Group Results	Current Quarter ended 31/03/2013	Preceding Quarter ended 31/12/2012
	(RM'000)	(RM'000)
Revenue	23,959	23,128
Profit/(Loss) Before Tax	1,242	(1,340)

Revenue for the current quarter under review was at RM23.959 million compared to RM23.128 million for the preceding quarter, increased by 3.59%. For the current quarter, the Group recorded a profit before tax of RM1.242 million as compared to a loss before tax of RM1.340 million for the preceding quarter ended 31 December 2012. The losses for the preceding quarter were attributable to recognition of impairment loss on trade receivables, inventories and deferred tax liabilities.

B3. Current Year Prospects

Malaysia's economy is anticipated to grow, albeit at a slower pace. While these sectors, namely industrial gas and ready-mixed concrete would expect greater pricing pressure and reduced profit margin due to intense competition. 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 quarter. Barring any unforeseen circumstances, the Group is optimistic and expects the performance of current year would be better than last year.

B4. Profit Forecast

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

B5. Taxation

	Current Year Quarter 31/03/13	Preceding Year Quarter 31/03/12	Current Year To date 31/03/13	Preceding Year To date 31/03/12
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Taxation comprises:				
Current tax	41	121	41	121
Deferred tax	0	0	0	0
Total	41	121	41	121

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 29 May 2013.

B7. Borrowings**a) Short Term Borrowings**

	31 March 2013			31 March 2012		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank overdraft	4,238	-	4,238	7,767	-	7,767
Bankers' acceptance and Revolving credits	12,469	-	12,469	13,577	-	13,577
Term loans	603	5,459	6,062	2,642	4,000	6,642
Lease payables	1,683	-	1,683	3,516	-	3,516
Total	18,993	5,459	24,452	27,502	4,000	31,502

b) Long Term Borrowings

	31 March 2013			31 March 2012		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Term loans	968	18,500	19,468	1,076	22,135	23,211
Lease payables	2,099	-	2,099	4,526	-	4,526
Total	3,067	18,500	21,567	5,602	22,135	27,737

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.

B9. Dividend Payable

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

B10. Earnings Per Share

	Current Year Quarter 31/03/2013	Preceding Year Quarter 31/03/2012	Current Year To date 31/03/2013	Preceding Year To date 31/03/2012
a) Basic				
Profit/(Loss) net of tax, attributable to Equity Holders of the Company (RM'000)	1,201	635	1,201	635
Weighted average number of ordinary shares, in issue ('000)	48,092	48,092	48,092	48,092
Basic earnings/(loss) per share (sen)	2.50	1.32	2.50	1.32
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 31/03/13 (RM'000)	As at the financial year ended 31/03/12 (RM'000)
Total revenue reserve / (accumulated losses) of the Company and its subsidiaries:		
- Realised	8,357	7,603
- Unrealised	(7,490)	(4,526)
	867	3,077
Less : Consolidation adjustments	(4,169)	(4,400)
(Accumulated losses) / revenue reserve as per financial statements	(3,302)	(1,323)