

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

Unaudited Condensed Consolidated Statements of Financial Position
as at 31 December 2015

	31 December 2015	31 December 2014
	RM' 000	RM' 000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	45,494	50,243
Land held for property development	5,227	5,182
	50,721	55,425
Current assets		
Property development costs	2,164	1,673
Inventories	6,794	6,683
Trade receivables	19,473	24,149
Other receivables, deposits and prepayments	2,121	2,543
Accrued billings	1,738	890
Tax recoverable	721	550
Short term deposits with licensed banks (pledged)	1,952	1,986
Cash held pursuant to Housing Development Act	1,510	1,594
Investment securities	10	110
Cash and bank balances	807	1,602
	37,291	41,780
TOTAL ASSETS	88,012	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	(4,545)	(6,964)
TOTAL EQUITY	43,697	41,278
Non-current liabilities		
Lease payables	3,119	4,029
Term loans	2,524	609
Deferred tax liabilities	6,075	6,075
	11,719	10,713
Current liabilities		
Bank overdrafts	2,211	2,562
Term loans	1,913	10,424
Borrowings	6,632	6,395
Trade payables	9,306	12,635
Other payables and accruals	9,335	10,517
Progress billings	1,228	905
Amount due to related companies	45	45
Lease payables	1,686	1,577
Income tax payable	240	154
	32,597	45,214
TOTAL LIABILITIES	44,316	55,927
TOTAL EQUITY AND LIABILITIES	88,012	97,205
Net assets per share attributable to Equity Holders of the Company (RM)	0.91	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.

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**Unaudited Condensed Consolidated Statements of Comprehensive Income
for the fourth quarter ended 31 December 2015**

	3 months ended 31 Dec		12 months ended 31 Dec	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Revenue	14,663	19,645	67,392	79,683
Other income	154	573	863	1,220
Interest income	8	32	30	61
Changes in inventories of finished goods	(580)	170	357	(2,144)
Inventories purchased and raw materials consumed	(6,245)	(8,133)	(29,691)	(32,372)
Carriage outwards	(73)	(221)	(428)	(666)
Employee salaries and other benefits expenses	(2,809)	(3,467)	(11,406)	(12,510)
Depreciation of plant, property and equipment	(1,368)	(1,450)	(5,540)	(5,536)
Development costs	(162)	(2,303)	(2,769)	(8,706)
Other expenses	(3,083)	(10,857)	(14,436)	(23,297)
Operating (loss)/profit	505	(6,011)	4,372	(4,267)
Finance costs	(321)	(443)	(1,455)	(1,783)
(Loss)/Profit before tax	184	(6,454)	2,917	(6,050)
Income tax expense	(48)	271	(498)	(282)
(Loss)/Profit net of tax, representing total comprehensive income for the period	136	(6,183)	2,419	(6,332)
Total comprehensive income for the period				
(Loss)/Profit attributable to:				
Owners of the Company	136	(6,183)	2,419	(6,332)
Earning per share attributable to equity holders of the Company:				
Earnings/(loss) per share (sen)				
- Basic	0.28	(12.86)	5.03	(13.17)
- 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.

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**Unaudited Condensed Consolidated Statements of Changes in Equity
for the fourth quarter ended 31 December 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	-	-	2,419	2,419
At 31 December 2015	48,092	150	(4,545)	43,697

	-----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	(632)	47,610
Total Comprehensive Income	-	-	(6,332)	(6,332)
At 31 December 2014	48,092	150	(6,964)	41,278

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 fourth quarter ended 31 December 2015

