

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2016**

	(Unaudited) 15 months 31 March 2016 RM' 000	(Audited) 12 months 31 December 2014 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	44,418	50,243
Land held for property development	5,300	5,182
	49,718	55,425
Current assets		
Property development costs	2,223	1,673
Inventories	6,087	6,683
Trade receivables	18,895	24,149
Other receivables, deposits and prepayments	2,311	2,543
Accrued billings	701	890
Tax recoverable	791	550
Short term deposits with licensed banks (pledged)	958	1,986
Cash held pursuant to Housing Development Act	1,523	1,594
Investment securities	10	110
Cash and bank balances	1,032	1,602
	34,532	41,780
TOTAL ASSETS	84,250	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	(4,804)	(6,964)
TOTAL EQUITY	43,438	41,278
Non-current liabilities		
Lease payables	2,721	4,029
Term loans	1,945	609
Deferred tax liabilities	6,075	6,075
	10,742	10,713
Current liabilities		
Bank overdrafts	2,720	2,562
Term loans	1,969	10,424
Borrowings	6,087	6,395
Trade payables	9,486	12,635
Other payables and accruals	7,874	10,517
Progress billings	-	905
Amount due to related companies	45	45
Lease payables	1,650	1,577
Income tax payable	240	154
	30,071	45,214
TOTAL LIABILITIES	40,813	55,927
TOTAL EQUITY AND LIABILITIES	84,250	97,205
Net assets per share attributable to Equity Holders of the Company (RM)	0.90	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)
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**UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2016**

	3 months	15 months
	Jan 16 - Mar 16	Jan 15 to Mar 16
	RM'000	RM'000
Revenue	12,609	80,001
Other income	341	1,204
Interest income	15	45
Changes in inventories of finished goods	(256)	101
Inventories purchased and raw materials consumed	(6,011)	(35,702)
Carriage outwards	(87)	(515)
Employee salaries and other benefits expenses	(3,223)	(14,629)
Depreciation of plant, property and equipment	(1,345)	(6,885)
Development costs	(29)	(2,798)
Other expenses	(1,887)	(16,323)
Operating (loss)/profit	<u>127</u>	<u>4,499</u>
Finance costs	(286)	(1,741)
(Loss)/Profit before tax	<u>(159)</u>	<u>2,758</u>
Income tax expense	(100)	(598)
(Loss)/Profit net of tax, representing total comprehensive income for the period	<u>(259)</u>	<u>2,160</u>
Total comprehensive income for the period		
(Loss)/Profit attributable to:		
Owners of the Company	<u>(259)</u>	<u>2,160</u>
Earning per share attributable to equity holders of the Company:		
Earnings/(loss) per share (sen)		
- Basic	<u>(0.54)</u>	<u>4.49</u>
- Diluted	<u>NA</u>	<u>NA</u>

Due to the change of financial year end from 31 December 2015 to 30 June 2016 (18 months), no comparative figures are presented.

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 QUARTER ENDED 31 MARCH 2016**

	-----Attributable to Equity Holders of Company-----			Total RM'000
	-----Non-distributable-----	Share Premium	Distributable Revenue Reserve/ (Accumulated losses)	
	Share Capital RM'000	RM'000	RM'000	
15 months ended 31 March 2016				
At 1 January 2015	48,092	150	(6,964)	41,278
Total Comprehensive Income	-	-	2,160	2,160
At 31 March 2016	48,092	150	(4,804)	43,438

Due to the change of financial year end from 31 December 2015 to 30 June 2016 (18 months), no comparative figures are presented.

