

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

(Incorporated in Malaysia)

**Unaudited Condensed Consolidated Statements of Financial Position****as at 30 June 2015**

	<b>30 June 2015</b>	<b>31 December 2014</b>
	<b>RM' 000</b>	<b>RM' 000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	48,269	50,243
Land held for property development	5,227	5,182
	<b>53,496</b>	<b>55,425</b>
<b>Current assets</b>		
Property development costs	1,551	1,673
Inventories	8,114	6,683
Trade receivables	20,768	24,149
Other receivables, deposits and prepayments	2,662	2,189
Other current assets	1,220	1,244
Tax recoverable	529	550
Short term deposits with licensed banks (pledged)	1,902	1,986
Cash held pursuant to Housing Development Act	1,610	1,594
Investment securities	41	110
Cash and bank balances	1,816	1,602
	<b>40,214</b>	<b>41,780</b>
	<b>93,710</b>	<b>97,205</b>
<b>TOTAL ASSETS</b>		
<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	(5,527)	(6,964)
	<b>42,715</b>	<b>41,278</b>
<b>TOTAL EQUITY</b>		
<b>Non-current liabilities</b>		
Lease payables	3,615	4,029
Term loans	561	609
Deferred tax liabilities	6,075	6,075
	<b>10,252</b>	<b>10,713</b>
<b>Current liabilities</b>		
Bank overdrafts	1,201	2,562
Term loans	5,428	10,424
Borrowings	7,757	6,395
Trade payables	12,620	12,635
Other payables and accruals	8,825	10,517
Other current liabilities	3,153	905
Amount due to related companies	45	45
Lease payables	1,706	1,577
Income tax payable	8	154
	<b>40,744</b>	<b>45,214</b>
	<b>50,996</b>	<b>55,927</b>
	<b>93,710</b>	<b>97,205</b>
<b>TOTAL LIABILITIES</b>		
<b>TOTAL EQUITY AND LIABILITIES</b>		
<b>Net assets per share attributable to Equity Holders of the Company (RM)</b>	<b>0.89</b>	<b>0.86</b>

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 second quarter ended 30 June 2015**

	3 months ended 30 Jun		6 months ended 30 Jun	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	18,866	18,578	36,790	40,667
Other income	195	121	336	248
Interest income	18	11	20	21
Changes in inventories of finished goods	769	(797)	1,183	(1,583)
Inventories purchased and raw materials consumed	(8,325)	(7,035)	(16,757)	(16,045)
Carriage outwards	(130)	(190)	(240)	(309)
Employee salaries and other benefits expenses	(2,854)	(3,031)	(5,754)	(5,994)
Depreciation of plant, property and equipment	(1,381)	(1,353)	(2,785)	(2,685)
Development costs	(572)	(1,173)	(2,197)	(4,140)
Other expenses	(4,079)	(3,916)	(8,071)	(7,801)
<b>Operating (loss)/profit</b>	<b>2,507</b>	<b>1,215</b>	<b>2,525</b>	<b>2,379</b>
Finance costs	(356)	(427)	(788)	(892)
<b>(Loss)/Profit before tax</b>	<b>2,151</b>	<b>788</b>	<b>1,737</b>	<b>1,487</b>
Income tax expense	(200)	(222)	(300)	(369)
<b>(Loss)/Profit net of tax, representing total comprehensive income for the period</b>	<b>1,951</b>	<b>566</b>	<b>1,437</b>	<b>1,118</b>
<b>Total comprehensive income for the period</b>				
(Loss)/Profit attributable to:				
Owners of the Company	1,951	566	1,437	1,118
<b>Earning per share attributable to equity holders of the Company:</b>				
Earnings/(loss) per share (sen)				
- Basic	4.06	1.18	2.99	2.32
- 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 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 Changes in Equity  
for the second quarter ended 30 June 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
<b>At 1 January 2015</b>	48,092	150	(6,964)	41,278
Total Comprehensive Income	-	-	1,437	1,437
<b>At 30 June 2015</b>	48,092	150	(5,527)	42,715

	-----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
<b>At 1 January 2014</b>	48,092	150	(631)	47,611
Total Comprehensive Income	-	-	1,118	1,118
<b>At 30 June 2014</b>	48,092	150	487	48,729

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 second quarter ended 30 June 2015**

