

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

(Incorporated in Malaysia)

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

	31 December 2013	31 December 2012
	RM' 000	RM' 000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Intangible asset	841	841
Property, plant and equipment	44,883	49,275
Land use rights	7,173	7,558
Other investments	75	436
Land held for property development	5,176	5,171
	58,148	63,281
Current assets		
Property development costs	5,220	7,906
Inventories	9,442	13,035
Trade receivables	24,305	24,759
Other receivables, deposits and prepayments	4,880	11,726
Tax recoverable	278	875
Fixed deposits with licensed banks and financial institutions	903	732
Cash and bank balances	10,813	2,467
	55,842	61,500
	113,990	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	(689)	(4,503)
	47,553	43,739
TOTAL EQUITY		
Non-current liabilities		
Lease payables	2,168	2,411
Term loans	11,204	19,555
Deferred tax liabilities	6,643	7,490
	20,016	29,456
Current liabilities		
Bank overdrafts	566	3,988
Term loans	8,385	6,689
Borrowings	8,951	13,070
Trade payables	10,034	13,548
Other payables and accruals	16,795	12,109
Amount due to related companies	45	45
Lease payables	1,435	2,123
Income tax payable	210	14
	46,422	51,586
	66,438	81,042
TOTAL LIABILITIES		
TOTAL EQUITY AND LIABILITIES	113,990	124,781
Net assets per share attributable to Equity Holders of the Company (RM)	0.99	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 twelve months ended 31 December 2013

	3 months ended 31 Dec.		12 months ended 31 Dec.	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Revenue	25,294	24,632	92,830	99,563
Other income	(1,097)	744	1,729	2,825
Interest income	15	23	55	24
Changes in inventories of finished goods	347	126	(990)	1,077
Inventories purchased and raw materials consumed	(9,691)	(10,900)	(41,282)	(49,689)
Carriage outwards	(251)	(121)	(686)	(525)
Employee benefits expenses	(3,715)	(2,909)	(11,683)	(9,771)
Depreciation of plant, property and equipment	(1,280)	(2,986)	(5,196)	(6,126)
Amortisation of land use rights	(44)	(52)	(175)	(212)
Development costs	(2,812)	(2,769)	(10,553)	(12,760)
Other expenses	(5,652)	(6,750)	(17,790)	(19,192)
Operating profit/(loss)	1,114	(962)	6,259	5,214
Finance costs	(572)	(409)	(2,546)	(3,570)
Profit before tax	542	(1,371)	3,713	1,644
Income tax expense	1,121	(3,157)	101	(4,189)
Profit net of tax, representing total comprehensive income for the period	1,663	(4,528)	3,814	(2,545)
Total comprehensive income for the period				
Profit attributable to:				
Owners of the Company	1,663	(4,528)	3,814	(2,545)
Earning per share attributable to equity holders of the Company:				
Earnings/(loss) per share (sen)				
- Basic	3.46	(9.42)	7.93	(5.29)
- 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 twelve months ended 31 December 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	-	-	3,814	3,814
At 31 December 2013	<u>48,092</u>	<u>150</u>	<u>(689)</u>	<u>47,553</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	-	-	(2,545)	(2,545)
At 31 December 2012	<u>48,092</u>	<u>150</u>	<u>(4,503)</u>	<u>43,739</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)
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Unaudited Condensed Consolidated Statements of Cash Flows for the twelve months ended 31 December 2013

	31 December 2013	31 December 2012
	RM'000	RM'000
Profit/(Loss) before tax	3,713	1,644
Adjustments for :		
Amortisation of land use rights	175	212
Depreciation of property, plant and equipment	5,196	6,126
Bad debts recovered	(82)	-
Bad debts written off	96	1,578
Inventory written off	-	126
Net gain on disposal of land use rights	(889)	(172)
Net gain on disposal of property, plant and equipment	(95)	(644)
Impairment loss on trade receivables	-	1,472
Impairment of property, plant and equipment	1,173	-
Property, plant and equipment written off	32	51
Impairment loss on other investments	361	-
Provision for foreseeable losses	-	(31)
Reversal of allowance for impairment of trade receivables	(294)	(1,393)
Interest expenses	2,546	3,570
Interest income	(55)	(24)
Operating cash flows before working capital changes	11,877	12,515
Changes in working capital:		
Property development costs	2,681	7,333
Inventories	3,592	(4,638)
Receivables	7,580	(2,649)
Payables	1,178	3,712
Cash flows from operations	26,908	16,273
Interest received	55	24
Income tax paid, net of tax refunds	42	(983)
Net cash flows from operating activities	27,005	15,314
Investing activities		
Purchase of property, plant & equipment	(773)	(2,737)
Purchase of land use rights	-	(10)
Proceeds from disposal of property, plant & equipment	145	956
Proceeds from disposal of investment property	-	2,000
Proceeds from disposal of land use rights	1,100	378
Subsequent expenditure on land held for development	-	(22)
Net cash flows from/ (used in) investing activities	472	565
Financing activities		
Repayment of loans and borrowings	(6,656)	(8,835)
Net change of short term borrowings	(4,119)	-
(Increase)/decrease in fixed deposits pledged	(171)	2,273
Interest paid	(2,546)	(3,570)
Repayment of lease payables	(2,217)	(3,821)
Net cash flows used in financing activities	(15,709)	(13,953)

