



Contents

02-06	Notice of Sixteenth Annual General Meeting
07	Statement Accompanying Notice of Sixteenth Annual General Meeting
08	Group Corporate Structure
09	Corporate Information
10-12	Profile of the Board of Directors
13-20	Corporate Governance Statement
21-22	Statement on Internal Control
23-27	Audit Committee Report
28-29	Chairman's Statement
30-35	Directors' Report
36	Statement by Directors
36	Statutory Declaration
37	Auditors' Report
38	Income Statements
39	Balance Sheets
40	Statement of Changes in Equity
41-43	Cash Flow Statements
44-75	Notes to the Financial Statements
76-78	Analysis of Shareholdings
79-80	Analysis of Warrantholdings
81-82	List of Properties Held by the Group
83	Group Corporate Directory
ENCLOSED	Proxy Form



Notice of Sixteenth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Sixteenth Annual General Meeting of B.I.G. INDUSTRIES BERHAD will be held at The Sarawak Club, Jalan Taman Budaya, 93000 Kuching, Sarawak on Tuesday, 27 June 2006 at 11.00 a.m. to transact the following matters:-

AGENDA

AS ORDINARY BUSINESS

- | | |
|---|--|
| 1. To receive and adopt the Audited Financial Statements of the Company for the year ended 31 December 2005 and the Directors' and Auditors' Reports thereon. | Resolution 1 |
| 2. To approve the payment of Directors' fees amounting to RM86,000 in respect of the year ended 31 December 2005. | Resolution 2 |
| 3. To re-elect the following Directors who retire by rotation pursuant to Article 106 of the Company's Articles of Association and being eligible offer themselves for re-election:-
i) Y. Bhg. Datuk Haji Mazelan Bin Bugo
ii) Ms. Yong Siew Kat | Resolution 3
Resolution 4 |
| 4. To re-appoint Messrs. Ernst & Young as the Company's Auditors and to authorise the Directors to fix their remuneration. | Resolution 5 |

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, with or without modifications, as Ordinary Resolutions of the Company:-

- | | |
|---|---------------------|
| 5. ORDINARY RESOLUTION NO. 1
Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares | Resolution 6 |
|---|---------------------|

"THAT pursuant to Section 132D of the Act and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to allot and issue new shares in the Company at any time, at such price, upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution in any one financial year does not exceed 10% of the total issued share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from the Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company."



Notice of Sixteenth Annual General Meeting (cont'd)

6. **ORDINARY RESOLUTION NO. 2** **Proposed Renewal of Share Buy Back Authority**

Resolution 7

"THAT subject to compliance with the Act, the Memorandum and Articles of Association of the Company, the Listing Requirements of the Bursa Securities and all other applicable laws, regulations and guidelines and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to allocate an amount not exceeding the total audited share premium reserve and retained profit of the Company for the purpose of and to purchase such amount of ordinary shares of RM1.00 each in the Company ("Proposed Renewal of Share Buy Back Authority") as may be determined by the Directors of the Company provided that the aggregate number of shares purchased and/or held as Treasury Shares pursuant to this resolution does not exceed RM7,398,900 comprising of 7,398,900 ordinary shares of RM1.00 each in the Company, representing ten percent (10%) of the total issued and paid up capital of the Company (assuming all of the warrants and the options that have been/may be granted pursuant to the Company's employees share option scheme in the Company are exercised).

Based on the latest unaudited financial statements for the financial period ended 31 March 2006, the retained profits and share premium account of the Company were approximately RM10,362,000 and RM150,000 respectively, amounting to a total of RM10,512,000.

THAT upon completion of the purchase by the Company of its own shares, the Directors are authorised to deal with the Shares in the following manner:-

- i) cancel the Shares so purchased; or
- ii) retain the Shares so purchased as Treasury Shares; or
- iii) retain part of Shares so purchased as Treasury Shares and cancel the remainder; or
- iv) if held as Treasury Shares, to resell the Treasury Shares on the Bursa Securities and/or distribute the Treasury Shares as dividends to the Company's shareholders and/or subsequently cancel the Treasury Shares or combination of the three,

and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Bursa Securities and any other relevant authority for the time being in force.

AND THAT the Directors be and are hereby empowered to carry out the above immediately upon the passing of this resolution and from the date of the passing of this resolution until:-

- i) the conclusion of the next AGM of the Company following the general meeting at which this resolution was passed at which time it shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- iii) revoked or varied by an ordinary resolution passed by the shareholders in general meeting,

whichever is earlier and the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things deem fit and expedient in the interest of the Company to give full effect to the Proposed Renewal of Share Buy Back Authority contemplated and/or authorised by this Ordinary Resolution."



Notice of Sixteenth Annual General Meeting (cont'd)

7. ORDINARY RESOLUTION NO. 3

Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

Resolution 8

"THAT approval be and is hereby given for the renewal of the Existing Shareholders' Mandate for the Company's subsidiary to enter into and give effect to specified recurrent transactions of a revenue or trading nature and with specified classes of the related parties as stated in Section 3.3(a) of the Circular to Shareholders dated 5 June 2006 ("the Circular") which are necessary for the Group's day to day operations.

THAT a New Mandate be and is hereby granted for the Company to enter into additional recurrent related party transactions of a revenue or trading nature from time to time with the Related Party, namely Seristana Sdn. Bhd. as stated in Section 3.3(b) of the Circular to Shareholders dated 5 June 2006; which are necessary for the Company's day to day operations.

The Proposed Renewal of the Existing Shareholders' Mandate and the Proposed New Shareholders' Mandate are subject to the following:-

- a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public where applicable and not to the detriment of the minority shareholders;
- b) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate authority during the financial year based on the following information:-
 - i) the type of the recurrent transaction made; and
 - ii) the names of the related parties involved in each type of the recurrent transaction made and their relationship with the Company.

THAT such approval shall commence immediately upon the passing of this resolution and shall continue to be in force until:-

- i) the conclusion of the next AGM of the Company following the general meeting at which such Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may allowed pursuant to Section 143(2) of the Act); or
- iii) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is earlier.

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."



Notice of Sixteenth Annual General Meeting (cont'd)

8. SPECIAL RESOLUTION

Proposed Amendments to the Articles of Association of the Company

Resolution 9

THAT the existing Article 162 of the Articles of Association of the Company be amended as follows:-

Existing Article 162

"The Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and report as are referred to in the section. The interval between the close of a financial year of the Company and the issue of the annual audited accounts, the directors' and auditors' report shall not exceed four (4) months. A copy of each such documents shall not less than twenty-one (21) days before the date of the meeting be sent to every member of, every holder of debenture of, and trustees for every debenture holder of, the Company and to every other person who is entitled to receive notices from the Company under the provision of the Act or of these presents. The requisite copies of each such documents shall at the same time be forwarded to each Stock Exchange, upon which the Company is listed. Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the office of the Company."

New Article 162

"The Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and report as are referred to in the section, in printed form or in CD-ROM form or in such other form of electronic media. The interval between the close of a financial year of the Company and the issue of the annual audited accounts, the directors' and auditors' report shall not exceed four (4) months. A copy of each such documents shall not less than twenty-one (21) days before the date of the meeting be sent to every member of, every holder of debenture of, and trustees for every debenture holder of, the Company and to every other person who is entitled to receive notices from the Company under the provision of the Act or of these presents. The requisite copies of each such document shall at the same time be forwarded to each Stock Exchange, upon which the Company is listed. Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the office of the Company. In the event that these documents are sent in CD-ROM form or in such other form of electronic media and a member requires a printed form of such documents, the Company shall send such documents to the member within four (4) market days from the date of receipt of the member's request."

9. To transact any other business of which due notice shall have been given in accordance with the Company's Articles of Association and the Act.

BY ORDER OF THE BOARD

CHAN SAU LENG (MAICSA 7012211)

CHOONG WYE LIN (MIA 16229)

Company Secretaries

Kuching, Sarawak.

5 June 2006



Notice of Sixteenth Annual General Meeting (cont'd)

Notes:-

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company.
2. A corporation which is a member may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.
3. An instrument appointing a proxy shall be in writing under the hand of the appointor or if the appointor is a corporation either under its common seal or under the hand of an attorney duly authorised. Where a member appoints two proxies, the appointments shall be invalid unless the number of shares to be represented by each proxy is specified.
4. An instrument appointing a proxy or representative must be deposited at the Registered Office of the Company, Lot 2225, Section 66, Jalan Dermaga, Pending Industrial Estate, 93450 Kuching, Sarawak, Malaysia not less than 48 hours before the time appointed for holding the meeting.

Explanatory Notes on Special Business

(a) Resolution Pursuant to Section 132D of the Companies Act, 1965

The Ordinary Resolution 6 proposed under Agenda 5, if passed, will give the Directors of the Company, authority to issue and allot shares from the unissued capital of the Company up to an amount not exceeding 10% of the total issued capital of the Company for the time being for such purposes as the Directors consider would be in the best interests of the Company. This authority, unless revoked or varied by the shareholders of the Company in a General Meeting, will expire at the conclusion of the next AGM.

(b) Proposed Renewal of Share Buy Back Authority

The Ordinary Resolution 7 proposed under Agenda 6, if passed, will empower the Directors of the Company to purchase the Company's shares up to ten percent (10%) of the issued and paid-up share capital of the Company (assuming all of the warrants and the options that have been/may be granted pursuant to the Company's employees share option scheme in the Company are exercised). This authority, unless revoked or varied by the Company at a General Meeting, will expire at the next AGM. For further information on the Proposed Renewal of Share Buy Back Authority, please refer to the Circular dated 5 June 2006, which is despatched together with the Company's Annual Report 2005.

(c) Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Ordinary Resolution 8 proposed under Agenda 7, if passed, will empower the Company's subsidiary to enter into and give effect to specified recurrent transaction of a revenue or trading nature and with specified classes of the related parties as stated in the Circular dated 5 June 2006 which are necessary for the Group's day to day operations in the ordinary course of business and on terms not more favourable to the related parties than those generally available to the public where applicable and not to the detriment of the minority shareholders of the Company. This authority, unless revoked or varied by the Company at a General Meeting, will expire at the next AGM. For further information on the Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature, please refer to the Circular dated 5 June 2006, which is despatched together with the Company's Annual Report 2005.

(d) Proposed Amendment to Articles of Association of the Company

The Special Resolution 9 proposed under Agenda 8, if passed, will facilitate the issuance of financial statements in CD-ROM form or in such other form of electronic media, if deemed appropriate.

ANNUAL REPORT 2005

The Annual Report 2005 is in a CD-ROM format. Printed copy of the Annual Report shall be provided to the shareholders within four (4) market days from the date of receipt of the verbal or written request. Shareholders who wish to receive the printed copy of the Annual Report and who require assistance with viewing the CD-ROM, kindly contact Ms. Lim/Ms. Yvonne at Tel. No. 03-5512 9999. Alternatively, you may fax the duly completed Annual Report Requisition Form to Fax No. 03-5512 9282 or send it to 19D, 4th Floor, Block 2, Worldwide Business Centre, Jalan Tinju 13/50, Section 13, 40675 Shah Alam, Selangor Darul Ehsan. You may also e-mail your request to comsec@pm99.po.my for printed copy of the Annual Report.