	<b>30 June 2015</b>	<b>30 June 2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit/(Loss) before tax	1,737	1,487
Adjustments for :		
Depreciation of property, plant and equipment	2,785	2,685
Bad debts recovered	-	-
Bad debts written off	-	18
Net gain on disposal of property, plant and equipment	(158)	(62)
Property, plant and equipment written off	72	100
Interest expenses	788	892
Interest income	(19)	(21)
Gross dividend income	(1)	-
<b>Operating cash flows before working capital changes</b>	<b>5,204</b>	<b>5,099</b>
Changes in working capital:		
Property development costs	121	2,049
Inventories	(1,431)	2,198
Receivables	2,932	(2,696)
Payables	542	(2,879)
Cash flows from operations	7,368	3,771
Interest received	19	21
Income tax paid, net of tax refunds	(425)	(400)
<b>Net cash flows from operating activities</b>	<b>6,962</b>	<b>3,392</b>
<b>Investing activities</b>		
Purchase of property, plant & equipment	(331)	(816)
Proceeds from disposal of property, plant & equipment	456	87
Net change of investment securities	69	-
Subsequent expenditure on land held for development	(45)	-
Gross dividend income	1	-
<b>Net cash flows from/ (used in) investing activities</b>	<b>150</b>	<b>(729)</b>
<b>Financing activities</b>		
Repayment of loans and borrowings	(5,045)	(4,280)
Net change of short term borrowings	1,362	(1,610)
(Increase)/decrease in fixed deposits pledged	(315)	2,868
Interest paid	(788)	(892)
Repayment of lease payables	(1,135)	(592)
<b>Net cash flows used in financing activities</b>	<b>(5,921)</b>	<b>(4,506)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,191</b>	<b>(1,843)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>(576)</b>	<b>5,681</b>
<b>Cash and cash equivalents at 30 June</b>	<b>615</b>	<b>3,838</b>
<b>Analysis of cash and cash equivalents:</b>		
Cash and bank balances	1,816	3,875
Bank overdrafts	(1,201)	(37)
	<b>615</b>	<b>3,838</b>

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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**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 30 Jun (Individual Quarter) ----			
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Gas	8,163	8,418	327	509
Concrete	8,213	8,255	50	(78)
Property	2,490	1,905	1,795	477
Others	0	0	(21)	(120)
<b>Total</b>	<b>18,866</b>	<b>18,578</b>	<b>2,151</b>	<b>788</b>

SEGMENT	Revenue		Profit/(Loss) before tax	
	---- 6 months ended 30 Jun (Cumulative Quarter) ----			
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Gas	15,813	16,317	534	810
Concrete	15,927	18,712	(913)	63
Property	5,050	5,638	2,273	846
Others	0	0	(157)	(232)
<b>Total</b>	<b>36,790</b>	<b>40,667</b>	<b>1,737</b>	<b>1,487</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 was no changes in the composition of the Group during the quarter ended 30 June 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 30 June 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 RM18.866 million for the second quarter ended 30 June 2015 as compared to RM18.578 million recorded in the preceding year corresponding quarter, an increase of RM0.288 million or 1.55%. For the current financial period, the Group reported a revenue of RM36.790 million as compared to RM40.667 million recorded in the preceding corresponding period.

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

For the quarter under review, the Group reported a profit before tax of RM2.151 million for the second quarter ended 30 June 2015 as compared to a profit before tax of RM0.788 million for the preceding year corresponding quarter. For the current financial period, the Group reported a profit before tax of RM1.737 million as compared to RM1.487 million recorded in the preceding corresponding period.

The profit was mainly contributed by the Property Division.

- **Gas Division**

During the current quarter under review, the Gas Division recorded a revenue of RM8.163 million as compared to RM8.418 million for the preceding year corresponding quarter, a decrease of RM0.255 million or 3.03%. For the current financial period, the Gas Division recorded a revenue of RM15.813 million as compared to RM16.317 million for the preceding corresponding period.

The revenue for bulk liquid increased by RM1.639 million whilst cylinders gas declined by RM1.135 million. The decline in cylinder gas sales was caused by market competition and slowdowns in fabrication works.

The division recorded a profit before tax of RM0.327 million for the current quarter ended 30 June 2015 compared to a profit before tax of RM0.509 million for the preceding year corresponding quarter. For the current financial period, the Gas Division recorded a profit before tax of RM0.534 million as compared to RM0.810 million for the preceding corresponding period.

The lower profit was attributable to lower cylinder gas sales as the margin was higher for cylinder gas than bulk liquid.

- **Concrete Division**

During the current quarter under review, the Concrete Division recorded a revenue of RM8.213 million as compared to RM8.255 million recorded in the preceding year corresponding quarter. For the current financial period, the Concrete Division recorded a revenue of RM15.927 million as compared to RM18.712 million for the preceding corresponding period.



The lower revenue was due to completion of the supply of ready-mixed concrete to a major project and deferment of start date of some of the infrastructure projects.

The Concrete Division recorded a profit before tax of RM0.050 million as compared to a loss before tax of RM0.078 million for the preceding year corresponding quarter. For the current financial period, the Concrete Division recorded a loss before tax of RM0.913 million as compared to profit before tax of RM0.063 million.

The loss before tax was due to lower gross revenue.

