

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 JUNE 2016**

	<b>(Unaudited) 18 months 30 June 2016 RM' 000</b>	<b>(Audited) 12 months 31 December 2014 RM' 000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	42,794	50,243
Land held for property development	5,930	5,182
	48,724	55,425
<b>Current assets</b>		
Property development costs	-	1,673
Inventories	7,087	6,683
Trade receivables	17,859	24,149
Other receivables, deposits and prepayments	2,199	2,543
Accrued billings	305	890
Tax recoverable	734	550
Short term deposits with licensed banks (pledged)	1,012	1,602
Cash held pursuant to Housing Development Act	1,530	1,594
Investment securities	10	110
Cash and bank balances	2,000	1,986
	32,737	41,780
<b>TOTAL ASSETS</b>	<b>81,461</b>	<b>97,205</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	(5,929)	(6,964)
<b>TOTAL EQUITY</b>	42,313	41,278
<b>Non-current liabilities</b>		
Lease payables	2,242	4,029
Term loans	1,364	609
Deferred tax liabilities	5,805	6,075
	9,412	10,713
<b>Current liabilities</b>		
Bank overdrafts	2,825	2,562
Term loans	2,025	10,424
Borrowings	5,766	6,395
Trade payables	6,999	12,635
Other payables and accruals	10,517	10,517
Progress billings	-	905
Amount due to related companies	45	45
Lease payables	1,547	1,577
Income tax payable	13	154
	29,737	45,214
<b>TOTAL LIABILITIES</b>	39,149	55,927
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>81,461</b>	<b>97,205</b>
<b>Net assets per share attributable to Equity Holders of the Company (RM)</b>	0.88	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 STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 JUNE 2016**

	<b>3 months</b> <b>Apr 16 - Jun 16</b> <b>RM'000</b>	<b>18 months</b> <b>Jan 15 to Jun 16</b> <b>RM'000</b>
<b>Revenue</b>	13,259	93,260
Other income	566	1,770
Interest income	94	139
Changes in inventories of finished goods	(171)	(70)
Inventories purchased and raw materials consumed	(6,205)	(41,907)
Carriage outwards	(100)	(615)
Employee salaries and other benefits expenses	(2,475)	(17,104)
Depreciation of plant, property and equipment	(1,380)	(8,265)
Development costs	460	(2,338)
Other expenses	(4,788)	(21,111)
<b>Operating (loss)/profit</b>	<u>(740)</u>	<u>3,759</u>
Finance costs	(267)	(2,008)
<b>(Loss)/Profit before tax</b>	<u>(1,007)</u>	<u>1,751</u>
Income tax expense	(118)	(716)
<b>(Loss)/Profit net of tax, representing total comprehensive income for the period</b>	<u><u>(1,125)</u></u>	<u><u>1,035</u></u>
<b>Total comprehensive income for the period</b>		
(Loss)/Profit attributable to:		
Owners of the Company	<u><u>(1,125)</u></u>	<u><u>1,035</u></u>
<b>Earning per share attributable to equity holders of the Company:</b>		
Earnings/(loss) per share (sen)		
- Basic	<u><u>(2.34)</u></u>	<u><u>2.15</u></u>
- Diluted	<u><u>NA</u></u>	<u><u>NA</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 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)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 30 JUNE 2016**

	-----Attributable to Equity Holders of Company-----			
	-----Non-distributable-----		Distributable	Total
	Share Capital	Share Premium	Revenue Reserve/ (Accumulated losses)	
	RM'000	RM'000	RM'000	RM'000
<b>18 months ended 30 June 2016</b>				
At 1 January 2015	48,092	150	(6,964)	41,278
Total Comprehensive Income	-	-	1,035	1,035
At 30 June 2016	<u>48,092</u>	<u>150</u>	<u>(5,929)</u>	<u>42,313</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 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)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE QUARTER ENDED 30 JUNE 2016**