Statement Accompanying Notice of Sixteenth Annual General Meeting of the Company

1.	The names of retiring Directors who are standing for re-election at the Sixteenth Annual General Meeting:-	
	i) Y. Bhg. Datuk Haji Mazelan Bin Bugo ii) Ms. Yong Siew Kat	
2.	The details of attendance of the Directors at Board Meetings	
	There were 7 Board Meetings held during the financial year. The Board Meetings for the financial year ended 31 December 2005 are as tabulated below:-	
	Name of Directors	No. of meetings held during the year
	No. of meetings held during the year	No. of meetings attended
	Y. Bhg. Datuk Haji Mazelan Bin Bugo	7
	Mr. Wong Choon Seng	7
	Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin	7
	Ms. Yong Siew Kat	7
	Y. Bhg. Dato' Haji Mohd Fauzi Bin Yusuf @ Mohd Yusof	7
	Y. Bhg. Tan Sri Datuk Amar Chong Siew Fai (demised on 23/01/2006)	7
3.	The Date, Time and Place of the Sixteenth Annual General Meeting	
	The Sixteenth Annual General Meeting of B.I.G. Industries Berhad will be held as follows:- Date : Tuesday, 27 June 2006 Time : 11.00 a.m. Place : The Sarawak Club Jalan Taman Budaya 93000 Kuching, Sarawak	
4.	Further details of Directors who are standing for re-election	
	Name	Y. Bhg. Datuk Haji Mazelan Bin Bugo Yong Siew Kat
	Age	52 53
	Nationality	Malaysian Malaysian
	Qualification	Bachelor of Science in Business Administration • Masters in Management • Graduate of the Association of Chartered Secretaries and Administrators
	Position in the Company	Independent Non-Executive Chairman Senior Independent Non-Executive Director
	Working experience & occupation	Details as contained on page 10 Details as contained on page 11
	Any other directorships of public companies	Ngiu Kee Corporation (M) Berhad Ngiu Kee Corporation (M) Berhad
	The securities holdings in the Company and its subsidiaries	None Direct Interest - 628,400 shares (1.31%)
	The family relationship with any director and/or major shareholder of the Company	None None
	Any conflict of interest that he/she has with the Company	None None
	List of convictions for offences within the past 10 years other than traffic offences, if any	None None



Group Corporate Structure



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

100%	B.I.G. Industrial Gas Sdn. Bhd.	
100%	Uni-Mix Sdn. Bhd.	
100%	Lumanai Sdn. Bhd.	
100%	Kinalaju Supply Sdn. Bhd.	
100%	Hypervictory Sdn. Bhd.	100%
100%	Linear Excellent Sdn. Bhd.	Besitek Konsortium Sdn. Bhd.
100%	B.I.G. Construction Sdn. Bhd.	
100%	B.I.G. Communications Sdn. Bhd.	
100%	Alpha Billion Sdn. Bhd.	100%
100%	B.I.G. Marketing Sdn. Bhd.	Alpha Billion Management Services Sdn. Bhd.
100%	B.I.G. Offshore Services Limited	
100%	B.I.G. Marine Sdn. Bhd.	
100%	B.I.G. Bahtera Sdn. Bhd.	
100%	Sistem SDS Sdn. Bhd.	
100%	B.I.G. Ferry Services Sdn. Bhd.	
100%	Uni-Mix Concrete Products Sdn. Bhd. (Formerly known as B.I.G. Shipyard Sdn. Bhd.)	
100%	Tani Kukuh Sdn. Bhd.	
100%	B.I.G. Development (Matang) Sdn. Bhd.	
100%	Matang Billion Sdn. Bhd.	
100%	Beta Billion Sdn. Bhd.	
100%	B.I.G. Offshore Services Sdn. Bhd.	
51%	Puncak Luyang Sdn. Bhd. (Formerly known as Pristana Sdn. Bhd.)	
30%	B.I.G. Oil & Gas Sdn. Bhd.	
30%	B.I.G. Kidurong Sdn. Bhd.	
30%	B.I.G. Samudra Sdn. Bhd.	



Corporate Information

BOARD OF DIRECTORS

Y. Bhg. Datuk Haji Mazelan Bin Bugo
(Independent Non-Executive Chairman)

Wong Choon Seng
(Executive Director)

Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin
(Non-Independent & Non-Executive Director)

Yong Siew Kat
(Senior Independent Non-Executive Director)

Y. Bhg. Dato' Haji Mohd Fauzi Bin Yusof
@ Mohd Yusof
(Non-Independent & Non-Executive Director)

AUDIT COMMITTEE

Chairman

Y. Bhg. Datuk Haji Mazelan Bin Bugo

Members

Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin
Yong Siew Kat

NOMINATION COMMITTEE

Chairman

Y. Bhg. Datuk Haji Mazelan Bin Bugo

Members

Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin
Yong Siew Kat

REMUNERATION COMMITTEE

Chairman

Y. Bhg. Datuk Haji Mazelan Bin Bugo

Members

Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin
Yong Siew Kat

ESOS COMMITTEE

Chairman

Wong Choon Seng

Members

Yong Siew Kat
Choong Wye Lin
Ng Mun Yew

COMPANY SECRETARIES

Chan Sau Leng (MAICSA 7012211)
Choong Wye Lin (MIA 16229)

REGISTERED & PRINCIPAL OFFICE

Lot 2225, Section 66, Jalan Dermaga
Pending Industrial Estate
93450 Kuching, Sarawak
Tel: 082-486 321, 082-487 151
Fax: 082-336 933

SHARE REGISTRAR

Epsilon Registration Services Sdn. Bhd.
312, 3rd Floor, Block C, Kelana Square
17 Jalan SS 7/26, 47301 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7806 2116, 03-7803 1126
Fax: 03-7806 1261

AUDITORS

Ernst & Young
Chartered Accountants
Room 300-303, 3rd Floor
Wisma Bukit Mata Kuching
Jalan Tunku Abdul Rahman
93100 Kuching, Sarawak
Tel: 082-243 233
Fax: 082-421 287

PRINCIPAL BANKER

Malayan Banking Berhad

PRINCIPAL SOLICITORS

A. I Nathan & Isa Aziz Ibrahim

STOCK EXCHANGE LISTING

The Bursa Malaysia Securities Berhad
(Second Board)



Profile of the Board of Directors

Y. BHG. DATUK HAJI MAZELAN BIN BUGO Independent Non-Executive Chairman

Y. BHG. DATUK HAJI MAZELAN BIN BUGO, aged 52, a Malaysian, was appointed to the Board of the Company since 10 April 2001. Y. Bhg. Datuk Haji Mazelan is the Independent Non-Executive Chairman of the Company and he is also the Independent Non-Executive Chairman of Ngiu Kee Corporation (M) Berhad, which is listed on the Second Board of the Bursa Malaysia Securities Berhad.

Y. Bhg. Datuk Haji Mazelan graduated with a Bachelor of Science in Business Administration. In 1976, he formed a small construction company called Jurudaya Construction Sdn. Bhd. and nurtures it into one of the largest in Sarawak. His vast working experience and technical expertise enable him to execute and manage contracts of various sizes. Today, he is one of the prominent few Sarawakians who has carved his name in the Corporate World. He has also ventured out into other business outside the construction industry like tourism. He owns a travel agent and a well known resort in Sarawak. He is also the Treasurer of MATTA Sarawak and Council Member of Sarawak Tourist Association Sarawak.

Y. Bhg. Datuk Haji Mazelan is also a Chairman of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. He has attended all the seven (7) Board Meetings held during the financial year ended 31 December 2005.

Y. Bhg. Datuk Haji Mazelan does not have any family relationship with any Directors and/or Substantial Shareholders of the Company and has no conflict of interest with the Company. He does not have any conviction for any offences within the past ten (10) years.

MR. WONG CHOON SENG Executive Director

MR. WONG CHOON SENG, aged 56, a Malaysian, joined the Company as Group General Manager in 1998 and was appointed to the Board of the Company on 30 April 1999 and subsequently was promoted as an Executive Director on 1 February 2000. He graduated from University Malaya with a degree in Economics in 1973. In 1977, he became an Associate of the Chartered Insurance Institute, London. Subsequently he was elected an Associate of the Malayan Insurance Institute. In 1991, he earned his masters degree in International Marketing from the University of Strathclyde, Glasgow.

Mr. Wong started his career in the insurance industry after graduating in 1973 and was sent for training at Lloyds of London as well as the Cornhill Insurance Company and at Minet James Insurance Broker. He gained further experience when he was sent for training at RFC Intermediaries Incorporated, a reinsurance company in San Francisco, U.S.A. By 1981, he was promoted to Assistant General Manager.

In 1984, he joined Linggui Development Berhad, a public listed company and was seconded to Industrial and Commercial Insurance (M) Sdn. Bhd. as General Manager/Principal Officer. Simultaneously, he was also appointed to the Board of Linggui subsidiary companies, which were engaged in property management, plantation and financial services.

In 1989, he started his own furniture manufacturing business. In 1996, he joined American International Assurance (M) Sdn. Bhd. as the head of its training and education department.

Mr. Wong is a Chairman of the ESOS Committee and he has attended all the seven (7) Board Meetings held during the financial year ended 31 December 2005.

He does not have any family relationship with any Directors and/or Substantial Shareholders of the Company and has no conflict of interest with the Company. He does not have any conviction for any offences within the past ten (10) years.



Profile of the Board of Directors (cont'd)

Y. BHG. TAN SRI DATO' DR. LAU BAN TIN Non-Independent & Non-Executive Director

Y. BHG. TAN SRI DATO' DR. LAU BAN TIN, aged 50, a Malaysian, was appointed to the Board of the Company on 18 November 1998. He is a Chartered Accountant by profession and a member of the Malaysian Institute of Accountants. He is a fellow member of several professional bodies, which include the Malaysian Institute of Taxation, the Chartered Institute of Management Accountants and the Association of International Accountants. He obtained his MBA and DBA from the Southern Cross University of Australia.

He was a pioneer in the setting up of the Tawakal Hospital in Kuala Lumpur and was the financial consultant for the Bandar Tun Razak Project under DBKL. Currently, he is the Chairman of Malaysia Red Crescent Society, Klang Chapter, an active Patron to Persatuan Penjagaan Kanak-Kanak Cacat Klang and the President of Kolej Tunku Abdul Rahman School of Business Studies Ex-Students Association. Beside these, Y. Bhg. Tan Sri Dato' Dr. Lau is a member of Young President Organisation, a member of Adjunct Faculty, University Tunku Abdul Rahman and adviser to Klang Chinese Chamber of Commerce and Industry. Other public listed companies in which he is a Director are Ngiu Kee Corporation (M) Berhad and Yong Tai Berhad. Other businesses in which Y. Bhg. Tan Sri Dato' Dr. Lau is involved include township property development in and around Shah Alam and Klang.

Y. Bhg. Tan Sri Dato' Dr. Lau is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. He has attended all the seven (7) Board Meetings held during the financial year ended 31 December 2005.

Y. Bhg. Tan Sri Dato' Dr. Lau is deemed to have an interest in the Company by virtue of his interest in Pristine Corporation Sdn. Bhd. Save for the aforesaid, he does not have any family relationship with any Directors and/or Substantial Shareholders of the Company and has no conflict of interest with the Company. He does not have any conviction for any offences within the past ten (10) years.

MS. YONG SIEW KAT Senior Independent Non-Executive Director

MS. YONG SIEW KAT, aged 53, a Malaysian, was appointed to the Board of the Company on 2 August 1999 and was re-designated as Senior Independent Non-Executive Director on 15 March 2004. She holds a Masters in Management and is a graduate from the Association of Chartered Secretaries and Administrators. Presently, she is also a Chief Executive Officer of Ngiu Kee Corporation (M) Berhad.

