

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

(Incorporated in Malaysia)

**Unaudited Condensed Consolidated Statements of Financial Position****As at 30 September 2013**

	<b>30 September 2013</b>	<b>31 December 2012</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	46,684	49,275
Land use rights	7,216	7,558
Other investments	75	436
Land held for property development	5,176	5,171
	59,992	63,281
<b>Current assets</b>		
Property development costs	9,346	7,906
Inventories	9,568	13,035
Trade receivables	26,963	24,759
Other receivables, deposits and prepayments	3,595	11,726
Tax recoverable	351	875
Fixed deposits with licensed banks and financial institutions	833	732
Cash and bank balances	5,799	2,467
	56,456	61,500
<b>TOTAL ASSETS</b>	116,448	124,781
<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	(2,352)	(4,503)
<b>TOTAL EQUITY</b>	45,890	43,739
<b>Non-current liabilities</b>		
Lease payables	1,954	2,411
Term loans	15,225	19,555
Deferred tax liabilities	7,490	7,490
	24,670	29,456
<b>Current liabilities</b>		
Bank overdrafts	836	3,988
Term loans	6,020	6,689
Borrowings	14,365	13,070
Trade payables	9,429	13,548
Other payables and accruals	13,278	12,109
Amount due to related companies	45	45
Lease payables	1,483	2,123
Income tax payable	432	14
	45,889	51,586
<b>TOTAL LIABILITIES</b>	70,559	81,042
<b>TOTAL EQUITY AND LIABILITIES</b>	116,448	124,781
<b>Net assets per share attributable to Equity Holders of the Company (RM)</b>	0.95	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 nine months ended 30 September 2013**

	3 months ended 30 Sep.		9 months ended 30 Sep.	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	19,752	25,629	67,536	74,931
Other income	713	1,006	2,826	2,081
Interest income	13	-	40	1
Changes in inventories of finished goods	(92)	355	(1,337)	951
Inventories purchased and raw materials consumed	(10,612)	(13,115)	(31,591)	(38,789)
Carriage outwards	(188)	(103)	(435)	(404)
Employee benefits expenses	(2,549)	(2,233)	(7,968)	(6,862)
Depreciation of plant, property and equipment	(1,326)	(1,024)	(3,916)	(3,140)
Amortisation of land use rights	(44)	(53)	(131)	(160)
Development costs	405	(3,699)	(7,741)	(9,991)
Other expenses	(4,356)	(4,319)	(12,138)	(12,442)
<b>Operating profit/(loss)</b>	<b>1,716</b>	<b>2,444</b>	<b>5,145</b>	<b>6,176</b>
Finance costs	(540)	(1,006)	(1,974)	(3,161)
<b>Profit before tax</b>	<b>1,176</b>	<b>1,438</b>	<b>3,171</b>	<b>3,015</b>
Income tax expense	(847)	(853)	(1,020)	(1,032)
<b>Profit net of tax, representing total comprehensive income for the period</b>	<b>329</b>	<b>585</b>	<b>2,151</b>	<b>1,983</b>
<b>Total comprehensive income for the period</b>				
Profit attributable to:				
Owners of the Company	329	585	2,151	1,983
<b>Earning per share attributable to equity holders of the Company:</b>				
Earnings/(loss) per share (sen)				
- Basic	0.68	1.22	4.47	4.12
- 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)**

(Incorporated in Malaysia)

**Unaudited Condensed Consolidated Statements of Changes in Equity  
For the nine months ended 30 September 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	-	-	2,151	2,151
At 30 September 2013	<u>48,092</u>	<u>150</u>	<u>(2,352)</u>	<u>45,890</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 2012	48,092	150	(1,958)	46,284
Total Comprehensive Income	-	-	1,983	1,983
At 30 September 2012	<u>48,092</u>	<u>150</u>	<u>25</u>	<u>48,267</u>

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 nine months ended 30 September 2013**