	<b>18 months ended 30 June 2016 RM'000</b>
Profit/(Loss) before tax	1,751
Adjustments for :	
Depreciation of property, plant and equipment	8,265
Bad debts recovered	(202)
Bad debts written off	222
Net gain on disposal of property, plant and equipment	(202)
Property, plant and equipment written off	121
Impairment loss on property, plant and equipment	22
Impairment loss on inventories	1
Impairment loss on trade receivables	454
Reversal of impairment loss on trade receivables	(317)
Reversal of impairment loss on other receivables	(222)
Impairment loss on other receivables	-
Impairment loss on other investments	65
Interest expenses	2,008
Interest income	(138)
Gross dividend income	(1)
<b>Operating cash flows before working capital changes</b>	<b>11,827</b>
Changes in working capital:	
Property development costs	1,673
Inventories	(1,715)
Receivables	8,532
Payables	(6,541)
Cash flows from operations	13,776
Interest received	138
Income tax paid, net of tax refunds	(1,312)
<b>Net cash flows from operating activities</b>	<b>12,602</b>
<b>Investing activities</b>	
Purchase of property, plant & equipment	(1,037)
Proceeds from disposal of property, plant & equipment	1,381
Net change of investment securities	100
Subsequent expenditure on land held for development	(749)
Gross dividend income	1
<b>Net cash flows from/ (used in) investing activities</b>	<b>(304)</b>

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE QUARTER ENDED 30 JUNE 2016**  
(contd.)

	<b>18 months ended 30 June 2016 RM'000</b>
<b>Financing activities</b>	
Repayment of loans and borrowings	(7,644)
Net change of short term borrowings	(629)
(Increase)/decrease in fixed deposits pledged	654
Interest paid	(2,008)
Repayment of lease payables	(2,920)
<b>Net cash flows used in financing activities</b>	<u>(12,547)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(249)
<b>Cash and cash equivalents at 1 January</b>	<u>(576)</u>
<b>Cash and cash equivalents at 30 June</b>	<u><u>(825)</u></u>
<b>Analysis of cash and cash equivalents:</b>	
Cash and bank balances	2,000
Bank overdrafts	(2,825)
	<u><u>(825)</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

	<b>Revenue</b>	<b>Profit/(Loss) before tax</b>
	<b>--- 3 months ended 30 Jun 2016 ---</b>	
<b>SEGMENT</b>	<b>RM'000</b>	<b>RM'000</b>
Gas	6,767	(930)
Concrete	5,525	(1,142)
Property	967	1,305
Others	0	(240)
<b>Total</b>	<b>13,259</b>	<b>(1,007)</b>

	<b>Revenue</b>	<b>Profit/(Loss) before tax</b>
	<b>--- 18 months ended 30 Jun 2016 ---</b>	
<b>SEGMENT</b>	<b>RM'000</b>	<b>RM'000</b>
Gas	44,101	945
Concrete	39,999	(4,730)
Property	9,160	5,984
Others	0	(448)
<b>Total</b>	<b>93,260</b>	<b>1,751</b>

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 30 June 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 30 June 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 year will be for 12 months ended 30 June 2017. As such, there will be no comparative figures for the current quarter for the three months ended 30 June 2016 and year to date 18 months ended 30 June 2016.

For the quarter under review, the Group reported a gross revenue of RM13.259 million. The lower revenue was noted in the Concrete Divisions, a decrease by RM0.629 million, while the Property Division recorded a revenue of RM0.967 million for disposing a unit of condominium.

For the current financial period, the Group reported a gross revenue of RM93.260 million.

For the quarter under review, the Group reported a loss before tax of RM1.007 million mainly due to impairment of trade receivables and property, plant and equipment. For current financial period, the Group reported a profit before tax of RM1.751 million.

- **Gas Division**

During the current quarter under review, the Gas Division recorded a gross revenue of RM6.767 million, increased by RM0.312 million. The slight higher revenue was due to customer plants shut down for maintenance works.