Ms. Yong has vast experience in corporate banking, treasury and corporate finance exercise like new IPOs and other debt and equity-linked capital fund raising exercises. She was previously the General Manager of Corporate Planning in Lion Group as well as the General Manager of Corporate Finance in Arab Malaysian Securities Sdn. Bhd.

Ms. Yong is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. She has attended all the seven (7) Board Meetings held during the financial year ended 31 December 2005.

Ms. Yong does not have any family relationship with any Directors and/or Substantial Shareholders of the Company and has no conflict of interest with the Company. She does not have any conviction for any offences within the past ten (10) years.



Profile of the Board of Directors (cont'd)

Y. BHG. DATO' HAJI MOHD FAUZI BIN YUSUF @ MOHD YUSOF Non-Independent & Non-Executive Director

Y. BHG. DATO' HAJI MOHD FAUZI BIN YUSUF @ MOHD YUSOF, aged 43, a Malaysian, was appointed to the Board of the Company as Independent Non-Executive Director on 16 July 1999 and was re-designated as Non-Independent & Non-Executive Director on 15 March 2004. He holds a B.A Architecture, RIBA Part I, Hull School of Architecture, U.K. (1984) and a Dip. in Architecture, RIBA Part II, Hull School of Architecture, U.K (1987). Y. Bhg. Dato' Haji Mohd Fauzi has 19 years of working experience in this field. Presently, he is also a Senior Independent Non-Executive Director of Ngiu Kee Corporation (M) Berhad.

Y. Bhg. Dato' Haji Mohd Fauzi is a Corporate Member of Pertubuhan Arkitek Malaysia since 1991 and a Chartered Member of Royal Institute of British Architects since 1989. He is also a Registered Architect with Lembaga Arkitek Malaysia since 1991.

Following his professional educations, Y. Bhg. Dato' Haji Mohd Fauzi works with several notable architectural consultants in the United Kingdom. His works during this period can be seen in parts of Leicestershire, Yorkshire, Humberside and Lincolnshire in England.

Y. Bhg Dato' Haji Mohd Fauzi came back to Malaysia in 1990 and handled a few housing projects with established developers in the Klang Valley. Currently he manages F.I. Architects Sdn. Bhd., an architectural consultancy firm which handles a variety of projects which includes the University of Industry of Selangor, the new retail centre of Shah Alam and the new township of Antara Gapi in Selangor.

Y. Bhg. Dato' Haji Mohd Fauzi has attended four (4) out of seven (7) Board Meetings held during the financial year ended 31 December 2005. He is deemed to have an interest in the Company by virtue of his interest in Pristine Corporation Sdn. Bhd. Save for the aforesaid, he does not have any family relationship with any Directors and/or Substantial Shareholders of the Company and has no conflict of interest with the Company. He does not have any conviction for any offences within the past ten (10) years.



Corporate Governance Statement

The Board of Directors recognises the importance of practicing the high standards of corporate governance throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders value and the financial performance of the Group.

In preparing this report, the Board has considered the manner in which it has applied the Principles of the Code and the extent to which it has complied with the Best Practices of the Code.

BOARD OF DIRECTORS

Board Balance & Responsibilities

The Board comprises five (5) members of which two (2) are Independent Non-Executive Directors, two (2) Non-Independent and Non-Executive Directors and one (1) Executive Director. The size of Independent Non-Executive Directors forms two over five (2/5) of the entire Board structure and the biographical details of the members of the Board on Page 10 to Page 12 demonstrate the range of experience and independent judgement they each bring to bear on Board matters. The Chairman undertakes the running of the Board while the Executive Director has the responsibility for the running of the Group's business and resources.

The members of the Board comprises professionals and entrepreneurs with diverse skills and expertise with wide ranging experiences in management, economics, accounting, business administration, marketing and architecture. Their diverse backgrounds and versatility provide invaluable perspective to overseeing the management of the Company.

The Board recognises the crucial role and contribution played by Independent Non-Executive Directors. They represent the element of objectivity and independent judgement of the Board. This ensures that there is sufficient check and balance so that no one particular group dominates the Board.

During the financial year, all of the Directors have accumulated the required Continuing Education Programme ("CEP") Points with three exceeding the number of CEP Points required of them. Training is available to all Directors on an ongoing basis and the Board of Directors will evaluate and determine the training needs of its Directors. Directors will undergo relevant training programmes to further enhance their knowledge on a continuous basis in compliance with the Listing Requirements of Bursa Securities. The trainings that the Directors had attended are as follows:-

Directors	Title of Seminar	No. of Days
Y. Bhg. Datuk Haji Mazelan Bin Bugo	Value Creation and Corporate Governance: Growth & Bottom Line Financial Strategies in Today's Markets	1
Mr. Wong Choon Seng	Company Valuation, Restructuring & Funding	1
Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin	<ul style="list-style-type: none"> • Hong Leong Bank Investment Banking Seminar • Corporate Social Responsibility Conference • Entrepreneurial Leadership – The New Agenda • The 10th Malaysian Capital Market Summit 2005 	<p>1</p> <p>2</p> <p>1</p> <p>2</p>
Y. Bhg. Dato' Haji Mohd Fauzi Bin Yusof @ Mohd Yusof	The Obligations of a Listed Company & Its Directors for Transactions under the Bursa Malaysia Listing Requirements	1
Yong Siew Kat	International Currency Risk Management	1

The Board meets on a scheduled basis, at least four (4) times a year and meets additionally when necessary. For the financial year ended 31 December 2005, the Board has met a total of seven (7) times. At the end of every quarter, the Company's financial statements and results are tabled and deliberated by the Board. During the Board Meetings, the Board reviews all matters relating to financial results, operation and performance of the Company, Board appointments, corporate exercise and other strategic issues that may affect the Company's business. The number of meetings attended by each member of the Board is set out on Page 7.



Corporate Governance Statement (cont'd)

Board Balance & Responsibilities (cont'd)

The Board is primarily entrusted with the responsibility of charting the direction of the Group. It focuses mainly on strategies, financial performance and critical business issues, including the following areas:-

- Group's strategic action plans and policies
- Financial performance and key performance indicators
- Principal risks and their management
- Investor relations programme and shareholders communication policy
- Internal control system

SUPPLY OF INFORMATION

Prior to the Board meeting, all Directors receive an agenda and a board report containing information relevant to the business of the meeting, including information on major financial, operational and corporate matters as well as activities and performance of the Company. This is issued in sufficient time to enable the Directors to obtain further explanation, where necessary, in order to be properly briefed before the meeting.

The Directors are also informed of the impending restriction in dealing with the securities of the Company at least one month prior to the release of the quarterly financial announcement.

Directors have access to all information within the Company whether as full board or in their individual capacity, in furtherance of their duties.

All Directors have access to the advice and services of the Company Secretaries and may seek independent advice should the need arises. Nevertheless the Board does not have any agreed procedure for Directors whether as a full Board or in their individual capacity, in furtherance of their duties to take independent professional advice at the Company's expenses, if necessary. Any need for professional advice normally comes under the purview of the Board who will deliberate on a consensual basis.

BOARD COMMITTEES

• Audit Committee – Appointments to the Board

The Audit Committee is made up of three (3) members comprising two (2) Independent Non-Executive Directors and one (1) Non-Independent and Non-Executive Director appointed by the Board of Directors and it has written terms of reference clearly setting out its authority and duties. The terms of reference and Report of the Audit Committee are also provided in the Annual Report.

The Audit Committee assists the Board in fulfilling its oversight responsibilities, primarily reviewing the quarterly and annual financial statements of the Group prior to their submission to the Board for approval, focusing particularly on accounting policies and compliance; reviewing the scope of external audit and audit process; and reviewing the Group's system of internal control and risk management.

The Audit Committee meets at least four (4) times annually. The Accountant, Internal Audit Manager and Representatives of External Auditors are invited to attend the meetings. The Committee may also invite other Directors and employees to attend any of its meetings to assist in resolving and clarifying matters raised when necessary. The Company Secretaries act as secretaries to the Committee.

• Nomination Committee – Appointments to the Board

The Nomination Committee is responsible for considering the appointment of Directors, for identifying and selecting potential new Directors and for proposing to the Board, the appointment of new Directors. The Nomination Committee is composed exclusively of Non-Executive Director, a majority of whom is independent and is chaired by Y. Bhg. Datuk Haji Mazelan Bin Bugo and its members are Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin and Ms. Yong Siew Kat.

The Committee identifies and reviews all nominations for appointments to the Board. It critically reviews the set of criteria for appointments to the Board to ensure that only capable individuals with the appropriate expertise and experience, and who are able to independently discharge their responsibilities are appointed to the Board.



Corporate Governance Statement (cont'd)

• Remuneration Committee – Directors’ Remuneration

a) Level and make-up of remuneration

The Remuneration Committee determines the remuneration of each Director. It is the Committee’s duty to ensure that the level of remuneration is sufficient to attract and retain the Directors needed to run the Company successfully. The Executive Director plays no part in deciding his own remuneration and the respective Board members shall abstain from all discussion pertaining to their remuneration.

Fees payable to Non-Executive Directors is determined by the Board and will be tabled to the Company’s shareholders for approval at the Company’s Annual General Meeting prior to payment to the Directors.

The Remuneration Committee is chaired by Y. Bhg. Datuk Haji Mazelan Bin Bugo and its members are Y. Bhg. Tan Sri Dato’ Dr. Lau Ban Tin and Ms. Yong Siew Kat.

b) Procedure

The Remuneration Committee meets as and when required, has responsibility for determining all aspects of remuneration and terms and conditions of service of all the Directors.

The Remuneration Committee reviews and recommends the remuneration package for the Executive Director in all its forms, drawing from outside advice whenever necessary prior to making the relevant recommendation to the Board such that the level of remuneration is sufficient to attract and retain the Director needed to run the Company successfully. In case of Independent Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular Non-Executive Director concerned and is determined by the Board.

The policy of the Remuneration Committee is in line with the Group’s overall practice on compensation and benefits. The Group operates a bonus and incentive scheme for all employees, including the Executive Director. The criteria for the scheme is dependent on the financial performance of the Group based on an established formula.

c) Disclosure of remuneration

The remuneration paid to Executive Director and Non-Executive Directors of the Company by category and in bands of RM50,000 are described below:-

Band of remuneration	Number of Directors			
	Executive		Non-Executive	
	2005	2004	2005	2004
Nil	-	-	-	-
RM1 - RM50,000	-	-	5	7
RM50,001 - RM100,000	-	-	-	-
RM100,001 - RM150,000	-	-	-	-
RM150,001 - RM200,000	-	-	-	-
RM200,001 – RM250,000	1	1	-	-



Corporate Governance Statement (cont'd)

c) Disclosure of remuneration (cont'd)

The remuneration paid to Executive Director and Non-Executive Directors of the Company are disclosed as follows:-

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Executive Director				
Fees	30,000	30,000	12,000	12,000
Salaries, allowances and bonus	221,280	210,824	-	-
Employee Provident Fund	23,040	21,744	-	-
Non-Executive Directors				
Fees	74,000	92,000	74,000	92,000
Salaries, allowances and bonus	-	-	-	-

• Employees' Share Option Scheme (ESOS) Committee

The ESOS Committee was established on 26 February 2004 to administer the ESOS of the Group in accordance with the objectives and regulations thereof and to determine the participation eligibility, option offers and share allocations (based on the performance, seniority and number of years of service as well as the employees actual or potential contribution to the Group) and to attend to such other matters as may be required.

