

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

(Incorporated in Malaysia)

	31 March 2015	31 December 2014
	RM' 000	RM' 000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	49,235	50,243
Land held for property development	5,227	5,182
	54,462	55,425
Current assets		
Property development costs	1,460	1,673
Inventories	7,023	6,683
Trade receivables	26,352	24,149
Other receivables, deposits and prepayments	2,033	2,189
Other current assets	1,217	1,244
Tax recoverable	575	550
Short term deposits with licensed banks (pledged)	1,741	1,986
Cash held pursuant to Housing Development Act	1,594	1,594
Investment securities	63	110
Cash and bank balances	626	1,602
	42,685	41,780
TOTAL ASSETS	97,147	97,205
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	(7,478)	(6,964)
TOTAL EQUITY	40,764	41,278
Non-current liabilities		
Lease payables	3,982	4,029
Term loans	585	609
Deferred tax liabilities	6,075	6,075
	10,643	10,713
Current liabilities		
Bank overdrafts	2,730	2,562
Term loans	6,926	10,424
Borrowings	6,544	6,395
Trade payables	11,467	12,635
Other payables and accruals	9,622	10,517
Other current liabilities	6,695	905
Amount due to related companies	45	45
Lease payables	1,703	1,577
Income tax payable	8	154
	45,741	45,214
TOTAL LIABILITIES	56,384	55,927
TOTAL EQUITY AND LIABILITIES	97,147	97,205
Net assets per share attributable to Equity Holders of the Company (RM)	0.85	0.86

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 first quarter ended 31 March 2015**

	3 months ended 31 Mar		3 months ended 31 Mar	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Revenue	17,924	22,089	17,924	22,089
Other income	141	127	141	127
Interest income	2	10	2	10
Changes in inventories of finished goods	414	(786)	414	(786)
Inventories purchased and raw materials consumed	(8,432)	(9,010)	(8,432)	(9,010)
Carriage outwards	(110)	(119)	(110)	(119)
Employee salaries and other benefits expenses	(2,900)	(2,963)	(2,900)	(2,963)
Depreciation of plant, property and equipment	(1,404)	(1,332)	(1,404)	(1,332)
Development costs	(1,625)	(2,967)	(1,625)	(2,967)
Other expenses	(3,992)	(3,885)	(3,992)	(3,885)
Operating (loss)/profit	18	1,164	18	1,164
Finance costs	(432)	(465)	(432)	(465)
(Loss)/Profit before tax	(414)	699	(414)	699
Income tax expense	(100)	(147)	(100)	(147)
(Loss)/Profit net of tax, representing total comprehensive income for the period	<u>(514)</u>	<u>552</u>	<u>(514)</u>	<u>552</u>
Total comprehensive income for the period				
(Loss)/Profit attributable to:				
Owners of the Company	<u>(514)</u>	<u>552</u>	<u>(514)</u>	<u>552</u>
Earning per share attributable to equity holders of the Company:				
Earnings/(loss) per share (sen)				
- Basic	<u>(1.07)</u>	<u>1.15</u>	<u>(1.07)</u>	<u>1.15</u>
- Diluted	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

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(Incorporated in Malaysia)

**Unaudited Condensed Consolidated Statements of Changes in Equity
for the first quarter ended 31 March 2015**

	-----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 2015	48,092	150	(6,964)	41,278
Total Comprehensive Income	-	-	(514)	(514)
At 31 March 2015	<u>48,092</u>	<u>150</u>	<u>(7,478)</u>	<u>40,764</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 2014	48,092	150	(631)	47,611
Total Comprehensive Income	-	-	552	552
At 31 March 2014	<u>48,092</u>	<u>150</u>	<u>(79)</u>	<u>48,163</u>

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 first quarter ended 31 March 2015