	<b>30 September 2013</b>	<b>30 September 2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit/(Loss) before tax	3,171	3,015
Adjustments for :		
Amortisation of prepaid land lease payments	131	160
Depreciation of property, plant and equipment	3,916	3,140
Fixed assets written off	15	-
Bad debts recovered	1	-
Bad debts written off	(9)	-
Net gain on disposal of land use rights	(889)	-
Net gain on disposal of property, plant & equipment	(65)	(628)
Impairment loss on trade receivables	179	400
Impairment loss on property, plant and equipment	-	1,216
Impairment loss on other investments	362	-
Reversal of impairment loss on trade receivables	-	(41)
Interest expenses	1,974	3,161
Interest income	(40)	(1)
<b>Operating cash flows before working capital changes</b>	<b>8,746</b>	<b>10,422</b>
Changes in working capital:		
Property development costs	(1,446)	(326)
Inventories	3,467	(1,135)
Receivables	5,755	2,215
Payables	(2,944)	3,148
Cash flows from operations	13,578	14,324
Interest received	40	1
Income tax paid, net of tax refunds	(84)	(674)
<b>Net cash flows from operating activities</b>	<b>13,534</b>	<b>13,651</b>
<b>Investing activities</b>		
Purchase of property, plant & equipment	(670)	(1,610)
Proceeds from disposal of property, plant & equipment	111	834
Proceeds from disposal of land use rights	1,100	-
<b>Net cash flows from/ (used in) investing activities</b>	<b>541</b>	<b>(776)</b>
<b>Financing activities</b>		
Repayment of loans and borrowings	(4,999)	(8,150)
Proceeds from term loan	-	996
Net change of short term borrowings	1,295	-
(Increase)/decrease in fixed deposits pledged	(100)	(17)
Interest paid	(1,974)	(3,161)
Repayment of lease payables	(1,813)	(2,885)
<b>Net cash flows used in financing activities</b>	<b>(7,591)</b>	<b>(13,217)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>6,484</b>	<b>(342)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>(1,521)</b>	<b>(1,141)</b>
<b>Cash and cash equivalents at 30 September</b>	<b>4,963</b>	<b>(1,483)</b>
<b>Analysis of cash and cash equivalents:</b>		
Cash and bank balances	5,799	1,948
Bank overdrafts	(836)	(3,431)
	<b>4,963</b>	<b>(1,483)</b>

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.

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

**PART A –EXPLANATORY NOTES PURSUANT TO MFRS134**

**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 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**

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 require on transition will be made, retrospectively, against opening retained earnings.

**A2. Changes in Accounting Policies (cont'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 30 Sep (Individual Quarter) ----			
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Industrial Gas	7,570	9,586	422	1,556
Ready-mix concrete/RC Piles	11,101	11,681	552	(57)
Property	1,081	4,362	667	180
Others	0	0	(465)	(241)
<b>Total</b>	<b>19,752</b>	<b>25,629</b>	<b>1,176</b>	<b>1,438</b>

	Revenue		Profit/(Loss) before tax	
	---- 9 months ended 30 Sep (Cumulative Quarter) ----			
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Industrial Gas	23,411	26,136	1,716	2,442
Ready-mix concrete/RC Piles	33,381	35,977	978	537
Property	10,744	12,818	1,272	989
Others	0	0	(795)	(953)
<b>Total</b>	<b>67,536</b>	<b>74,931</b>	<b>3,171</b>	<b>3,015</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 September 2013.

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

### **B1. Performance Review**

For the quarter under review, the Group achieved a revenue of RM19.752 million for the third quarter ended 30 September 2013 as compared to RM25.629 million recorded in the preceding year corresponding quarter, a decrease of RM5.877 million or 22.93%. The decrease in revenue was mainly due to Property Division which registered a decrease of RM3.281 million and Gas Division decrease of RM2.016 million.

The Group registered a profit before tax of RM1.176 million for the third quarter ended 30 September 2013 as compared to a profit before tax of RM1.438 million for the preceding year corresponding quarter ended 30 September 2012 as a result of lower revenue.

- **Industrial Gas Division**

During the current quarter under review, the Industrial Gas Division recorded a revenue of RM7.570 million as compared to RM9.586 million recorded in the preceding year corresponding quarter.

The division recorded a profit before tax of RM0.422 million for the current quarter ended 30 September 2013 compared to a profit before tax of RM1.556 million for the preceding corresponding quarter. The lower profit for the quarter under review was attributable to lower sales and recognition of gain of disposal of property, plant and equipment of RM0.48 million in the preceding corresponding quarter.

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

During the current quarter under review, the RMC Division recorded a revenue of RM11.101 million as compared to RM11.681 million recorded in the preceding corresponding quarter.

The division recorded a profit before tax of RM0.552 million as compared to loss before tax of RM0.057 million for the preceding corresponding quarter. The loss reported in the preceding corresponding quarter was due to impairment of trade receivables of RM0.400 million.

- **Property Division**

During the current quarter under review, the Property Division recorded a revenue of RM1.081 million as compared to RM4.362 million recorded in the preceding corresponding quarter.

The division recorded a profit before tax of RM0.667 million against profit before tax of RM0.180 million in the preceding comparative quarter. The higher profit in the current quarter review was due to recognition of profit towards the end of projects.