	31 December 2015	31 December 2014
	RM'000	RM'000
Profit/(Loss) before tax	2,917	(6,050)
Adjustments for :		
Depreciation of property, plant and equipment	5,539	5,536
Bad debts recovered	-	-
Bad debts written off	-	261
Net gain on disposal of property, plant and equipment	(447)	(368)
Property, plant and equipment written off	99	1,227
Impairment loss on trade receivables, net of reversal	-	796
Impairment loss on other receivables	-	222
Impairment loss on goodwill	-	841
Interest expenses	1,455	1,783
Interest income	(30)	(61)
Gross dividend income	(1)	(1)
Operating cash flows before working capital changes	9,532	4,186
Changes in working capital:		
Property development costs	(492)	3,687
Inventories	(111)	2,754
Receivables	4,251	(269)
Payables	(3,986)	(758)
Cash flows from operations	9,194	9,600
Interest received	30	61
Income tax paid, net of tax refunds	(583)	(1,089)
Net cash flows from operating activities	8,641	8,572
Investing activities		
Purchase of property, plant & equipment	(316)	(1,320)
Proceeds from disposal of property, plant & equipment	792	598
Net change of investment securities	100	392
Subsequent expenditure on land held for development	(45)	(5)
Gross dividend income	1	1
Net cash flows from/ (used in) investing activities	532	(334)
Financing activities		
Repayment of loans and borrowings	(6,596)	(11,106)
Net change of short term borrowings	236	-
(Increase)/decrease in fixed deposits pledged	(265)	2,700
Interest paid	(1,455)	(1,783)
Repayment of lease payables	(1,921)	(1,863)
Net cash flows used in financing activities	(10,001)	(12,052)
Net increase/(decrease) in cash and cash equivalents	(828)	(3,814)
Cash and cash equivalents at 1 January	(576)	3,238
Cash and cash equivalents at 31 December	(1,404)	(576)
Analysis of cash and cash equivalents:		
Cash and bank balances	807	1,986
Bank overdrafts	(2,211)	(2,562)
	(1,404)	(576)

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 shall apply the MFRS Framework for financial periods beginning on or after 1 January 2018.

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 30 June 2018.

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 30 June 2018.

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 period-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 Dec (Individual Quarter) ----			
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Gas	7,856	9,043	920	1,348
Concrete	5,600	7,787	(1,658)	(2,111)
Property	1,207	2,815	959	10
Others	0	0	(37)	(330)
Total	14,663	19,645	184	(1,083)

SEGMENT	Revenue		Profit/(Loss) before tax	
	---- 12 months ended 31 Dec (Cumulative Quarter) ----			
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Gas	30,879	34,305	1,730	983
Concrete	28,320	34,052	(3,333)	(6,321)
Property	8,193	11,326	4,684	1,098
Others	0	0	(164)	(1,810)
Total	67,392	79,683	2,917	(6,050)

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 December 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 December 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 RM14.663 million for the fourth quarter ended 31 December 2015 as compared to RM19.645 million recorded in the preceding year corresponding quarter, a decrease of RM4.982 million or 25.36%. For the current financial period, the Group reported a revenue of RM67.392 million as compared to RM79.683 million recorded in the preceding corresponding period.

The lower revenue for the quarter under review was noted in three divisions but was more significant in the Concrete Division.

For the quarter under review, the Group reported a profit before tax of RM0.184 million for the fourth quarter ended 31 December 2015 as compared to a loss before tax of RM6.454 million for the preceding year corresponding quarter. For the current financial period, the Group reported a profit before tax of RM2.917 million as compared to a loss before tax of RM6.050 million recorded in the preceding corresponding period.

The profit before tax for the quarter and period under review was contributed by the Property and Gas Divisions. In the preceding year's corresponding quarter and period, our Air Separation unit underwent a scheduled overhaul and impairment of intangible assets, inventories and trade receivables.

- **Gas Division**

During the current quarter under review, the Gas Division recorded a revenue of RM7.856 million as compared to RM9.043 million for the preceding year corresponding quarter, a decrease of RM1.187 million or 13.13%. For the current financial period, the Gas Division recorded a revenue of RM30.879 million as compared to RM34.305 million for the preceding corresponding period, a decrease of RM3.426 million.

The lower revenue for the quarter and period under review was due to the slowdown in the regional economy.

The division recorded a profit before tax of RM0.920 million for the current quarter ended 31 December 2015 compared to a loss before tax of RM1.175 million for the preceding year corresponding quarter. For the current financial period, the Gas Division recorded a profit before tax of RM1.730 million as compared to profit before tax of RM0.983 million for the preceding corresponding period.

In the preceding year's corresponding quarter and period, our Air Separation Unit underwent a scheduled overhaul, thus the lower profit before tax.

- **Concrete Division**

During the current quarter under review, the Concrete Division recorded a revenue of RM5.600 million as compared to RM7.787 million recorded in the preceding year corresponding quarter, a decrease of RM2.187 million or 28.09%. For the current financial period, the Concrete Division recorded a revenue of RM28.320 million as compared to RM34.052 million for the preceding corresponding period.

The lower revenue for the quarter and period under review was reflective of the weakening residential and non-residential buildings segments and the deferment of key infrastructure projects including roads slated for 2015 to 2016.