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.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2016**

	15 months ended 31 March 2016 RM'000
Profit/(Loss) before tax	2,758
Adjustments for :	
Depreciation of property, plant and equipment	6,885
Bad debts recovered	(169)
Bad debts written off	6
Net gain on disposal of property, plant and equipment	(462)
Property, plant and equipment written off	104
Impairment loss on trade receivables, net of reversal	(120)
Impairment loss on other receivables	-
Impairment loss on goodwill	-
Interest expenses	1,741
Interest income	(44)
Gross dividend income	(1)
Operating cash flows before working capital changes	10,698
Changes in working capital:	
Property development costs	(551)
Inventories	596
Receivables	5,959
Payables	(6,696)
Cash flows from operations	10,006
Interest received	44
Income tax paid, net of tax refunds	(753)
Net cash flows from operating activities	9,297
Investing activities	
Purchase of property, plant & equipment	(334)
Proceeds from disposal of property, plant & equipment	824
Net change of investment securities	100
Subsequent expenditure on land held for development	(119)
Gross dividend income	1
Net cash flows from/ (used in) investing activities	472

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2016
(contd.)

	15 months ended 31 March 2016 RM'000
Financing activities	
Repayment of loans and borrowings	(7,120)
Net change of short term borrowings	(307)
(Increase)/decrease in fixed deposits pledged	714
Interest paid	(1,741)
Repayment of lease payables	(2,427)
Net cash flows used in financing activities	<u>(10,881)</u>
Net increase/(decrease) in cash and cash equivalents	(1,112)
Cash and cash equivalents at 1 January	<u>(576)</u>
Cash and cash equivalents at 31 March	<u><u>(1,688)</u></u>
Analysis of cash and cash equivalents:	
Cash and bank balances	1,032
Bank overdrafts	<u>(2,720)</u>
	<u><u>(1,688)</u></u>

Due to the change of financial year end from 31 December 2015 to 30 June 2016 (18 months), no comparative figures are presented.

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

	Revenue	Profit/(Loss) before tax
	--- 3 months ended 31 Mar 2016 ---	
SEGMENT	RM'000	RM'000
Gas	6,455	145
Concrete	6,154	(256)
Property	0	(5)
Others	0	(43)
Total	12,609	(159)

	Revenue	Profit/(Loss) before tax
	--- 15 months ended 31 Mar 2016 ---	
SEGMENT	RM'000	RM'000
Gas	37,334	1,875
Concrete	34,474	(3,588)
Property	8,193	4,679
Others	0	(208)
Total	80,001	2,758

The Company change its financial year end from 31 December to 30 June 2016, the next financial period will be for 18 months ended 30 June 2016. Thus, no comparative figures are presented.

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 2016.

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 2016.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Performance Review

On 25 June 2015, the Company announced the change of the Company's financial year end from 31 December to 30 June and therefore the next financial period will be for 18 months ended 30 June 2016. As such, there will be no comparative figures for the current quarter for the three months ended 31 March 2016 and year to date 15 months ended 31 March 2016.

For the quarter under review, the Group reported a gross revenue of RM12.609 million. The lower revenue was noted in all the three divisions. No revenue was reported from the Property Division as the projects had come to an end and no new project was launched.

For the current financial period, the Group reported a gross revenue of RM80.001 million.

For the quarter under review, the Group reported a loss before tax of RM0.159 million and for current financial period, the Group reported a profit before tax of RM2.758 million.

- **Gas Division**

During the current quarter under review, the Gas Division recorded a gross revenue of RM6.455 million. The lower revenue was due to slowdown in the shipbuilding and fabrication industries, compounded by reduced maintenance activities in the oil and gas sector.

For the current financial period, the Gas Division recorded a gross revenue of RM37.334 million.

The division recorded a profit before tax of RM0.145 million for the current quarter ended 31 March 2016. The lower profit was in line with the lower revenue.

For the current financial period, the Gas Division recorded a profit before tax of RM1.875 million.

- **Concrete Division**

During the current quarter under review, the Concrete Division recorded a gross revenue of RM6.154 million. The lower revenue was due to deferment of building projects by major developers and reduced spending on public infrastructure.

For the current financial period, the Concrete Division recorded a gross revenue of RM34.474 million.