B. I. G. INDUSTRIES BERHAD (195285-D)
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Unaudited Condensed Consolidated Statements of Cash Flows for the twelve months ended 31 December 2013
(Cont....)

	31 December 2013	31 December 2012
	RM'000	RM'000
Net increase/(decrease) in cash and cash equivalents	11,768	1,926
Cash and cash equivalents at 1 January	(1,521)	(3,447)
Cash and cash equivalents at 30 September	<u>10,247</u>	<u>(1,521)</u>
Analysis of cash and cash equivalents:		
Cash and bank balances	10,813	2,466
Bank overdrafts	(566)	(3,987)
	<u>10,247</u>	<u>(1,521)</u>

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 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 three year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015. 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 2015.

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 31 Dec (Individual Quarter) ----			
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Industrial Gas	8,568	10,065	(135)	(1,225)
Ready-mix concrete/RC Piles	11,370	10,664	887	(139)
Property	5,356	3,903	333	88
Others	0	0	(543)	(95)
Total	25,294	24,632	542	(1,371)

	Revenue		Profit/(Loss) before tax	
	---- 12 months ended 31 Dec (Cumulative Quarter) ----			
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Industrial Gas	31,979	36,201	1,581	1,217
Ready-mix concrete/RC Piles	44,751	46,641	1,865	398
Property	16,100	16,721	1,605	1,077
Others	0	0	(1,338)	(1,048)
Total	92,830	99,563	3,713	1,644

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 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 RM25.294 million for the fourth quarter ended 31 December 2013 as compared to RM24.632 million recorded in the preceding year corresponding quarter, an increase of RM0.662 million or 2.69%. The increase in revenue was mainly due to higher sales recorded by Property Division, an increase of RM1.453 million and Ready-Mixed Division of RM0.706 million, whereas Gas Division registered a decrease of RM1.497 million.

The Group registered a profit before tax of RM0.542 million for the fourth quarter ended 31 December 2013 as compared to a loss before tax of RM1.371 million for the preceding year corresponding quarter.

For the financial year ended 31 December 2013, the Group registered a revenue of RM92.830 million as compared to RM99.563 million recorded in the preceding year, a decrease of RM6.733 million or 6.76%. The decrease was mainly reported by Gas Division and Ready-Mixed Division.

The Group registered a profit before tax of RM3.713 million for the financial year ended 31 December 2013 as compared to RM1.644 million recorded in the preceding year. The higher profit was mainly contributed by Ready-Mixed Division and Property Division.

- **Industrial Gas Division**

During the current quarter under review, the Industrial Gas Division recorded a revenue of RM8.568 million as compared to RM10.065 million for the preceding year corresponding quarter.

The division recorded a loss before tax of RM0.135 million for the current quarter ended 31 December 2013 compared to a loss before tax of RM1.225 million for the preceding corresponding quarter. The loss for the preceding corresponding quarter was mainly due to impairment of trade receivables.

For the financial year ended 31 December 2013, the Industrial Gas Division registered a revenue of RM31.979 million as compared to RM36.201 million recorded in the preceding year. The lower revenue was mainly due to intense competition and lower sales from its bulk businesses.

For the financial year ended 31 December 2013, the Industrial Gas Division registered a profit before tax of RM1.581 million as compared to profit before tax of RM1.217 million recorded in preceding year. The higher profit was mainly attributable by the recognition of gain on disposal of land use rights of RM0.889 million.

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

During the current quarter under review, the RMC Division recorded a revenue of RM11.370 million as compared to RM10.664 million recorded in the preceding corresponding quarter.

