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

Unaudited Condensed Consolidated Statements of Financial Position
as at 30 June 2014

	30 June 2014 RM' 000 (Unaudited)	31 December 2013 RM' 000 (Audited)
ASSETS		
Non-current assets		
Intangible asset	841	841
Property, plant and equipment	43,442	44,877
Land use rights	7,085	7,173
Other investments	75	75
Land held for property development	5,176	5,176
	56,619	58,142
Current assets		
Property development costs	3,310	5,359
Inventories	7,239	9,437
Trade receivables	26,657	25,017
Other receivables, deposits and prepayments	4,539	3,502
Tax recoverable	267	261
Fixed deposits with licensed banks and financial institutions	1,087	3,955
Cash and bank balances	3,875	6,248
	46,975	53,779
TOTAL ASSETS	103,594	111,921
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	487	(631)
TOTAL EQUITY	48,729	47,611
Non-current liabilities		
Lease payables	2,297	2,214
Term loans	11,155	11,195
Deferred tax liabilities	6,574	6,574
	20,027	19,983
Current liabilities		
Bank overdrafts	37	566
Term loans	4,147	8,388
Borrowings	7,341	8,951
Trade payables	8,689	9,363
Other payables and accruals	13,245	15,450
Amount due to related companies	45	45
Lease payables	1,185	1,390
Income tax payable	149	174
	34,839	44,327
TOTAL LIABILITIES	54,866	64,310
TOTAL EQUITY AND LIABILITIES	103,594	111,921
Net assets per share attributable to Equity Holders of the Company (RM)	1.01	0.99

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 second quarter ended 30 June 2014

	3 months ended 30 Jun.		6 months ended 30 Jun.	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Revenue	18,578	24,322	40,667	48,753
Other income	121	123	248	1,144
Interest income	11	6	21	27
Changes in inventories of finished goods	(797)	(395)	(1,583)	(1,245)
Inventories purchased and raw materials consumed	(7,035)	(10,901)	(16,045)	(20,979)
Carriage outwards	(190)	(119)	(309)	(247)
Employee salaries and other benefits expenses	(3,031)	(2,619)	(5,994)	(5,419)
Depreciation of plant, property and equipment	(1,310)	(1,280)	(2,598)	(2,586)
Amortisation of land use rights	(43)	(47)	(87)	(91)
Development costs	(1,173)	(3,571)	(4,140)	(8,146)
Other expenses	(3,916)	(4,048)	(7,801)	(7,782)
Operating profit/(loss)	1,215	1,471	2,379	3,429
Finance costs	(427)	(718)	(892)	(1,434)
Profit before tax	788	753	1,487	1,995
Income tax expense	(222)	(132)	(369)	(173)
Profit net of tax, representing total comprehensive income for the period	566	621	1,118	1,822
Total comprehensive income for the period				
Profit attributable to:				
Owners of the Company	566	621	1,118	1,822
Earning per share attributable to equity holders of the Company:				
Earnings/(loss) per share (sen)				
- Basic	1.18	1.29	2.32	3.79
- Diluted	NA	NA	NA	NA

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 second quarter ended 30 June 2014

	Attributable to Equity Holders of Company			
	Non-distributable		Distributable	
	Share Capital RM'000	Share Premium RM'000	Revenue Reserve/ (Accumulated losses) RM'000	Total RM'000
At 1 January 2014	48,092	150	(631)	47,611
Total Comprehensive Income	-	-	1,118	1,118
At 30 June 2014	48,092	150	487	48,729

	Attributable to Equity Holders of Company			
	Non-distributable		Distributable	
	Share Capital RM'000	Share Premium RM'000	Revenue Reserve/ (Accumulated losses) RM'000	Total RM'000
At 1 January 2013	48,092	150	(4,503)	43,739
Total Comprehensive Income	-	-	1,822	1,822
At 30 June 2013	48,092	150	(2,681)	45,561

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 second quarter ended 30 June 2014

	30 June 2014	30 June 2013
	RM'000	RM'000
Profit/(Loss) before tax	1,487	1,995
Adjustments for :		
Amortisation of land use rights	87	87
Depreciation of property, plant and equipment	2,598	2,590
Bad debts recovered	-	(9)
Bad debts written off	18	1
Net gain on disposal of land use rights	-	(889)
Net gain on disposal of property, plant and equipment	(62)	(55)
Property, plant and equipment written off	100	14
Interest expenses	892	1,434
Interest income	(21)	(27)
Operating cash flows before working capital changes	5,099	5,141
Changes in working capital:		
Property development costs	2,049	(1,339)
Inventories	2,198	2,994
Receivables	(2,696)	4,719
Payables	(2,879)	(4,077)
Cash flows from operations	3,771	7,438
Interest received	21	27
Income tax paid, net of tax refunds	(400)	223
Net cash flows from operating activities	3,392	7,688
Investing activities		
Purchase of property, plant & equipment	(816)	(376)
Proceeds from disposal of property, plant & equipment	87	93
Proceeds from disposal of land use rights	-	1,100
Net cash flows from/ (used in) investing activities	(729)	817
Financing activities		
Repayment of loans and borrowings	(4,280)	(3,333)
Net change of short term borrowings	(1,610)	2,697
(Increase)/decrease in fixed deposits pledged	2,868	(40)
Interest paid	(892)	(1,434)
Repayment of lease payables	(592)	(1,324)
Net cash flows used in financing activities	(4,506)	(3,434)
Net increase/(decrease) in cash and cash equivalents	(1,843)	5,071
Cash and cash equivalents at 1 January	5,681	(1,521)
Cash and cash equivalents at 30 June	3,838	3,550
Analysis of cash and cash equivalents:		
Cash and bank balances	3,875	4,354
Bank overdrafts	(37)	(804)
	3,838	3,550