During the current quarter under review, the Concrete Division recorded a loss before tax of RM0.256 million. The lower loss was due to costs optimization measures and improved efficiency in its operation.

For current financial period, the Concrete Division recorded loss before tax of RM3.588 million.

- **Property Division**

During the current quarter under review, no revenue was recorded by the Property Division as all its projects had been completed and no new project was launched yet.

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

Group Results	Current Quarter ended 31/03/2016	Preceding Quarter ended 31/12/2015
	(RM'000)	(RM'000)
Revenue	12,609	14,663
Profit/(Loss) Before Tax	(159)	184

Revenue for the current quarter under review was RM12.609 million as compared to RM14.663 million for the preceding quarter, a decrease of RM2.054 million or 14.01%. The decrease in revenue was mainly due to no revenue recorded by the Property Division.

For the current quarter, the Group recorded a loss before tax of RM0.159 million as compared to a profit before tax of RM0.184 million for the preceding quarter ended 31 December 2015. The current quarter loss was attributable to lower revenue.

B3. Current Year Prospects

The Group expects the current competitive business environment to pose challenges to the Group's businesses. Nevertheless, the Group will continue to focus on various costs control exercises to contain overheads and improve operational efficiency and productivity.

The Group will continue to explore new business opportunities to strengthen its revenue and performance. We expect the Gas Division to continue contributing positively to the Group's results.

With the government's continual commitment to major infrastructures in Sabah coming on stream, the Group expects the demand for concrete products will improve in the last quarter of 2016.

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 31/03/16 (RM'000)	Current Year To date 31/03/16 (RM'000)
Taxation comprises:		
Current tax	100	598
Deferred tax	0	0
Total	100	598

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 March 2016		
	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Bank overdraft	2,720	-	2,720
Bankers' acceptance and revolving credits	6,087	-	6,087
Term loans	95	1,874	1,969
Lease payables	1,650	-	1,650
Total	10,552	1,874	12,426

b) Long Term Borrowings

	31 March 2016		
	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Term loans	489	1,456	1,945
Lease payables	2,721	-	2,721
Total	3,210	1,456	4,666

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 ("Caveat") 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. On 26 February 2016, the ruling date was again postponed to 18 March 2016.

On 18 March 2016, the High Court ruled as follows:

1. The Caveat to be withdrawn upon receipt of RM620,000.00 from BIGG;
2. No specific performance is granted against BIGG;
3. Global costs of RM55,000.00 payable to PWPSB;
4. BIGG to pay damages (to be assessed by Registrar) under Section 75 of Contract Act 1950 or Clause 6 of SPA.

BIGG had on 14 April 2016 filed an appeal to Court of Appeal against High Court decision.

B10. Dividend Payable

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

B11. Earnings Per Share

	Current Quarter Ended 31/03/16	15 months Current Period To-Date 31/03/16
a) Basic		
Profit/(Loss) net of tax, attributable to Equity Holders of the Company (RM'000)	(259)	2,160
Weighted average number of ordinary shares, in issue ('000)	48,092	48,092
Basic earnings/(loss) per share (sen)	(0.54)	4.49
b) Diluted		
Profit/(Loss) net of tax, attributable to Equity Holders of the Company (RM'000)	N/A	N/A
Weighted average number of ordinary shares, in issue ('000)	N/A	N/A
Fully diluted earnings per share (sen)	N/A	N/A

B12. Realised and Unrealised Profits/Losses

	Current financial period ended 31/03/16	Financial year ended 31/12/14
	(RM'000)	(RM'000)
Total revenue reserve / (accumulated losses) of the Company and its subsidiaries:		
- Realised	7,105	3,894
- Unrealised	(6,075)	(6,075)
	1,030	(2,181)
Less : Consolidation adjustments	(5,834)	(4,783)
(Accumulated losses) / revenue reserve as per financial statements	(4,804)	(6,964)