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

The division recorded a profit before tax of RM0.887 million as compared to loss before tax of RM0.139 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.

For the financial year ended 31 December 2013, the RMC Division recorded a revenue of RM44.751 million compared to RM46.641 million recorded in the preceding year. The lower revenue was as a result of stringent lending criteria and lower margin financing which affect the overall construction industry in Malaysia.

For the financial year ended 31 December 2013, the RMC Division recorded a profit before tax of RM1.865 million as compared to RM0.398 million for the preceding year. The higher profit was attributed to costs cutting measure and reduce in impairment of trade receivables.

- **Property Division**

During the current quarter under review, the Property Division recorded a revenue of RM5.356 million as compared to RM3.903 million for the preceding corresponding quarter.

The division recorded a profit before tax of RM0.333 million against profit before tax of RM0.088 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.

For the financial year ended 31 December 2013, the Property Division registered a revenue of RM16.100 million as compared to RM16.721 million recorded in preceding year.

For the financial year ended 31 December 2013, the Property Division registered a profit before tax of RM1.605 as compared to RM1.077 recorded in the preceding year. The higher profit was attributable by higher profit recognition towards the end of projects.

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

Group Results	Current Quarter ended 31/12/2013	Preceding Quarter ended 30/09/2013
	(RM'000)	(RM'000)
Revenue	25,294	19,752
Profit/(Loss) Before Tax	542	1,176

Revenue for the current quarter under review was at RM25.294 million compared to RM19.752 million for the preceding quarter, increased by RM5.542 million or 28.06%.

For the current quarter, the Group recorded a profit before tax of RM0.542 million as compared to a profit before tax of RM1.176 million for the preceding quarter ended 30 September 2013. The lower profit in the current quarter under review was mainly due to impairment of property, plant and equipment of RM1.1 million by Gas Division.

B3. Current Year Prospects

The Board is of the opinion that the overall economy and market outlook for 2014 remains to be challenging.

With intense market competition, rising operating costs and credit with stringent lending criteria, the Group would enhance efficiency and tightening costs control. The Group expects to remain competitive and to capture more market share for the current year.

B4. Profit Forecast

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

B5. Taxation

	Current Year Quarter 31/12/13 (RM'000)	Preceding Year Quarter 31/12/12 (RM'000)	Current Year To date 31/12/13 (RM'000)	Preceding Year To date 31/12/12 (RM'000)
Taxation comprises:				
Current tax	-274	193	746	1,225
Deferred tax	(847)	2,964	(847)	2,964
Total	(1,121)	3,157	(101)	4,189

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 14 February 2014.

B7. Borrowings

a) Short Term Borrowings

Short Terms

	31 December 2013			31 December 2012		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank overdraft	566	-	566	3,988	-	3,988
Bankers' acceptance and revolving credits	8,951	-	8,951	13,070	-	13,070
Term loans	385	8,000	8,385	689	6,000	6,689
Lease payables	1,435	-	1,435	2,123	-	2,123
Total	11,337	8,000	19,337	19,870	6,000	25,870

b) Long Term Borrowings

	31 December 2013			31 December 2012		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Term loans	704	10,500	11,204	1,055	18,500	19,555
Lease payables	2,168	-	2,168	2,411	-	2,411
Total	2,872	10,500	13,372	3,466	18,500	21,966

None of the Group's borrowings as at the financial year 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 decision of the court has been fixed on 10 April 2014.

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

	Current Year Quarter 31/12/2013	Preceding Year Quarter 31/12/2012	Current Year To date 31/12/2013	Preceding Year To date 31/12/2012
a) Basic				
Profit/(Loss) net of tax, attributable to Equity Holders of the Company (RM'000)	1,663	(4,528)	3,814	(2,545)
Weighted average number of ordinary shares, in issue ('000)	48,092	48,092	48,092	48,092
Basic earnings/(loss) per share (sen)	3.46	9.42	7.93	5.29
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/Losses

	As at end of current quarter 31/12/13 (RM'000)	As at the financial year ended 31/12/12 (RM'000)
Total revenue reserve / (accumulated losses) of the Company and its subsidiaries:		
- Realised	10,123	7,156
- Unrealised	(6,643)	(7,490)
	3,480	(334)
Less : Consolidation adjustments	(4,169)	(4,169)
(Accumulated losses) / revenue reserve as per financial statements	(689)	(4,503)