The Concrete Division recorded a loss before tax of RM1.658 million as compared to a loss before tax of RM4.273 million for the preceding year corresponding quarter. For the current financial period, the Concrete Division recorded a loss before tax of RM3.333 million as compared to a loss before tax of RM6.321 million for the preceding corresponding period.

The loss before tax for the quarter and period under review was in line with the lower revenue with the weakening of residential and non-residential buildings segments and deferment of key infrastructure projects.

- **Property Division**

During the current quarter under review, the Property Division recorded a revenue of RM1.207 million as compared to RM2.815 million for the preceding year corresponding quarter, a decrease of RM1.608 million or 57.12%. For current financial period, the Property Division recorded a revenue of RM8.193 million as compared to RM11.326 million for the preceding corresponding period.

The lower revenue for the quarter and period under review was due to the delay in the launching of our proposed mixed development located 10 minutes away from Tuaran, Sabah.

The Property Division recorded a profit before tax of RM0.959 million against a profit before tax of RM0.242 million in the preceding year corresponding quarter. For current financial period, the Property Division recorded a profit before tax of RM4.684 million as compared to profit before tax of RM1.098 million for the preceding corresponding period.

The higher profit before tax was due to certain contingency costs did not materialize which lead to costs saving for our nearly completed Inanam Industrial Park project.

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

Group Results	Current Quarter ended 31/12/2015	Preceding Quarter ended 30/09/2015
	(RM'000)	(RM'000)
Revenue	14,463	15,939
Profit/(Loss) Before Tax	184	996

Revenue for the current quarter under review was RM14.463 million as compared to RM15.939 million for the preceding quarter, a decrease of RM1.476 million or 9.26%. The decrease in revenue was mainly caused by the Concrete Division.

For the current quarter, the Group recorded a profit before tax of RM0.184 million as compared to a profit before tax of RM0.996 million for the preceding quarter ended 30 September 2015. The lower profit for the current quarter was mainly due to higher losses suffered by the Concrete Division of RM0.896 million and lesser profit contributed by the Property Division.

B3. Current Year Prospects

The operating environment is expected to continue to be tough in the first half of 2016. However, the federal budget for 2016 announced in November 2015 reflects the government's commitment to infrastructure development, and public projects will continue to drive construction activity.

The Group remains focused on securing sales orders / new projects at better pricing and continual improvements in the production processes and optimization of cost efficiency.

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 31/12/15	Preceding Year Quarter 31/12/14	Current Year To date 31/12/15	Preceding Year To date 31/12/14
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Taxation comprises:				
Current tax	48	227	498	780
Deferred tax	0	(498)	0	(498)
Total	48	(271)	498	282

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 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 December 2015			31 December 2014		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank overdraft	2,211	-	2,211	2,562	-	2,562
Bankers' acceptance and revolving credits	6,632	-	6,632	6,395	-	6,395
Term loans	94	1,819	1,913	87	10,337	10,424
Lease payables	1,686	-	1,686	1,577	-	1,577
Total	10,623	1,819	12,442	10,621	10,337	20,958

b) Long Term Borrowings

	31 December 2015			31 December 2014		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Term loans	511	2,013	2,524	609	-	609
Lease payables	3,119	-	3,119	4,029	-	4,029
Total	3,630	2,013	5,643	4,638	-	4,638

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 the SPA and in the alternative for damages for breach of contract. BIGG refuted the claim as the 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 and 15 September 2015, the High Court again scheduled the ruling date to 15 September 2015 and 18 November 2015 respectively.

The Bintulu High Court had again re-scheduled the ruling date to 28 December 2015 and later 4 February 2016. Subsequently on 4 February 2016, the ruling date was postponed to 26 February 2016.

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
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
a) Basic				
Profit/(Loss) net of tax, attributable to Equity Holders of the Company (RM'000)	136	(6,183)	2,419	(6,332)
Weighted average number of ordinary shares, in issue ('000)	48,092	48,092	48,092	48,092
Basic earnings/(loss) per share (sen)	0.28	(12.86)	5.03	(13.17)
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 31/12/15 (RM'000)	As at 31/12/14 (RM'000)
Total revenue reserve / (accumulated losses) of the Company and its subsidiaries:		
- Realised	7,750	3,894
- Unrealised	(6,075)	(6,075)
	1,675	(2,181)
Less : Consolidation adjustments	(6,220)	(4,783)
(Accumulated losses) / revenue reserve as per financial statements	(4,545)	(6,964)