The composition of the ESOS Committee comprises the following members:-

Chairman	: Mr. Wong Choon Seng (<i>Executive Director</i>)
Members	: Ms. Yong Siew Kat (<i>Senior Independent Non-Executive Director</i>) Ms. Choong Wye Lin (<i>Senior Group Accountant</i>) Ms. Ng Mun Yew (<i>Human Resource Executive</i>)

The ESOS Committee's responsibilities are as follows:-

- To administer the ESOS Scheme in accordance with the Bye-Laws of the ESOS and, in such manner, as it shall in its discretion deem fit and, within such powers and duties as are conferred upon it by the Board of Directors.
- To review and amend, at any time and from time to time, any provisions of the Scheme and the ESOS Bye-Laws, provided that the amendments are not prejudicial to the eligible employees. Such modification/variation shall be subject to the approval of the Board.

The functions of the ESOS Committee, shall be governed by the Bye-Laws of the Scheme which, inter alia, include:-

- To assist the Board in determining all questions of policy and expediency that may arise in the administration of the ESOS and generally exercises all acts that are necessary to promote the best interest of the Group.
- To oversee the Management's implementation of the Scheme and decides inter alia on the offer, offer date, eligibility, basis of allotment, the exercise of the option, the administration, modification, dispute and termination issues in relation to the Scheme, in line with the ESOS Bye-Laws.
- To select employees of the Company and its eligible subsidiary companies who are eligible to participate in the initial offer and subsequent offers of the Scheme and, determine the number of new shares to be allocated to the eligible employees according to the grading of employees and each band of years of service.



Corporate Governance Statement (cont'd)

• Employees' Share Option Scheme (ESOS) Committee (cont'd)

- To determine the number of options exercisable by the eligible employees for each year during the duration of the Scheme, the date of the initial offer and subsequent offers and the exercise price for each offer at which the eligible employees are entitled to subscribe under an option and, the period during which the option may be exercised.
- To formulate guidelines/procedures for the administration of the Scheme.
- To consider the appeals by staff on ESOS issues.

The ESOS Committee meets when necessary. A Quorum shall not be less than two (2). The Company Secretaries shall be the secretaries of the Committee.

The ESOS Committee met one time in year 2005 to update on the status of ESOS allocation to the eligible employees for the financial year.

RE-ELECTION OF DIRECTORS

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to re-election by shareholders at the next Annual General Meeting. The Articles also provided that at least one third (1/3) of the Directors is subject to re-election at regular intervals and at least once every three (3) years.

Particulars of Directors for re-election are disclosed in the Statement Accompanying the Notice of Sixteenth Annual General Meeting in this Annual Report.

RELATIONS WITH SHAREHOLDERS

- COMMUNICATION BETWEEN THE COMPANY AND INVESTORS

The Board and Management convey information about the Company performance, corporate strategy and other matters affecting shareholders and investors through timely dissemination of information which include distribution of annual reports and relevant circulars and issuance of press releases. Enquiries by shareholders are dealt with as promptly as practicable as possible.

In addition, Ms. Yong Siew Kat acts as the Senior Independent Non-Executive Director. Any matters concerning the Group may be conveyed to her.

ANNUAL GENERAL MEETING

The Annual General Meeting is the principal forum for dialogue with shareholders. Notice of the Annual General Meeting and annual reports are sent out to shareholders at least twenty-one (21) days before the date of the meeting. At the meeting, the Chairman makes a presentation on the year's financial results and business activities.

At each Annual General Meeting, the Board encourages shareholders to participate in the question and answer session. The Chairman, or where appropriate, the Executive Director, responds to shareholders' questions during the meeting.

For re-election of Directors, the Board ensures that full information is disclosed through the notice of meetings regarding Directors who are retiring and who are willing to serve if re-elected.

An explanatory statement to facilitate full understanding and evaluation of the issues involved will accompany items of special business included in the notice of the meeting.



Corporate Governance Statement (cont'd)

ACCOUNTABILITY AND AUDIT - FINANCIAL REPORTING

The Company's financial statements are prepared in accordance with the requirements of the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965. The Board is responsible to ensure that the financial statements of the Company present a balanced and understandable assessment of the state of affairs of the Company. The Audit Committee assists the Board in scrutinising information for disclosure to ensure accuracy, adequacy and completeness.

INTERNAL CONTROL

The information on the Group's internal control is presented in the Statement of Internal Control.

EXTERNAL AUDIT

The Group's independent External Auditors fill an essential role for the shareholders by enhancing the reliability of the Group's financial statements and giving assurance of that reliability to users of these financial statements.

The External Auditors have an obligation to bring any significant defects in the Group's system of control and compliance to the attention of the Management; and if necessary, to the Audit Committee and the Board. This includes the communication of fraud.

RELATIONSHIP WITH AUDITORS

The role of the Audit Committee in relation to the External Auditors may be found in the Report on Audit Committee as stated on Pages 23 to 27 of the Annual Report. The Company has always maintained a formal and transparent relationship with its auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia.

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

The Company will continuously review its principles and practices in corporate governance in achieving high standards of corporate governance throughout the Group and to the highest level of integrity and ethical standards in all its business dealings.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF AUDITED FINANCIAL STATEMENTS

In pursuance of the Companies Act, 1965, Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the financial year end and of the results and cash flows of the Group and of the Company for that period.

In preparing the financial statements of the Group and the Company for the year ended 31 December 2005, the Directors have ensured that the appropriate accounting policies have been adopted and applied consistently; reasonable and prudent judgements and estimates were made; and the applicable approved accounting standards in Malaysia have been followed.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that financial statements comply with the Companies Act, 1965.

OTHER INFORMATION

Utilisation of Proceeds

No proceeds were raised by the Company from any corporate proposal during the financial year.

Share Buybacks

The Company did not enter into any share buyback transactions during the financial year.



Corporate Governance Statement (cont'd)

Options, Warrants or Convertible Securities

During the financial year, 5,000 new ordinary shares of RM1.00 each in the Company were issued pursuant to the exercise of 5,000 warrants at the exercise price of RM1.00 per ordinary share.

No options and convertible securities were issued by the Company during the financial year.

American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") Programme

The Company did not sponsor any ADR or GDR programmes during the financial year.

Imposition of Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

Non-Audit Fee

Non-audit fees paid by the Company and its subsidiaries to the external auditors, Messrs. Ernst & Young for the financial year amounting to RM42,400.00.

Variance from Profit Estimate, Forecast or Projection

There is a variance of RM772,000 or 40.36% between the audited profit after taxation and minority interest of RM2,685,000 and the unaudited profit after taxation and minority interest of RM1,913,000 for the financial year ended 31 December 2005. It was mainly due to an adjustment made relating to the reversal of temporary differences of deferred taxation and the reconciliation of the deviation is tabulated as follows:-

	RM'000
Unaudited profit after taxation and minority interest as per announcement on 27 February 2006	1,913
Reversal of temporary differences of deferred taxation	741
Others	31
Audited profit after taxation and minority interest	2,685

Profit Guarantees

There were no profit guarantees given by the Company during the financial year under review.

Material Contracts

During the financial year there were no material contracts (not being contracts entered into in the ordinary course of business) entered by the Company or its subsidiaries involving the interests of the Directors and major shareholders.

Contracts relating to Loans

There were no contracts relating to loans by the Company in respect of the material contracts involving Directors and major shareholders.

Revaluation of Landed Properties

The Company's policy is to revalue landed properties as and when the Directors deem necessary. No revaluation has been carried out on the landed properties during the financial year.



Corporate Governance Statement (cont'd)

Recurrent Related Party Transactions of a Revenue or Trading Nature

The Group had entered into the following Recurrent Related Party Transactions during the financial year ended 31 December 2005 pursuant to the mandate approved by the shareholders at the Annual General Meeting held on 30 June 2005, the aggregate value of which is as follows:-

No.	Type of Recurrent Related Party Transactions	Related Parties	Interested Directors/Major Shareholders and persons connected to them	Estimated Value of Transactions (RM)
1.	Receipt of construction contract for reservoir and building works from Seristana Sdn. Bhd.	Seristana Sdn. Bhd.	Tan Sri Dato' Dr. Lau Ban Tin, a Director and Major Shareholder of B.I.G. Industries Berhad, is deemed a substantial shareholder by virtue of his 70% equity interest in Iras Harapan Sdn. Bhd. which in turn is a 100% holding company of Seristana Sdn. Bhd.	5,041,336.17
2.	Receipt of construction contract for main building works from Waristana Sdn. Bhd.	Waristana Sdn. Bhd.	Tan Sri Dato' Dr. Lau Ban Tin, a Director and Major Shareholder of B.I.G. Industries Berhad, is deemed a substantial shareholder by virtue of his 90% equity interest in Rindu Syahdu Sdn. Bhd. which in turn is a 100% holding company of Waristana Sdn. Bhd. He is also a Director in both Rindu Syahdu Sdn. Bhd. and Waristana Sdn. Bhd.	NIL*
3.	Receipt of construction contract for main building works from Brilliant Vintage Sdn. Bhd.	Brilliant Vintage Sdn. Bhd.	Tan Sri Dato' Dr. Lau Ban Tin, a Director and Major Shareholder of B.I.G. Industries Berhad, is deemed a substantial shareholder by virtue of his 70% equity interest in Iras Harapan Sdn. Bhd. which in turn is a 100% holding company of Brilliant Vintage Sdn. Bhd. He is also a Director of Iras Harapan Sdn. Bhd.	NIL*

Note:

* The construction works have not commenced during the financial year ended 31 December 2005.



Statement on Internal Control (Pursuant to para 15.27(b) of the BMSB's Revamped Listing Requirements)

The Board of Directors acknowledges its responsibility for the Group's system of internal control that aims to safeguard shareholders' investments and the Group's assets. The Board recognises that it is their responsibility for reviewing the adequacy and integrity of system of internal control, which is designed to manage rather than eliminate the risk of failure to achieve business objectives and accordingly, such a system by its nature, can only provide reasonable but not absolute assurance against material misstatement or loss.

During the financial year, the Board has undertaken steps in reviewing the Group's system of internal control against the requirements outlined in the Statement on Internal Control: Guidance for Directors of Public Listed Companies' (the Guidance) issued by the Bursa Malaysia Securities Berhad's (BMSB) Task Force on Internal Control. The Board confirms that there is an on-going process for identifying, evaluating, managing and reporting the significant risks faced by the Group as follows:-

- The Group's Internal Audit Department has been in existence throughout the financial year and is independent of the activities it audits. Its role is to perform regular reviews and examinations of existing selected activities, in compliance with the Group's policies, procedures and guidelines and to ensure that the system of internal controls remains effective, efficient and is being monitored adequately and enhanced as and when the need arises.
- The Group's Internal Audit Department conducts audit visits on a planned basis and issues audit reports. Operating Management is required to respond to the lack of non-compliance and to the auditor's recommendations. Subsequently, the audit reports and the Operating Management's responses are circulated to the Audit Committee, Directors and the relevant Head of Departments.
- The Audit Committee is briefed on the audit reports issued and on the issues raised by the Internal Auditors on various aspects of the system in operation, practices and procedures and internal controls. Special notice is taken of significant issues raised by the Internal Auditors in the audit reports.
- A management structure exists with clearly defined lines of accountability and appropriate authority which sets out the decisions that need to be taken at various levels of management which include matters that require the Board's approval.
- There is annual budgeting and target setting processes including forecast for each area of business with detailed reviews at all levels of operation.
- Operational Management Conference/Review (QMC) meetings are held on a quarterly basis with the Operating Management to critically review the business performances and the results against the budget and to take appropriate actions and to chart new direction/strategy if necessary.
- Adequate financial and operational informations systems are in place to capture and present timely and pertinent internal business information. Clear reporting structure ensures financial and operational reports are prepared and presented to the Management and Board for review on a timely basis.
- Policies, procedures and guidelines on issues concerning responsibilities and authority for crucial business and operational matters are clearly defined.