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 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 2013. 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 2013.

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 2014 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 the '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 the financial statements for the year ended 31 December 2013 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 2015.

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 2013 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 flows during the current quarter under review.

A6. Changes in Estimates

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and year-to-date 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 Jun (Individual Quarter) ----			
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Industrial Gas	8,418	8,572	509	287
Ready-mix concrete/RC Piles	8,255	11,460	(78)	237
Property	1,905	4,290	477	285
Others	0	0	(120)	(56)
Total	18,578	24,322	788	753

	Revenue		Profit/(Loss) before tax	
	---- 6 months ended 30 Jun (Cumulative Quarter) ----			
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Industrial Gas	16,317	16,810	810	1,294
Ready-mix concrete/RC Piles	18,712	22,280	63	427
Property	5,638	9,663	846	606
Others	0	0	(232)	(332)
Total	40,667	48,753	1,487	1,995

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 9 May 2014, the Company announced that Besitek Konsortium Sdn Bhd ("Besitek"), a wholly-owned dormant subsidiary of the Company was struck off from the Registrar pursuant to Section 308 of the Companies Act, 1965 as there was no plan to use Besitek in the future.

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

The total capital commitments for the Group as at 30 June 2014 were RM3.308 million.

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 reported a revenue of RM18.578 million for the second quarter ended 30 June 2014 as compared to RM24.322 million recorded in the preceding year corresponding quarter, a decrease of RM5.744 million or 23.62%. The decrease in revenue was mainly due to decline in sales recorded by the Property Division, by RM3.205 million and Ready-Mixed Division, by RM2.385 million.

For the current financial year-to-date, the Group reported a revenue of RM40.667 million as compared to RM48.753 million recorded in the preceding year corresponding period, a decrease of RM8.086 million or 16.59%.

The Group registered a profit before tax of RM0.788 million for the second quarter ended 30 June 2014 as compared to a profit before tax of RM0.753 million for the preceding year corresponding quarter. Industrial Gas and Property Divisions achieved higher profit at RM0.509 million and RM0.477 million respectively, while Ready-Mixed Division suffered loss of RM0.078 million compared to a profit of RM0.237 million in preceding year corresponding period.

For the current financial year-to-date, the Group registered a profit before tax of RM1.487 million as compared to a profit before tax of RM1.995 million for the preceding year corresponding period. The higher year-to-date in 2013 was mainly attributed to gain on disposal of land use rights of RM0.889 million.

- **Industrial Gas Division**

During the current quarter under review, the Industrial Gas Division recorded a revenue of RM8.418 million as compared to RM8.572 million for the preceding year corresponding quarter.

The division recorded a profit before tax of RM0.509 million for the current quarter ended 30 June 2014 compared to a profit before tax of RM0.287 million for the preceding corresponding quarter. The higher profit recorded for the current quarter was mainly due to higher income generated from equipment rental, transport charges and costs optimization measures.

For the current financial year to date, the division recorded a profit before tax of RM0.810 million as compared to profit before tax of RM1.294 million for the preceding corresponding period. The higher profit for the preceding year-to-date was mainly attributed to 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 RM8.255 million as compared to RM11.460 million recorded in the preceding corresponding quarter. The lower revenue for current quarter was due to most developers put on hold the new projects because of market uncertainty.

For the current financial year-to-date, the RMC Division recorded a revenue of RM18.712 million as compared to RM22.280 million recorded in the preceding corresponding period. The lower revenue was due to less projects launches in Sabah.

The division recorded a loss before tax of RM0.078 million as compared to a profit before tax of RM0.237 million for the preceding corresponding quarter.

For the current financial year-to-date, the RMC Division recorded a profit before tax of RM0.063 million as compared to a profit before tax of RM0.427 million recorded in the preceding corresponding period. The lower profit was attributed to lower revenue.

- **Property Division**

During the current quarter under review, the Property Division recorded a revenue of RM1.905 million as compared to RM4.290 million for the preceding corresponding quarter, a decrease of RM2.385 million or 55.59%.

For the current financial year-to-date, the Property Division recorded a revenue of RM5.638 million as compared to a revenue of RM9.663 million recorded in the preceding corresponding period. The lower revenue was mainly due to the completion of the last phase of Luyang projects.