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

<b>Group Results</b>	<b>Current Quarter ended 30/09/2013</b>	<b>Preceding Quarter ended 30/06/2013</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
Revenue	19,752	23,825
Profit/(Loss) Before Tax	1,176	753

Revenue for the current quarter under review was at RM19.752 million compared to RM23.825 million for the preceding quarter, decreased by RM4.073 million or 17.09%.

For the current quarter, the Group recorded a profit before tax of RM1.176 million as compared to a profit before tax of RM0.753 million for the preceding quarter ended 30 June 2013. The higher profit in the preceding quarter was mainly contributed by property division with the recognition of profits towards project completion.

**B3. Current Year Prospects**

The operating environment remains to be challenging due to uncertainty of global economy and competitive business environment in the Industrial Gas and Ready-Mixed Concrete Division.

Going forward, the intense competition from competitors with continued pricing cutting, we expect our margin to remain thin.

We expect the current year performance will be lower than the preceding year.

**B4. Profit Forecast**

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

**B5. Taxation**

	<b>Current Year Quarter 30/09/13</b>	<b>Preceding Year Quarter 30/09/12</b>	<b>Current Year To date 30/09/13</b>	<b>Preceding Year To date 30/09/12</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
<b>Taxation comprises:</b>				
Current tax	847	853	1,020	1,032
Deferred tax	0	0	0	0
<b>Total</b>	<b>847</b>	<b>853</b>	<b>1,020</b>	<b>1,032</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 corporate proposals as at 27 November 2013.

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

	30 September 2013			30 September 2012		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank overdraft	836	-	836	3,431	-	3,431
Bankers' acceptance and revolving credits	14,365	-	14,365	12,530	-	12,530
Term loans	520	5,500	6,020	602	5,000	5,602
Lease payables	1,483	-	1,483	2,596	-	2,596
<b>Total</b>	<b>17,204</b>	<b>5,500</b>	<b>22,704</b>	<b>19,159</b>	<b>5,000</b>	<b>24,159</b>

**b) Long Term Borrowings**

	30 September 2013			30 September 2012		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Term loans	725	14,500	15,225	1,363	21,500	22,863
Lease payables	1,954	-	1,954	2,468	-	2,468
<b>Total</b>	<b>2,679</b>	<b>14,500</b>	<b>17,179</b>	<b>3,831</b>	<b>21,500</b>	<b>25,331</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 litigation at the date of issue of these interim financial statements except for the following:

On 26 June 2012, the Company's wholly-owned subsidiary, B.I.G. Industrial Gas Sdn. Bhd. ("BIGG") entered into a conditional Sale and Purchase Agreement with Pan Wijaya Property Sdn. Bhd. ("PWPSB") subject to the consent from the Jabatan Tanah dan Survei for the disposal of a piece of vacant leasehold land 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 RM3.1 million.

Jabatan Tanah dan Survei, Bahagian Bintulu via its letter dated 12 March 2013 rejected the application for consent to transfer ownership of land title held under Lot 2072. Accordingly, the conditional Sale and Purchase Agreement dated 26 June 2012 on the proposed disposal was treated as cancelled, null and void.

On 5 February 2013, PWPSB created a caveat instrument registered as Instrument No.L703/2013 at Bintulu Land District on 5 February 2013 forbids the registration of any dealing with the estate or the interest of the land held under Lot 2072. In view of the cancellation of proposed disposal and refusal of PWPSB to remove the caveat, BIGG had on 26 July 2013 commenced a legal proceeding against PWPSB for the removal of the caveat.

The Board is of the opinion that the legal proceeding against PWPSB does not have any material impact on the financial statements.

#### **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>30/09/2013</b>	<b>30/09/2012</b>	<b>30/09/2013</b>	<b>30/09/2012</b>
<b>a) Basic</b>				
Profit/(Loss) net of tax, attributable to Equity Holders of the Company (RM'000)	329	585	2,151	1,983
Weighted average number of ordinary shares, in issue ('000)	48,092	48,092	48,092	48,092
Basic earnings/(loss) per share (sen)	<b>0.68</b>	<b>1.22</b>	<b>4.47</b>	<b>4.12</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/Losses**

	<b>As at end of current quarter 30/09/13</b>	<b>As at the financial year ended 31/12/12</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
Total revenue reserve / (accumulated losses) of the Company and its subsidiaries:		
- Realised	9,307	7,156
- Unrealised	(7,490)	(7,490)
	1,817	(334)
Less : Consolidation adjustments	(4,169)	(4,169)
(Accumulated losses) / revenue reserve as per financial statements	(2,352)	(4,503)