Statement on Internal Control (cont'd) (Pursuant to para 15.27(b) of the BMSB's Revamped Listing Requirements)

THE INTERNAL AUDIT DEPARTMENT

The Audit Committee, assisted by the Internal Audit Department, provides the Board with the assurance it requires on the adequacy and integrity of the system on internal controls and reports to the Audit Committee on a quarterly basis. The Audit Department whose principal responsibility is to undertake regular and systematic reviews of the systems of controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively in the Company and in the Group. The Department is also responsible for the conduct of regular and systematic reviews of environmental and safety issues in the Company and in the Group. The attainment of such objectives involves the following activities being carried out by the Department:-

- Reviewing and appraising the soundness, adequacy and application of accounting, financial and other controls and promoting effective control in the Company and the Group at reasonable cost;
- Ascertaining the extent to which the Group's and the Company's assets are accounted for and safeguarded from losses of all kinds;
- Appraising the reliability and usefulness of information developed within the Group and the Company for management;
- Recommending improvements to the existing systems of controls;
- Carrying out audit work in liaison with the External Auditors to maximise the use of resources and for effective coverage of audit risks;
- Carrying out investigations and special reviews requested by management and/or the Audit Committee of the Company;
- Carrying out environmental and safety audits on the Company and the Group; and
- Identifying opportunities to improve the operations of business processes in the Company and the Group.

The Board is pleased to report that there were no material losses incurred during the current financial year as a result of weaknesses in internal control. Management continues to take measures to strengthen the control environment.



Audit Committee Report

COMPOSITION

MEMBERS OF THE AUDIT COMMITTEE

Chairman

Y. Bhg. Datuk Haji Mazelan Bin Bugo
(Independent Non-Executive Director)

Members

Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin
(Non Independent & Non-Executive Director)
Ms. Yong Siew Kat
(Senior Independent Non-Executive Director)

TERMS OF REFERENCE

1. COMPOSITION OF AUDIT COMMITTEE

The Committee shall be appointed by the Board of Directors from among its members which fulfils the following requirements:-

- a) the Audit Committee shall consists of no fewer than three (3) members;
- b) a majority of the Audit Committee must be Independent Non-Executive Directors;
- c) at least one (1) member of the Audit Committee:-
 - i) must be a member of the Malaysian Institute of Accountants; or
 - ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and:-
 - aa) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - bb) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
 - iii) the signatory fulfils such other requirements as prescribed by the Bursa Malaysia Securities Berhad.
- d) Alternate Director is not allowed to become a member of the Audit Committee.

The Committee shall elect a Chairman from among its members who is an Independent Non-Executive Director.

In the event that a member of the Audit Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum of three (3) members.

2. OBJECTIVES

The primary objectives of the Audit Committee are to:-

- i) provide assistance to the Board in fulfilling its fiduciary responsibilities, particularly in the areas relating to the Company and its subsidiary companies' accounting and management controls, financial reporting and business ethics policies.



Audit Committee Report (cont'd)

2. OBJECTIVES (cont'd)

- ii) provide greater emphasis on the audit function by serving as the focal point for communication between non-committee Directors, the External Auditors, Internal Auditors and the management and providing a forum for discussion that is independent of the management. It is to be the Board's principal agent in assuring the independence of the Company's External Auditors, the integrity of the management and the adequacy of disclosure to shareholders.
- iii) monitor compliance with the Group's policies and procedures in order to provide assurance on the effectiveness of the Group's internal control, policies and procedures.
- iv) undertake such additional duties as may be appropriate and necessary to assist the Board.
- v) serve as an independent and objective party in the review of the financial information presented by Management for distribution to shareholders and the general public.
- vi) undertake such additional duties as may be appropriate and necessary to assist the Board.

3. AUTHORITY

The Committee is authorised by the Board to investigate any activity within its terms of reference. It shall have:-

- i) full and unrestricted access to any information pertaining to the Company and its subsidiary companies.
- ii) direct communication channels with both the External Auditors and Internal Auditors.
- iii) full access to any employee or member of the management.

The Committee is also authorised by the Board to obtain outside legal or other independent professional advice it considers necessary and reasonable for the performance of its duties.

4. DUTIES AND RESPONSIBILITIES

In fulfilling its primary objectives, the Audit Committee will need to undertake the following duties and responsibilities as summarised below:-

- i) To review the Group's quarterly financial statements and the Group's and the Company's annual financial statements before submission to the Board.

The review shall focus on:-

- any change in accounting policies and practices
- major judgemental areas
- significant adjustments and issues arising from the audit
- the going concern assumption
- compliance with the applicable approved accounting standards
- compliance with stock exchange, legal and regulatory requirements

- ii) To review with the External Auditors the following:-

- the audit plan, scope and nature of the audit for the Company and the Group
- the evaluation of the system of internal controls
- audit report
- problems and reservations arising from their interim and final audits
- the assistance given by employees of the Company or Group to the External Auditors



Audit Committee Report (cont'd)

4. DUTIES AND RESPONSIBILITIES (cont'd)

iii) To review the internal audit functions on the following:-

- adequacy of the scope, function and resources of the internal audit functions and that it has the necessary authority to carry out its work
- the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function
- internal audit plan, consider the major findings of internal audit, fraud investigations and actions and steps taken by management in response to audit findings

iv) To review with management on a periodic basis, the Company's general policies, procedures and controls especially in relation to management accounting, financial reporting, risk management and business ethics.

v) To review any related party transaction and conflict of interest situations that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

vi) To review:-

- any letter of resignation from the External Auditors of the Company or Group
- whether there is reason (support by grounds) to believe that the Company or Group's External Auditor is not suitable for re-appointment
- any recommendation on the nomination of a person or persons as External Auditors

vii) To assess the adequacy and effectiveness of the system of internal control and accounting control procedures of the Company and the Group by reviewing the External Auditors' management letters and management response.

viii) To undertake such other responsibilities as may be agreed to by the Committee and the Board.

ix) To report to the Board its activities, significant results and findings.

5. MEETINGS AND REPORTING PROCEDURES

Number of Meetings

The Committee shall meet at least four (4) times a year. The Chairman shall also convene a meeting of the Committee if requested to do so by any member, the management or the Internal or External Auditors to consider any matter within the scope and responsibilities of the Committee.

Attendance of Meetings

The Accountant, Internal Audit Manager and Representatives of the External Auditors shall normally be invited to attend meetings of the Committee. The Committee may also invite other Directors and employees to attend any of its meetings to assist in resolving and clarifying matters raised.

Quorum

A quorum shall consist of a majority of Independent Non-Executive Directors and shall not be less than two (2).

6. SECRETARIES TO AUDIT COMMITTEE AND MINUTES

The Company Secretaries shall be the secretaries of the Committee and as a reporting procedure, the minutes of each meeting shall be kept and circulated to the members of the Committee and also to all members of the Board for noting and action, where necessary.



Audit Committee Report (cont'd)

7. ACTIVITIES

The Committee met six (6) times during the financial year to review the Company and its subsidiaries' quarterly and annual financial statements prior to their approval by the Board. The Committee also acts as a forum for discussion on internal control issues and contributes to the Board's review of the Group's internal control and risk management systems.

The summary of the activities of the Audit Committee in the discharge of its duties and responsibilities for the financial year include the following:-

- i) reviewed the internal audit reports.
- ii) reviewed the External Auditors' scope of work and their audit plan and fees structure.
- iii) reviewed the External Auditors' findings, recommendations, management letter on the results of their audit, the audit report and internal control recommendations in respect of control weaknesses noted in the course of their audit.
- iv) reviewed the draft Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2005 before it was tabled to the Board.
- v) reviewed all the unaudited Quarterly Results for the financial year ended 31 December 2005 before tabling at the Board Meeting for release to the Bursa Malaysia Securities Berhad and Securities Commission.
- vi) reviewed the internal audit plan and job scope of the Internal Auditors for the Group for year 2006.
- vii) reviewed and endorsed the preliminary audit plan and job scope of External Auditors for the Group for year 2006.
- viii) reviewed and discussed on any related party transactions that may arise to ensure compliance with the relevant regulatory requirements.

8. NUMBER OF MEETINGS & DETAILS OF ATTENDANCE

Six (6) Audit Committee Meetings were held during the financial year ended 31 December 2005. The attendance record of each member is as follows:-

Audit Committee Members	Total number of meetings	Number of meetings attended
Y. Bhg. Datuk Haji Mazelan Bin Bugo (<i>Chairman</i>)	6	6
Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin	6	6
Ms. Yong Siew Kat	6	6

Two (2) Audit Committee Meetings were held subsequent to the financial year end to the date of Directors' Report. The attendance record of each member is as follows:-

Audit Committee Members	Total number of meetings	Number of meetings attended
Y. Bhg. Datuk Haji Mazelan Bin Bugo (<i>Chairman</i>)	2	2
Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin	2	2
Ms. Yong Siew Kat	2	2



Audit Committee Report (cont'd)

9. STATEMENT BY AUDIT COMMITTEE ON THE COMPANY'S EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

Appendix 9C Part A Item No. 25 of the Listing Requirements of Bursa Malaysia Securities Berhad requires a statement by the Audit Committee in relation to the allocation of options pursuant to any share scheme for employees as required under paragraph 8.21A.

There are no options being offered to any eligible employees nor Non-Executive Directors of the Company pursuant to the ESOS in respect of the financial year ended 31 December 2005.

10. INTERNAL AUDIT FUNCTION

The Internal Audit Function of the Group is assumed by the Internal Audit Department of the Company to assist the Audit Committee in discharging its duties and responsibilities. The Internal Audit Department is independent of the activities or operations of the operating units.

The principal role of the Internal Audit Department is to undertake regular and systematic reviews of the systems of internal controls as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. It is the responsibility of the Internal Audit Department to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating units within the Group and the extent of compliance of the operating units with established policies and procedures as well as relevant statutory requirements.

Audit reports, which incorporate audit recommendations and management's response in respect of system and control weaknesses, are issued to the Audit Committee members for review and to the responsible operations management for the necessary action. Internal Audit also monitors the implementation and disposition of all significant findings and management actions.



Chairman's Statement

On behalf of the Board of Directors of B.I.G. Industries Berhad, it is my pleasure to present the Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2005.

FINANCIAL PERFORMANCE

The Group recorded a turnover of RM86.99 million for the year under review. This represents an increase of 32% compared to the previous year's turnover of RM65.82 million. The Group's profit after taxation is RM2.68 million.

OPERATING ENVIRONMENT

For the year 2005, the oil and gas industry experienced an increase in exploration activities leading to a higher demand for industrial gases and the Group's engineering services.

The government's infrastructure projects like highways, dams and water treatment plants together with private property development projects in Sabah took off in the second half of the year.

Turnover for the Group's industrial gas division recorded an increased turnover of RM30.7 million against that of RM27.5 million in the previous year. For Sabah, the ready mixed concrete and quarry subsidiaries saw a turnover of RM42.76 million compared to RM31.1 million for the year 2004. Meanwhile, the property and transportation subsidiaries had a turnover of RM13.15 million, almost doubling the RM7.1 million turnover of the previous year.

DIVIDEND

The Board of Directors does not recommend any dividend be declared for the financial year ended 31 December 2005.

We trust shareholders will appreciate the need for this prudent measure to conserve cash resources of the Group for the immediate future.