	31 March 2015	31 March 2014
	RM'000	RM'000
Profit/(Loss) before tax	(414)	699
Adjustments for :		
Depreciation of property, plant and equipment	1,404	1,332
Bad debts recovered	-	-
Bad debts written off	-	18
Net gain on disposal of property, plant and equipment	(63)	(28)
Property, plant and equipment written off	72	19
Interest expenses	432	465
Interest income	(2)	(10)
Gross dividend income	(1)	-
Operating cash flows before working capital changes	1,428	2,495
Changes in working capital:		
Property development costs	213	2,099
Inventories	(340)	792
Receivables	(2,019)	(3,646)
Payables	3,687	754
Cash flows from operations	2,969	2,494
Interest received	2	10
Income tax paid, net of tax refunds	(231)	(281)
Net cash flows from operating activities	2,740	2,223
Investing activities		
Purchase of property, plant & equipment	(180)	(160)
Proceeds from disposal of property, plant & equipment	340	48
Net change of investment securities	47	-
Subsequent expenditure on land held for development	(45)	-
Gross dividend income	1	-
Net cash flows from/ (used in) investing activities	163	(112)
Financing activities		
Repayment of loans and borrowings	(3,522)	(2,153)
Net change of short term borrowings	149	(2,681)
(Increase)/decrease in fixed deposits pledged	(140)	2,989
Interest paid	(432)	(465)
Repayment of lease payables	(486)	(403)
Net cash flows used in financing activities	(4,431)	(2,713)
Net increase/(decrease) in cash and cash equivalents	(1,528)	(602)
Cash and cash equivalents at 1 January	(576)	5,681
Cash and cash equivalents at 31 March	(2,104)	5,079
Analysis of cash and cash equivalents:		
Cash and bank balances	626	5,465
Bank overdrafts	(2,730)	(386)
	(2,104)	5,079

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

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(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 2014. 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 2014.

A2. Changes in Accounting Policies

The new and revised FRS, Amendments to FRS and IC Interpretations are mandatory for companies with financial periods beginning on or after 1 January 2015 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 Framework (“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 are allowed to defer adoption of the new MFRS Framework for an additional three years. Consequently, adoption of the MFRS Framework by Transitioning Entities is mandatory for annual periods beginning on or after 1 January 2015. Subsequently, on 2 September 2014, MASB issued the following standards:

- (i) MFRS 15, Revenue from Contracts with Customers
- (ii) Agriculture: Bearer Plants (Amendments to MFRS 116, Property, Plant and Equipment and MFRS 141, Agriculture).

With the issuance of MFRS 15 and the Bearer Plants Amendment, all Transitioning Entities would be required to adopt the MFRS Framework latest by 1 January 2017.

A2. Changes in Accounting Policies (cont'd)

The Company 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 2017.

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.

The Company expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2017.

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 2014 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 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

SEGMENT	Revenue		Profit/(Loss) before tax	
	---- 3 months ended 31 Mar (Individual Quarter) ----			
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Gas	7,650	7,899	207	301
Concrete	7,714	10,457	(963)	141
Property	2,560	3,733	478	369
Others	0	0	(136)	(112)
Total	17,924	22,089	(414)	699

SEGMENT	Revenue		Profit/(Loss) before tax	
	---- 3 months ended 31 Mar (Cumulative Quarter) ----			
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Gas	7,650	7,899	207	301
Concrete	7,714	10,457	(963)	141
Property	2,560	3,733	478	369
Others	0	0	(136)	(112)
Total	17,924	22,089	(414)	699

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 was no changes in the composition of the Group during the quarter ended 31 March 2015.

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 was no capital commitments for the Group as at 31 March 2015.

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 RM17.924 million for the first quarter ended 31 March 2015 as compared to RM22.089 million recorded in the preceding year corresponding quarter, a decrease of RM4.165 million or 18.86%.

The decrease in revenue was mainly attributable to the Concrete Division.

For the quarter under review, the Group reported a loss before tax of RM0.414 million for the first quarter ended 31 March 2015 as compared to a profit before tax of RM0.699 million for the preceding year corresponding quarter.

The loss before tax was attributable to lower revenue by the Concrete and Gas Divisions.

- **Gas Division**

During the current quarter under review, the Gas Division recorded a revenue of RM7.650 million as compared to RM7.899 million for the preceding year corresponding quarter, a decrease of RM0.249 million or 3.15%.

The slight decrease in revenue was mainly due to intense market competition.

The division recorded a profit before tax of RM0.207 million for the current quarter ended 31 March 2015 compared to a profit before tax of RM0.301 million for the preceding year corresponding quarter.

The lower profit was in tandem with lower revenue.

- **Concrete Division**

During the current quarter under review, the Concrete Division recorded a revenue of RM7.714 million as compared to RM10.457 million recorded in the preceding year corresponding quarter.

The lower revenue was partly due to the completion of the supply of ready-mixed concrete to a major project and the commencement of supply to three new infrastructure projects secured were postponed to the 2nd Quarter of the year.

The division recorded a loss before tax of RM0.963 million as compared to a profit before tax of RM0.141 million for the preceding year corresponding quarter.

The loss before tax was in line with the lower revenue and idling resources.

- **Property Division**

During the current quarter under review, the Property Division recorded a revenue of RM2.560 million as compared to RM3.733 million for the preceding year corresponding quarter, a decrease of RM1.173 million.

The decrease in revenue was due to the Inanam projects nearing its completion stage.