The division recorded a profit before tax of RM0.477 million against a profit before tax of RM0.285 million in the preceding comparative quarter. The higher profit in the current quarter review was due to recognition of profit towards the completion of the last phase of Luyang projects.

For the current financial year-to-date, the division recorded a profit before tax of RM0.846 million as compared to RM0.606 million recorded in the preceding corresponding period.

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

Group Results	Current Quarter ended 30/06/2014	Preceding Quarter ended 31/03/2014
	(RM'000)	(RM'000)
Revenue	18,578	22,089
Profit/(Loss) Before Tax	788	699

Revenue for the current quarter under review was RM18.578 million compared to RM22.089 million for the preceding quarter, decreased by RM3.511 million or 15.89%. RMC and Property Division recorded decrease's in revenue by RM2.202 million and RM1.828 million respectively.

For the current quarter, the Group recorded a profit before tax of RM0.788 million as compared to a profit before tax of RM0.699 million for the preceding quarter ended 31 March 2014. The Industrial Gas and Property Division recorded higher profit before tax of RM0.208 million and RM0.108 million respectively while the RMC Division performed poorly with a decrease by RM0.219 million.

B3. Current Year Prospects

The global economy is expected to remains uncertain. On the local front, Malaysia economy grew strongly in the first quarter of 2014 which registered a growth rate of more than 6.0% in GDP.

The positive growth in Malaysia poses well for our Industrial Gas Division. We hope to ride on this positive development that the usage of industrial gas will be increased.

The slow in new project launches may continue to have an adverse impact on the demand for ready-mixed concrete / RC Piles. This slow trend may continue for the forthcoming 12 months.

The completion of the whole Luyang projects was a success. We are looking for more land banks for property developments.

The Board expects the current year's performance to be satisfactory.

B4. Profit Forecast

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

B5. Taxation

	Current Year Quarter 30/06/14	Preceding Year Quarter 30/06/13	Current Year To date 30/06/14	Preceding Year To date 30/06/13
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Taxation comprises:				
Current tax	222	132	369	173
Deferred tax	0	0	0	0
Total	222	132	369	173

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 28 August 2014.

B7. Borrowings

a) Short Term Borrowings

	30 June 2014			30 June 2013		
	Secured	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Bank overdraft	37	-	37	804	-	804
Bankers' acceptance and revolving credits	7,341	-	7,341	15,767	-	15,767
Term loans	147	4,000	4,147	578	7,000	7,578
Lease payables	1,185	-	1,185	1,508	-	1,508
Total	8,710	4,000	12,710	18,657	7,000	25,657

b) Long Term Borrowings

	30 June 2014			30 June 2013		
	Secured	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Term loans	655	10,500	11,155	833	14,500	15,333
Lease payables	2,297	-	2,297	2,043	-	2,043
Total	2,952	10,500	13,452	2,876	14,500	17,376

None of the Group's borrowings as at the financial period ended 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:

1. 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 ("SPA") with Pan Wijaya Property Sdn. Bhd. ("PWPSB") subject to the consent from the Director of Lands and Surveys 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.

   Director of Lands and Surveys, Sarawak 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 SPA dated 26 June 2012 on the proposed disposal was treated as cancelled, null and void.

B8. Changes in Material Litigations (cont'd)

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. On 3 September 2013, PWPSB sued BIGG for specific performance of a SPA and in the alternative for damages for breach of contract. BIGG refuted the claim as Director of Lands and Surveys, Sarawak had refused to grant the consent and thus it was impossible to perform the SPA and therefore void. In the event the High Court ruled in favour of PWPSB, the financial impact to BIGG would be RM0.620 million as pre-estimated liquidated damages.

On 10 April 2014, the High Court had ordered ("Court Order"):

i) the removal of the said caveat from the Register of the Department of Lands and Surveys Bintulu Division "(DLS-Bintulu)" with costs; and

ii) BIGG was entitled to damages subject to proofs.

On 11 August 2014, the solicitors of BIGG had sent a sealed copy of the Court Order to the DLS-Bintulu for the aforesaid removal of caveat.

B9. Dividend Payable

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

B10. Earnings Per Share

	Current Year Quarter 30/06/2014	Preceding Year Quarter 30/06/2013	Current Year To date 30/06/2014	Preceding Year To date 30/06/2013
a) Basic				
Profit/(Loss) net of tax, attributable to Equity Holders of the Company (RM'000)	566	621	1,118	1,822
Weighted average number of ordinary shares, in issue ('000)	48,092	48,092	48,092	48,092
Basic earnings/(loss) per share (sen)	**1.18**	**1.29**	**2.32**	**3.79**
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 30/06/14	As at the financial year ended 31/12/13
	(RM'000)	(RM'000)
Total revenue reserve / (accumulated losses) of the Company and its subsidiaries:		
- Realised	11,974	10,105
- Unrealised	(6,573)	(6,573)
	5,401	3,532
Less : Consolidation adjustments	(4,914)	(4,163)
(Accumulated losses) / revenue reserve as per financial statements	487	(631)