CORPORATE DEVELOPMENT

On 21 June 2005, the Company announced that the application for a further extension of time to implement the Private Placement has not been approved by Securities Commission. As such, the approval for the Private Placement is deemed to have lapsed on 18 February 2005.

On 27 June 2005, the Company announced that Bursa Malaysia Securities Berhad had approved its application for the subdivision of its shares. However, on 16 August 2005, the Company had decided to abort the share split involving the subdivision of every one (1) existing share of RM1.00 each in the Company into ten (10) shares of RM0.10 each.

On 24 April 2006, the Company announced that it will be seeking shareholders' approval on the following proposals at its forthcoming Annual General Meeting to be convened:-

- i) Proposed Renewal of Share Buy Back Authority;
- ii) Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature; and
- iii) Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.

FUTURE OUTLOOK

The Board of Directors is confident that these positive developments in our core businesses industries bode well for the coming years. The recently announced Ninth Malaysia Plan has specifically identified the construction, agriculture and oil and gas industries as the areas of focus. The government has also emphasised on the successful implementation of all projects and strategies in this plan as the critical success factors for bringing the nation towards realising its dream of being a developed nation by 2020.



Chairman's Statement (cont'd)

The success of the Barisan National in the recently held state elections in Sarawak has given the government the political stability and mandate to carry out this plan.

The Board feels that the momentum of growth and development from the implementation of the government infrastructure projects, the private property development and the expansion in the oil and gas industries will carry the buoyant Malaysian economy well past the Ninth Malaysia Plan period.

In line with our assessment, the Group will be investing in additional gas plants, batching plants and equipment and will be looking at expanding our quarry and pre cast concrete product division.

ACKNOWLEDGEMENT

At the beginning of this year, we have lost a very valuable, trustworthy and irreplaceable board member, the late Tan Sri Datuk Amar Chong Siew Fai who had passed away on 23 January 2006.

On behalf of the Board of Directors, I would like to extend our heartfelt condolences to Puan Sri Datuk Amar Chong Siew Fai and family. We would like to put on record our sincere appreciation for the invaluable contribution and advice by the late Tan Sri Datuk Amar Chong during his tenure as an Independent Non-Executive Director of the Company and member of the Nomination Committee.

My gratitude and thanks also go to our Management and all employees for their hard work, dedication and commitment to the Group.

The Board of Directors also wishes to express its gratitude to all our customers, suppliers, shareholders, financial institutions, government authorities and business associates for their invaluable support and confidence in the Group.

Y. BHG. DATUK HAJI MAZELAN BIN BUGO

Chairman

24 April 2006



Directors' Report

The Directors have the pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and the provision of management services. The principal activities of the subsidiary companies are described in Note 10 to the financial statements.

There has been no significant change in the nature of these activities of the Group and of the Company during the current financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Profit after taxation	2,685,376	50,801

In the opinion of the Directors, the results of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the year other than as disclosed in the Statements of Changes in Equity.

DIVIDENDS

During the financial year, the Company declared and paid a final tax exempt dividend of 1% per share amounting to RM480,922.

The Directors do not recommend the payment of any dividend in respect of the financial year ended 31 December 2005.

DIRECTORS

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:-

Y. Bhg. Datuk Haji Mazelan Bin Bugo
Wong Choon Seng
Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin
Yong Siew Kat
Y. Bhg. Dato' Haji Mohd Fauzi Bin Yusuf @ Mohd Yusof
Y. Bhg. Tan Sri Datuk Amar Chong Siew Fai (demised on 23.01.2006)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company is a party, whereby the Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than benefits included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member or with a company in which the Director has a substantial financial interest.



Directors' Report (cont'd)

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares, Warrants and options over shares in the Company and its related corporations during the financial year were as follows:-

	← Number of Ordinary Shares of RM1.00 each →			
	1.1.2005	Acquired	Disposed	31.12.2005
The Company				
Direct interest:-				
Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin	8,506,150	-	5,255,200	3,250,950
Yong Siew Kat	1,028,400	-	400,000	628,400
Indirect interest:-				
Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin	3,241,236	2,280,800	1,720,200	3,801,836
Y. Bhg. Dato' Haji Mohd Fauzi Bin Yusuf @ Mohd Yusof	3,241,236	2,280,800	1,720,200	3,801,836

	← Number of Warrants of RM1.00 each →			
	1.1.2005	Acquired	Disposed	31.12.2005
The Company				
Direct interest:-				
Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin	2,845,100	-	2,845,100	-
Indirect interest:-				
Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin	2,634,300	-	2,634,300	-
Y. Bhg. Dato' Haji Mohd Fauzi Bin Yusuf @ Mohd Yusof	2,634,300	-	2,634,300	-

	← Number of Options Over Ordinary Shares of RM1.00 each →				
	1.1.2005	Granted	Exercised	Lapsed	31.12.2005
The Company					
Wong Choon Seng	502,000	-	-	-	502,000

By virtue of their interest in shares of B.I.G. Industries Berhad pursuant to Section 6A(4) of the Companies Act, 1965, Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin and Y. Bhg. Dato' Haji Mohd Fauzi Bin Yusuf @ Mohd Yusof are also deemed interested in the shares of the subsidiary companies of B.I.G. Industries Berhad to the extent that B.I.G. Industries Berhad has an interest.

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the year.

ISSUE OF SHARES

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM48,087,200 to RM48,092,200 by way of the warrants conversion of 5,000 ordinary shares of RM1.00 each for cash at an exercise price of RM1.00 per ordinary share.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.



Directors' Report (cont'd)

SHARE BUY BACK

The shareholders of the Company had renewed their approval for the proposed purchase by the Company of up to ten percent (10%) of its own shares at the Annual General Meeting ("AGM") held on 30 June 2005. The aforesaid approval is subject to annual renewal and will lapse at the conclusion of the forthcoming AGM unless such approval is renewed by an ordinary resolution passed at the AGM.

On 24 April 2006, the Board of Directors of the Company announced its intention to seek the approval of the shareholders of the Company for the Proposed Renewal of the Share Buy Back Authority at the forthcoming AGM.

As at the date of this Report, the Company has not purchased any of its own shares.

EMPLOYEES' SHARE OPTION SCHEME (ESOS)

The salient features and other terms of the ESOS are disclosed in Note 24(b) to the financial statements.

WARRANTS 2004/2009

The salient features of the Warrants 2004/2009 are disclosed in Note 24(a) to the financial statements.

DIRECTORS' REMUNERATION

The remuneration paid to the Executive Director and Non-Executive Directors of the Company are disclosed as follows:-

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Executive Director				
Fees	30,000	30,000	12,000	12,000
Salaries, allowances and bonus	221,280	210,824	-	-
Employee Provident Fund	23,040	21,744	-	-
Non-Executive Directors				
Fees	74,000	92,000	74,000	92,000

The remuneration paid to the Executive Director and Non-Executive Directors of the Company are further analysed as follows:-

	Number of Directors			
	Executive		Non-Executive	
	2005	2004	2005	2004
Band of remuneration				
Nil	-	-	-	-
RM1 - RM50,000	-	-	5	7
RM50,001 - RM100,000	-	-	-	-
RM100,001 - RM150,000	-	-	-	-
RM150,001 - RM200,000	-	-	-	-
RM200,001 - RM250,000	1	1	-	-



Directors' Report (cont'd)

The Executive Director of the Company has been granted the following number of options under the ESOS:-

	Group and Company	
	2005 RM	2004 RM
At 1 January	502,000	-
Granted	-	502,000
At 31 December	502,000	502,000

The share options were granted on the same terms and conditions as those offered to other employees of the Group (Note 24(b)).

SIGNIFICANT EVENTS

(a) Corporate Exercises

- (i) Private placement of up to 4,804,000 new ordinary shares of RM1.00 each

On 21 June 2005, the Company announced that the application for a further extension of time to implement the Private Placement has not been approved by the Securities Commission. As such, the approval for the Private Placement is deemed to have lapsed on 18 February 2005.

- (ii) Share split involving the subdivision of every one (1) existing share of RM1.00 each in the Company into ten (10) new shares of RM0.10 each

On 27 June 2005, the Company announced that Bursa Malaysia Securities Berhad had approved its application for the subdivision of its shares. However, on 16 August 2005, the Company had decided to abort the share split involving the subdivision of every one (1) existing share of RM1.00 each in the Company into ten (10) new shares of RM0.10 each.

(b) Acquisition of new subsidiary companies

On 27 January 2005, the Company acquired the entire issued and paid-up share capital of Matang Billion Sdn. Bhd., a company incorporated in Malaysia, comprising 2 ordinary shares of RM1.00 each for a cash consideration of RM2.00.

On 27 January 2005, the Company acquired the entire issued and paid-up share capital of Beta Billion Sdn. Bhd., a company incorporated in Malaysia, comprising 2 ordinary shares of RM1.00 each for a cash consideration of RM2.00.

On 27 January 2005, the Company acquired the entire issued and paid-up share capital of B.I.G. Development (Matang) Sdn. Bhd., a company incorporated in Malaysia, comprising 2 ordinary shares of RM1.00 each for a cash consideration of RM2.00.

On 4 March 2005, the Company acquired the entire issued and paid-up share capital of B.I.G. Offshore Services Sdn. Bhd., a company incorporated in Malaysia, comprising 2 ordinary shares of RM1.00 each for a cash consideration of RM2.00.

On 19 October 2005, the Company acquired the 51% of the total issued and paid-up share capital of Puncak Luyang Sdn. Bhd. (formerly known as Pristana Sdn. Bhd.), a company incorporated in Malaysia, comprising 6,375,000 ordinary shares of RM1.00 each for a purchase consideration of RM5,916,000.



Directors' Report (cont'd)

OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:-
- (i) to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of an allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business of the Group and of the Company have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render:-
- (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements and consolidated financial statements misleading.
- (e) As at the date of this report there does not exist:-
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:-
- (i) no contingent liability or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.



Directors' Report (cont'd)

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors

Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin

Wong Choon Seng

Kuching, Sarawak
Date: 24 April 2006



Statement by Directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, **Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin** and **Wong Choon Seng**, being two of the Directors of **B.I.G. Industries Berhad**, do hereby state that in our opinion, the accompanying financial statements set out on pages 38 to 75 are drawn up in accordance with applicable MASB Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2005 and of the results and the cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors

Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin

Wong Choon Seng

Kuching, Sarawak
Date: 24 April 2006

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, **Choong Wye Lin**, being the officer primarily responsible for the financial management of **B.I.G. Industries Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 38 to 75 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed **Choong Wye Lin**
at Kuching
in the State of Sarawak
on 24 April 2006

Choong Wye Lin

Before me,

Peter Sim Hoi Peng (No. Q 078)
Commissioner for Oaths
Kuching, Sarawak



Report of the Auditors to the Members of B.I.G. Industries Berhad

We have audited the financial statements set out on pages 38 to 75. These financial statements are the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:-

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia so as to give a true and fair view of:-
 - (i) the financial position of the Group and of the Company as at 31 December 2005 and of the results and cash flows of the Group and of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965, to be dealt with in the financial statements.
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiary companies have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports thereon of the subsidiary companies of which we have not acted as auditors, as indicated in Note 10 to the financial statements, being financial statements that have been included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the financial statements of the Company are in the form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The Auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174 (3) of the Companies Act, 1965.