- **Property Division**

During the current quarter under review, the Property Division recorded a revenue of RM2.490 million as compared to RM1.905 million for the preceding year corresponding quarter, an increase of RM0.585 million or 30.71%. For current financial period, the Property Division recorded a revenue of RM5.050 million as compared to RM5.638 million for preceding corresponding period.

The Property Division recorded a profit before tax of RM1.795 million against a profit before tax of RM0.477 million in the preceding year corresponding quarter. For current financial period, the Property Division recorded a profit before tax of RM2.273 million as compared to profit before tax of RM0.846 million for the preceding corresponding period.

The higher profit before tax was due to the costs saving for the nearly completed Inanam Industrial Park project.

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

<b>Group Results</b>	<b>Current Quarter ended 30/06/2015</b>	<b>Preceding Quarter ended 31/03/2015</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
Revenue	18,866	17,924
Profit/(Loss) Before Tax	2,151	(414)

Revenue for the current quarter under review was RM18.866 million as compared to RM17.924 million for the preceding quarter, an increase of RM0.942 million or 5.26%. The increase in revenue was mainly due to the Gas and Concrete Division.

For the current quarter, the Group recorded a profit before tax of RM2.151 million as compared to a loss before tax of RM0.414 million for the preceding quarter ended 31 March 2015. The profit for the current quarter was mainly due to costs saving for the nearly completed Inanam Industrial Park project.

## **B3. Current Year Prospects**

In 2015, the domestic business environment is expected to be challenging. With the weakening Malaysian Ringgit and declining in crude oil prices would create challenges to the Group.

2015 is a challenging year for the Gas Division due to the lower crude oil prices which resulting in most major oil and gas players optimizing costs efficiency and scale down their shutdowns and maintenance works.

With the slowdown in new property launches, we expect the market competition to be fierce and impacts on the performance of the Concrete Division. The management will explore other avenues to increase its revenue and optimize its cost efficiencies.

The demand for high rise building has slowdown considerably but the affordable properties is still stable. We hope to obtain approvals from the relevant authorities for our proposed 76-unit residential project by the fourth 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**

	<b>Current Year Quarter 30/06/15 (RM'000)</b>	<b>Preceding Year Quarter 30/06/14 (RM'000)</b>	<b>Current Year To date 30/06/15 (RM'000)</b>	<b>Preceding Year To date 30/06/14 (RM'000)</b>
<b>Taxation comprises:</b>				
Current tax	200	222	300	369
Deferred tax	0	0	0	0
<b>Total</b>	<b>200</b>	<b>222</b>	<b>300</b>	<b>369</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.

**B7. Corporate Proposals**

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

## B8. Borrowings

### a) Short Term Borrowings

	30 June 2015			30 June 2014		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank overdraft	1,201	-	1,201	37	-	37
Bankers' acceptance and revolving credits	7,757	-	7,757	7,341	-	7,341
Term loans	90	5,338	5,428	147	4,000	4,147
Lease payables	1,706	-	1,706	1,185	-	1,185
<b>Total</b>	<b>10,754</b>	<b>5,338</b>	<b>16,092</b>	<b>8,710</b>	<b>4,000</b>	<b>12,710</b>

### b) Long Term Borrowings

	30 June 2015			30 June 2014		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Term loans	561	-	561	655	10,500	11,155
Lease payables	3,615	-	3,615	2,297	-	2,297
<b>Total</b>	<b>4,176</b>	<b>-</b>	<b>4,176</b>	<b>2,952</b>	<b>10,500</b>	<b>13,452</b>

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 full trial at the High Court was held on 11 May 2015 and 12 May 2015. The High Court fixed the ruling date on 23 July 2015 which was re-scheduled to 17 August 2015. However, on 17 August 2015, the High Court again scheduled the ruling date to 15 September 2015.

#### **B10. Dividend Payable**

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

## B11. Earnings Per Share

	Current Year Quarter 30/06/2015	Preceding Year Quarter 30/06/2014	Current Year To date 30/06/2015	Preceding Year To date 30/06/2014
<b>a) Basic</b>				
Profit/(Loss) net of tax, attributable to Equity Holders of the Company (RM'000)	1,951	566	1,437	1,118
Weighted average number of ordinary shares, in issue ('000)	48,092	48,092	48,092	48,092
Basic earnings/(loss) per share (sen)	<b>4.06</b>	<b>1.18</b>	<b>2.99</b>	<b>2.32</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

## B12. Realised and Unrealised Profits/Losses

	As at 30/06/15 (RM'000)	As at 31/12/14 (RM'000)
Total revenue reserve / (accumulated losses) of the Company and its subsidiaries:		
- Realised	6,168	3,894
- Unrealised	(6,075)	(6,075)
	93	(2,181)
Less : Consolidation adjustments	(5,620)	(4,783)
(Accumulated losses) / revenue reserve as per financial statements	(5,527)	(6,964)