The division recorded a profit before tax of RM0.478 million against a profit before tax of RM0.369 million in the preceding year corresponding quarter. The higher profit before tax was due to profit recognition towards the completion of the Inanam projects.

B2. Comparison of Material Change with Preceding Quarter's Results

Group Results	Current Quarter ended 31/03/2015	Preceding Quarter ended 31/12/2014
	(RM'000)	(RM'000)
Revenue	17,924	19,645
Profit/(Loss) Before Tax	(414)	(5,928)

Revenue for the current quarter under review was RM17.924 million compared to RM19.645 million for the preceding quarter, a decrease of RM1.721 million or 8.76%. The decrease in revenue was mainly due to a drop in revenue from the Gas Division.

For the current quarter, the Group recorded a loss before tax of RM0.414 million as compared to a loss before tax of RM5.928 million for the preceding quarter ended 31 December 2014. The loss for preceding quarter was mainly due to impairments and written-off of property, plant and equipment, goodwill, inventories and trade receivables.

B3. Current Year Prospects

Prospect for 2015 is expected to be challenging in view of the uncertain global environment, the decline in the crude oil prices and the introduction of Goods and Service Tax in April 2015.

We expect 2015 will be another challenging year for the Gas Division due to the lower crude oil prices that leading the major oil and gas players to scale down their shut down and maintenance works.

The slowdown in the new property launches has an impact on the performance of the Concrete Division. The management will explore other avenues to increase its revenue while more prudent in spending and costs control.

The demand for affordable properties is still comparatively stable. We hope to obtain the approvals from the relevant authorities for our 76-units of residential housing projects by third quarter of 2015.

B4. Statement of the Board of Directors' Opinion on Achievement of Forecast or Target

The disclosure requirement is not applicable for the current quarter.

B5. Profit Forecast

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

B6. Taxation

	Current Year Quarter 31/03/15 (RM'000)	Preceding Year Quarter 31/03/14 (RM'000)	Current Year To date 31/03/15 (RM'000)	Preceding Year To date 31/03/14 (RM'000)
Taxation comprises:				
Current tax	100	147	100	147
Deferred tax	0	0	0	0
Total	100	147	100	147

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.

B7. Corporate Proposals

There are no pending corporate proposals as at the date of this report.

B8. Borrowings

a) Short Term Borrowings

	31 March 2015			31 March 2014		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank overdraft	2,730	-	2,730	386	-	386
Bankers' acceptance and revolving credits	6,544	-	6,544	6,270	-	6,270
Term loans	88	6,838	6,926	255	6,000	6,255
Lease payables	1,703	-	1,703	1,277	-	1,277
Total	11,065	6,838	17,903	8,188	6,000	14,188

b) Long Term Borrowings

	31 March 2015			31 March 2014		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Term loans	585	-	585	676	10,500	11,176
Lease payables	3,982	-	3,982	1,986	-	1,986
Total	4,567	-	4,567	2,662	10,500	13,162

None of the Group's borrowings as at the financial period ended are denominated in foreign currencies.

B9. 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 ("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.

On 5 February 2013, PWPSB created a caveat instrument registered as Instrument No.L703/2013 at Bintulu Land District on 5 February 2013 forbidding 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.

On 10 September 2014, PWPSB filed an appeal against the High Court’s ruling of 10 April 2014 and on 17 October 2014, the Court of Appeal had ordered for a full hearing at the High Court.

The High Court had fixed the trial dates on 16 March 2015 and 17 March 2015. These trial dates were postponed to 11 May 2015 and 12 May 2015. The High Court had fixed 23 July 2015 to deliver the judgement.

B10. Dividend Payable

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

B11. Earnings Per Share

	Current	Preceding	Current	Preceding
	Year	Year	Year	Year
	Quarter	Quarter	To date	To date
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
a) Basic				
Profit/(Loss) net of tax, attributable to Equity Holders of the Company (RM'000)	(514)	552	(514)	552
Weighted average number of ordinary shares, in issue ('000)	48,092	48,092	48,092	48,092
Basic earnings/(loss) per share (sen)	(1.07)	1.15	(1.07)	1.15
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

B12. Realised and Unrealised Profits/Losses

	As at	As at
	31/03/15	31/12/14
	(RM'000)	(RM'000)
Total revenue reserve / (accumulated losses) of the Company and its subsidiaries:		
- Realised	3,817	3,894
- Unrealised	(6,075)	(6,075)
	(2,258)	(2,181)
Less : Consolidation adjustments	(5,220)	(4,783)
(Accumulated losses) / revenue reserve as per financial statements	(7,478)	(6,964)