ERNST & YOUNG
AF: 0039
Chartered Accountants

YONG VOON KAR
1769/04/08 (J/PH)
Partner

Kuching, Sarawak
Date: 24 April 2006



Income Statements

for the year ended 31 December 2005

	Note	Group		Company	
		2005 RM	2004 RM	2005 RM	2004 RM
Revenue	3	86,992,683	65,826,331	1,585,003	6,332,205
Other operating income		1,006,159	812,859	600,681	313,741
Changes in inventories of finished goods		1,532,804	(580,146)	-	-
Inventories purchased and raw materials consumed		(43,252,494)	(35,093,381)	-	-
Staff costs		(7,262,455)	(5,697,474)	-	-
Depreciation of property, plant and equipment		(5,003,514)	(4,735,039)	-	-
Amortisation of mobilisation expense		(229,638)	-	-	-
Amortisation of quarry development expenses		(170,018)	(12,769)	-	-
Contract cost		(1,235,808)	-	-	-
Other operating expenses		(25,552,116)	(13,029,402)	(1,770,223)	(271,356)
Profit from operations		6,825,603	7,490,979	415,461	6,374,590
Finance costs		(4,590,925)	(3,371,948)	(357,505)	(319,592)
Share of results of associated companies		(41,064)	(11,831)	-	-
Profit before taxation	4	2,193,614	4,107,200	57,956	6,054,998
Taxation	5	482,708	519,083	(7,155)	(151,081)
Profit after taxation		2,676,322	4,626,283	50,801	5,903,917
Minority interest		9,054	-	-	-
Net profit for the year		2,685,376	4,626,283	50,801	5,903,917
Earnings per share (sen)	6				
Basic		5.58	9.77		
Diluted		5.58	8.14		
Net dividends per ordinary share (sen)	7	1	1	1	1

The accompanying notes form an integral part of these financial statements.



Balance Sheets

as at 31 December 2005

	Note	Group		Company	
		2005 RM	2004 RM	2005 RM	2004 RM
Non-current assets					
Property, plant and equipment	8	44,993,075	47,344,693	-	-
Quarry development expenditure	9	1,653,492	1,822,760	-	-
Investment in subsidiary companies	10	-	-	34,717,453	28,801,445
Investment in associated companies	11	-	41,064	60,003	60,003
Other investments	12	6,951,657	11,767,561	4,500,000	8,997,422
Land held for property development	13	17,816,107	5,002,363	-	-
Amount due from a related company	14	-	-	-	1,479,873
Current assets					
Property development costs	13	16,652,561	7,465,269	-	-
Inventories	15	5,933,926	4,401,939	-	-
Trade receivables	16	31,823,279	25,211,347	-	-
Other receivables, deposits and prepayments	17	10,320,350	14,816,888	65,154	3,932,085
Amount due from related companies	14	177,479	187,570	61,660,542	58,626,099
Fixed deposits with licensed banks and financial institutions	18	1,412,558	2,333,640	-	-
Cash and bank balances		7,143,392	16,735,392	610,168	204,783
		73,463,545	71,152,045	62,335,864	62,762,967
Current liabilities					
Bank overdrafts	19	697,980	514,976	-	-
Short term borrowings	20	15,613,112	19,577,591	1,500,000	1,500,000
Trade payables	21	8,526,611	5,423,770	-	-
Other payables and accruals	22	8,937,030	5,597,692	88,836	75,463
Amount due to related companies	14	29,999	75,671	461,543	529,989
Lease payables	23	433,831	390,733	-	-
Tax payable		21,706	16,383	8,187	16,383
		34,260,269	31,596,816	2,058,566	2,121,835
Net current assets					
		39,203,276	39,555,229	60,277,298	60,641,132
		110,617,607	105,533,670	99,554,754	99,979,875
Financed by:-					
Share capital	24	48,092,200	48,087,200	48,092,200	48,087,200
Reserves	25	9,721,068	8,352,393	6,462,554	6,892,675
Shareholders' equity					
Minority interest		57,813,268	56,439,593	54,554,754	54,979,875
		4,871,942	-	-	-
Long term and deferred liabilities					
Lease payables	23	1,136,863	962,638	-	-
Term loans	26	45,317,615	46,039,539	45,000,000	45,000,000
Deferred taxation	27	1,477,919	2,091,900	-	-
		110,617,607	105,533,670	99,554,754	99,979,875

The accompanying notes form an integral part of these financial statements.



Statements of Changes in Equity

for the year ended 31 December 2005

	Share capital RM	Non-distributable Share premium reserve RM	Reserve arising on consolidation RM	Distributable Revenue reserve RM	Total RM
Group					
At 1 January 2004	19,218,000	1,891,113	2,495,422	17,835,388	41,439,923
Issue of ordinary shares:-					
Pursuant to Rights Issue	19,218,000	(1,338,662)	-	(5,771,998)	12,107,340
Bonus Issue	9,609,000	-	-	(9,609,000)	-
Pursuant to conversion of Warrants	42,200	-	-	-	42,200
Utilisation for issue expenses	-	(402,338)	-	-	(402,338)
Goodwill arising from additional interest in subsidiary companies	-	-	(893,165)	-	(893,165)
Dividends paid	-	-	-	(480,650)	(480,650)
Profit for the year	-	-	-	4,626,283	4,626,283
At 31 December 2004	48,087,200	150,113	1,602,257	6,600,023	56,439,593
Issue of ordinary shares:-					
Pursuant to conversion of Warrants	5,000	-	-	-	5,000
Goodwill arising from additional interest in subsidiary company	-	-	(835,779)	-	(835,779)
Dividends paid	-	-	-	(480,922)	(480,922)
Profit for the year	-	-	-	2,685,376	2,685,376
At 31 December 2005	48,092,200	150,113	766,478	8,804,477	57,813,268
			Non-distributable Share premium reserve RM	Distributable Revenue reserve RM	Total RM
Company					
At 1 January 2004	19,218,000	1,891,113		16,700,293	37,809,406
Issue of ordinary shares:-					
Pursuant to Rights Issue	19,218,000	(1,338,662)		(5,771,998)	12,107,340
Bonus Issue	9,609,000	-		(9,609,000)	-
Pursuant to conversion of Warrants	42,200	-		-	42,200
Utilisation for issue expenses	-	(402,338)		-	(402,338)
Dividends	-	-		(480,650)	(480,650)
Profit for the year	-	-		5,903,917	5,903,917
At 31 December 2004	48,087,200	150,113		6,742,562	54,979,875
Issue of ordinary shares:-					
Pursuant to conversion of Warrants	5,000	-		-	5,000
Dividends	-	-		(480,922)	(480,922)
Profit for the year	-	-		50,801	50,801
At 31 December 2005	48,092,200	150,113		6,312,441	54,554,754

The accompanying notes form an integral part of these financial statements.



Cash Flow Statements

for the year ended 31 December 2005

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Cash flow from operating activities				
Operating profit before taxation	2,193,614	4,107,200	57,956	6,054,998
Adjustments for:-				
Amortisation of mobilisation expense	229,638	-	-	-
Amortisation of quarry development expenses	170,018	12,769	-	-
Bad debts written off	140,681	17,016	-	-
Depreciation of property, plant and equipment	5,003,514	4,735,039	-	-
(Gain)/loss on disposal of property, plant and equipment	(57,860)	26,994	-	-
Gain on foreign exchange	(116,735)	(30,857)	(76,890)	-
Interest expense	4,590,925	3,302,215	322,087	302,453
Interest income	(405,696)	(188,278)	(503,135)	(299,093)
Inventories written off	75,909	-	-	-
Property, plant and equipment written off	71,704	9,481	-	-
Provision for diminution in value	9,300	-	-	-
Provision for doubtful debts	883,319	-	-	-
Share of loss in an associated company	41,064	11,831	-	-
Foreign exchange losses	-	-	-	300
Dividend income	(26,500)	(50,877)	(1,327,003)	(6,024,579)
Realised loss/(gain) on disposal of quoted shares	1,382,371	(99,516)	1,198,021	(97,626)
Unrealised loss on quoted shares	-	59,031	-	-
Operating profit/(loss) before working capital changes	14,185,266	11,912,048	(328,964)	(63,547)
Changes in working capital:-				
Property development costs	(9,187,292)	(3,801,714)	-	-
Inventories	(1,607,896)	(340,240)	-	-
Receivables	(4,088,666)	(15,524,171)	3,873,931	(3,583,415)
Payables	3,173,496	1,622,605	13,373	30,920
Related companies	35,581	(1,407)	(1,623,016)	(39,495,116)
Cash generated from/(used in) operations	2,510,489	(6,132,879)	1,935,324	(43,111,158)
Interest paid	(3,907,663)	(2,747,235)	-	-
Interest received	405,696	188,278	503,135	299,093
Realised exchange gain	116,735	31,157	76,890	-
Taxation paid net of refund	(92,252)	(4,301)	(15,351)	-
Dividend received	19,500	38,557	1,320,003	5,877,561
Net cash (used in)/generated from operating activities	(947,495)	(8,626,423)	3,820,001	(36,934,504)



Cash Flow Statements (cont'd)

for the year ended 31 December 2005

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Cash flows from investing activities				
Acquisition of property, plant and equipment	(3,017,930)	(6,616,299)	-	-
Acquisition of shares in subsidiary companies	(5,403,938)	(5,785,955)	(5,916,008)	(6,400,060)
Acquisition of unquoted investments	(567,818)	-	-	-
Addition to quarry development expenditure	(750)	(213,066)	-	-
Acquisition of land held for development	-	202,567	-	-
Proceeds from disposal of property, plant and equipment	401,502	516,938	-	-
Repayment of land premium	-	(313,185)	-	-
Acquisition of shares in associated company	-	(30,003)	-	(30,003)
Acquisition in quoted shares	(4,603,182)	(10,582,038)	(4,363,437)	(8,247,843)
Proceeds from disposal of quoted shares	8,595,233	5,248,103	7,662,838	3,848,048
Subscription of bonds	-	(4,500,000)	-	(4,500,000)
Net cash used in investing activities	(4,596,883)	(22,072,938)	(2,616,607)	(15,329,858)
Cash flows from financing activities				
Proceeds from issuance of shares, net	5,000	11,747,202	5,000	11,747,202
Decrease in bank borrowings	(4,876,678)	(9,068,930)	-	(3,500,000)
Increase in fixed deposits pledged	-	(691)	-	-
Interest paid	(683,262)	(554,980)	(322,087)	(302,453)
Lease payables obtained	675,640	1,227,000	-	-
Repayment of lease payables	(268,042)	(707,910)	-	-
Drawdown of term loan	-	45,000,000	-	45,000,000
Dividends paid	(480,922)	(480,650)	(480,922)	(480,650)
Net cash (used in)/generated from financing activities	(5,628,264)	47,161,041	(798,009)	52,464,099
Net (decrease)/increase in cash and cash equivalents	(11,172,642)	16,461,680	405,385	199,737
Cash and cash equivalents at the beginning of the year	18,431,264	1,957,070	204,783	5,046
Cash and cash equivalents at date of incorporation	-	12,514	-	-
Cash and cash equivalents at the end of the year	7,258,622	18,431,264	610,168	204,783



Cash Flow Statements (cont'd)
for the year ended 31 December 2005

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Analysis of cash and cash equivalents:-				
Cash and bank balances	7,143,392	16,735,392	610,168	204,783
Fixed deposits with licensed banks and financial institutions, not pledged (Note 18)	813,210	2,210,848	-	-
Bank overdrafts (Note 19)	(697,980)	(514,976)	-	-
	7,258,622	18,431,264	610,168	204,783
Analysis of acquisition of property, plant and equipment:-				
By cash	(2,529,762)	(5,389,299)	-	-
By lease	(488,168)	(1,227,000)	-	-
	(3,017,930)	(6,616,299)	-	-

The accompanying notes form an integral part of these financial statements.