For the current financial period, the Gas Division recorded a gross revenue of RM44.101 million.

The division recorded a loss before tax of RM0.930 million for the current quarter ended 30 June 2016. The higher loss was due to lower revenue and impairment of trade receivables.

For the current financial period, the Gas Division recorded a profit before tax of RM0.945 million.

- **Concrete Division**

During the current quarter under review, the Concrete Division recorded a gross revenue of RM5.525 million, decreased by RM0.629 million. The lower revenue was due to intense competition and lesser projects launched by developers.

For the current financial period, the Concrete Division recorded a gross revenue of RM39.999 million.

During the current quarter under review, the Concrete Division recorded a loss before tax of RM1.142 million. The higher loss was due to lower revenue and impairment.

For current financial period, the Concrete Division recorded a loss before tax of RM4.730 million.

- **Property Division**

During the current quarter under review, the revenue of RM0.967 million was from the disposal of the condominium. No new project was launched.

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

<b>Group Results</b>	<b>Current Quarter ended 30/06/2016</b>	<b>Preceding Quarter ended 31/03/2016</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
Revenue	13,259	12,609
Profit/(Loss) Before Tax	(1,007)	(159)

Revenue for the current quarter under review was RM13.259 million as compared to RM12.609 million for the preceding quarter, an increase of RM0.650 million or 5.16%. The increase was contributed by the Property Division.

For the current quarter, the Group recorded a loss before tax of RM1.007 million as compared to a loss before tax of RM0.159 million for the preceding quarter ended 31 March 2016. The higher loss in the current quarter was attributable to impairment.

## **B3. Current Year Prospects**

The weak crude oil prices continued in the current quarter. Malaysia, being the net exporter, had been badly affected. The uncertain economic situations had dampened the consumer sentiment and spending.

The Group expects the current competitive business environment will continue until early next year. During this difficult time, the Group will focus on various costs control exercises to contain overheads and improve operational efficiency and productivity.

The weak crude oil prices had resulted in major oil and gas players deferring their shutdown and maintenance works which may impact the performance of the Gas Division.

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**

	<b>Current Year Quarter</b>	<b>Current Year To date</b>
	<b>30/06/16</b>	<b>30/06/16</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
<b>Taxation comprises:</b>		
Current tax	388	986
Deferred tax	(270)	(270)
<b>Total</b>	<b>118</b>	<b>716</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 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**

	<b>30 June 2016</b>		
	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Bank overdraft	2,825	-	2,825
Bankers' acceptance and revolving credits	5,766	-	5,766
Term loans	97	1,928	2,025
Lease payables	1,547	-	1,547
<b>Total</b>	<b>10,235</b>	<b>1,928</b>	<b>12,163</b>

## b) Long Term Borrowings

	30 June 2016		
	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Term loans	464	900	1,364
Lease payables	2,242	-	2,242
Total	2,706	900	3,606

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 the Court of Appeal against the High Court decision.

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

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

**B11. Earnings Per Share**

	<b>Current Quarter Ended 30/6/2016</b>	<b>18 months Current Period To-Date 30/6/2016</b>
<b>a) Basic</b>		
Profit/(Loss) net of tax, attributable to Equity Holders of the Company (RM'000)	(1,125)	1,035
Weighted average number of ordinary shares, in issue ('000)	48,092	48,092
Basic earnings/(loss) per share (sen)	<b>(2.34)</b>	<b>2.15</b>
<b>b) Diluted</b>		
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**

	<b>Current financial period ended 30/06/16</b>	<b>Financial year ended 31/12/14</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
Total revenue reserve / (accumulated losses) of the Company and its subsidiaries:		
- Realised	4,980	3,894
- Unrealised	(6,075)	(6,075)
	(1,095)	(2,181)
Less : Consolidation adjustments	(4,834)	(4,783)
(Accumulated losses) / revenue reserve as per financial statements	(5,929)	(6,964)