Notes to the Financial Statements

31 December 2005

1. CORPORATE INFORMATION

The Company is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Second Board of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Lot 2225, Section 66, Jalan Dermaga, Pending Industrial Estate, 93450 Kuching, Sarawak.

The principal activities of the Company are that of investment holding and the provision of management services. There has been no significant change in the nature of these activities of the Group and of the Company during the current financial year.

The financial statements of the Group and of the Company are expressed in Ringgit Malaysia (RM).

The financial statement were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 24 April 2006.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention and comply with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia.

During the year ended 31 December 2005, there are no new Financial Reporting Standards which are applicable for adoption by the Group and the Company.

(b) Basis of consolidation

(i) Subsidiary companies

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies. Subsidiary companies are those companies in which the Group has a long term equity interest and where it has power to exercise control over the financial and operating policies so as to obtain benefits therefrom. A list of the Group's subsidiary companies is shown in Note 10.

Subsidiary companies are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of a subsidiary company are measured at their fair values at the date of acquisition. The difference between the cost of an acquisition and the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition is included in the consolidated balance sheet as goodwill or negative goodwill arising on consolidation.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceed and the Group's share of its net assets together with any unamortised balance of goodwill and exchange differences.

(ii) Associated company

Associated company is a company in which the Group exercises significant influence but not control, through participation in the financial and operating policy decisions of the Group.



Notes to the Financial Statements (cont'd)

31 December 2005

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Basis of consolidation (cont'd)

(ii) Associated company (cont'd)

Investment in associated company is accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the associated company. Under the equity method of accounting, the Group's share of profit or loss of associated company during the year is included in the consolidated income statement. The Group's interest in associated company is carried in the consolidated balance sheet at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves.

Unrealised gains or transactions between the Group and the associated company are eliminated to the extent of the Group's interest in the associated company. Unrealised losses are eliminated unless cost cannot be recovered.

(c) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:-

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

(ii) Provision of services and maintenance, engineering products and marine transportation

Revenue is recognised upon performance of services or delivery of goods and customer acceptance and is stated net of sales taxes and discounts, if any.

(iii) Development properties

Revenue from sale of development properties is accounted for by the stage of completion method in respect of all building units that have been sold. The percentage of completion is determined by reference to the costs incurred to date to the total estimated costs where the outcome of the projects can be reliably estimated.

(iv) Construction contracts

Profits from construction contracts are recognised based on percentage of completion basis when construction work has progressed to a stage that profit recognition can be reasonably measured. When the outcome of a contract cannot be reasonably measured, revenue is recognised only to the extent of cost incurred that is recoverable and cost is recognised as an expense as incurred. In all cases, anticipated losses are provided in full.

Percentage of completion is measured by reference to the proportion of construction costs incurred for work performed to date to the estimated total construction costs.

(v) Transportation and handling fees

Revenue is recognised upon delivery of products and customer acceptance, or performance of services, and is stated net of sales taxes and discounts, if any.



Notes to the Financial Statements (cont'd)

31 December 2005

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Revenue recognition (cont'd)

(vi) Dividends

Dividends is recognised when the shareholder's right to receive the payment is established.

(vii) Management fee

Revenue is recognised as the management fee accrue unless collectability is in doubt.

(viii) Interest

Revenue is recognised as the interest accrues unless collectibility is in doubt.

(d) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (if any). The policy for the recognition and measurement of impairment losses is in accordance with Note 2(h).

Depreciation is calculated on the straight line method to write off the cost or valuation of property, plant and equipment over their estimated useful lives as follows:-

Leasehold land	Over 39 - 100 years
Buildings	4 - 10 years
Plant and machinery	10 - 20 years
Motor vehicles	5 - 10 years
Furniture, fixtures and equipment	10 years

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement and the attributable portion of the revaluation surplus is taken directly to retained profit.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

(e) Quarry development expenditure

Quarry development expenditure comprises direct cost of development, cost of site infrastructure and other related expenses.

Amortisation of quarry development expenditure is calculated based on the proportion of the output of stone for the year to the estimated total stone output for the period of the quarry life. The estimated quarry life is 10 years.

(f) Investments in subsidiary and associated companies

The Company's investments in subsidiary and associated companies are stated at cost less impairment losses (if any). The policy for the recognition and measurement of impairment losses is in accordance with Note 2(h).

Income arising on these investments is included in the income statement when the shareholders' right to receive the payment is established.



Notes to the Financial Statements (cont'd)

31 December 2005

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Inventories

Inventories are stated at the lower of cost (determined on the first-in, first-out basis) and net realisable value. Cost of finished goods and work-in-progress includes direct materials, direct labour, other direct costs and appropriate production overheads. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Properties held for resale are stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis and includes costs of land, construction and appropriate development overheads.

(h) Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any available previously recognised revaluation surplus for the same asset. Reversal of impairment losses recognised in prior periods is recorded when the impairment losses recognised for the asset no longer exist or have decreased.

(i) Development properties, land and development expenditure

Land and development expenditure are classified as development properties when significant development work has been undertaken and is expected to be completed within the normal operating cycle. Development properties are stated at cost plus attributable profits less foreseeable losses and progress billings. Cost includes cost of land, all direct building costs, and other related development expenditure, including interest expenses incurred during the period of active development.

Land held for development consists of land held for future development where no significant development has been undertaken, and is stated at cost. Cost includes cost of land and attributable development expenditure. Such assets are classified as development properties when significant development work has been undertaken and the development is expected to be completed within the normal operating cycle.

(j) Financial instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.



Notes to the Financial Statements (cont'd)

31 December 2005

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Financial instruments (cont'd)

(i) Other non-current investments

Non-current investments other than investments in subsidiary and associated companies are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(h).

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement.

(ii) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iii) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(iv) Interest-bearing borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

All borrowing costs are charged to the income statement as an expense in the period in which they are incurred.

(v) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(k) Leases

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership. All other leases are classified as operating leases.

(i) Finance leases

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is consistent with that for depreciable property, plant and equipment as described in Note 2(d).



Notes to the Financial Statements (cont'd)

31 December 2005

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Leases (cont'd)

(ii) Operating leases

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the term of the relevant lease.

(l) Employees benefits

(i) Short term benefits

Wages, salaries and bonuses are recognised as an expense in the period in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

(m) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

(n) Foreign currencies

Assets, liabilities, revenues and costs denominated in foreign currencies are recorded in Ringgit Malaysia at the rates of exchange ruling on the dates of transactions; monetary assets and liabilities at the balance sheet date are reported at year end rates of exchange. All gains and losses on exchange are dealt with through the income statement.



Notes to the Financial Statements (cont'd)

31 December 2005

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Foreign currencies (cont'd)

The principal exchange rates for every unit of foreign currency ruling at balance sheet date used are as follows:-

	2005 RM	2004 RM
Brunei Dollar	2.27	2.35
Singapore Dollar	2.27	2.35
US Dollar	3.80	3.80

(o) Cash and cash equivalents

Cash and cash equivalents in the Cash Flow Statements represent short-term, highly liquid investments that are readily convertible to cash with an insignificant risk of changes in value less short term borrowings repayable on demand.

For the purpose of the Cash Flow Statements, cash and cash equivalents include cash and bank balances and fixed deposits, not pledged, net of outstanding bank overdrafts.

3. REVENUE

Revenue of the Group comprises sales of goods stated after allowance for sales returns and trade discounts, provision of services and maintenance, engineering products and marine transportation, sales of development properties, contract income, transportation and handling fees and hiring of plant and machinery.

Revenue of the Company comprises dividends received, management fee and realised gain in quoted shares.

The significant categories of revenue during the year are analysed as follows:-

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Sales of goods and provision of services and maintenance	73,207,144	56,773,485	-	-
Vessel charter fee	1,741,541	802,581	-	-
Sales of development properties	2,323,610	2,459,146	-	-
Contract income	6,382,472	2,236,093	-	-
Transportation and handling fees	3,172,609	3,372,186	-	-
Hiring of plant and machinery	138,807	41,214	-	-
Dividends received	26,500	44,000	1,327,003	6,024,579
Management fee charged to subsidiary companies	-	-	258,000	210,000
Realised gain in quoted shares	-	97,626	-	97,626
	86,992,683	65,826,331	1,585,003	6,332,205



Notes to the Financial Statements (cont'd)

31 December 2005

4. PROFIT BEFORE TAXATION

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
(a) This is stated after charging:-				
Administration fees	82,481	168,406	-	-
Amortisation of mobilisation expense	229,638	-	-	-
Amortisation of quarry development expenses	170,018	12,769	-	-
Auditors' remuneration:-				
- statutory audits:				
- current year	88,142	88,904	15,000	23,000
- under provision in prior year	6,100	27,150	-	15,350
Bad debt written off	140,681	17,016	-	-
Depreciation of property, plant and equipment	5,003,514	4,735,039	-	-
Directors' fees	104,000	122,000	86,000	104,000
Directors' emoluments	244,320	232,568	-	-
Hire of plant and equipment	297,961	854,719	-	-
Interest expense	4,590,925	3,302,215	322,087	302,453
Inventories written off	75,909	-	-	-
Loss on disposal of property, plant and equipment	-	26,994	-	-
Property, plant and equipment written off	71,704	9,481	-	-
Provision for diminution in value	9,300	-	-	-
Provision for doubtful debts	883,319	-	-	-
Realised loss on disposal of quoted shares	1,382,371	-	1,198,021	-
Rental expense	570,396	392,536	-	-
Unrealised foreign exchange loss	-	300	-	300
And crediting:-				
Gain on disposal of property, plant and equipment	(57,860)	-	-	-
Gain on foreign exchange	(116,735)	(31,157)	(76,890)	-
Income from hire of plant and equipment	(6,629)	(36,996)	-	-
Interest income	(405,696)	(188,278)	(503,135)	(299,093)
Management fee received	-	-	(258,000)	(210,000)
Rental income	-	(106,415)	-	-
Realised gain on disposal of quoted shares	-	(99,516)	-	(97,626)
(b) Employee information				
	Group		Company	
	2005	2004	2005	2004
Number of employees as at 31 December	286	291	-	-



Notes to the Financial Statements (cont'd)

31 December 2005

5. TAXATION

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Income tax				
Tax expense for the year:-				
Malaysian income tax	82,914	65,916	19,437	151,081
Under/(over) provided in prior years:-				
Malaysian income tax	48,359	(9,099)	(12,282)	-
	131,273	56,817	7,155	151,081
Deferred tax:-				
Relating to origination and reversal of temporary differences (Note 27)	(652,813)	(575,900)	-	-
Under provided in prior year (Note 27)	38,832	-	-	-
	(613,981)	(575,900)	-	-
	(482,708)	(519,083)	7,155	151,081

Domestic income tax is calculated at the Malaysian statutory tax rate of 28% (2004: 28%) of the estimated assessable profit for the year.

A reconciliation of income tax expense at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:-

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Profit before taxation	2,193,614	4,107,200	57,956	6,054,998
Taxation at Malaysian Statutory rate of 28% (2004: 28%)	614,212	1,150,016	16,228	1,695,399
Effect of lower income tax rate	(91,658)	(18,495)	-	-
Expenses not deductible for tax purposes	968,674	265,768	420,574	22,881
Income not subject to tax	(296,574)	(363,675)	(416,413)	(1,567,199)
Utilisation of previously unrecognised unabsorbed capital allowances	(952)	-	(952)	-
Utilisation of previously unrecognised unutilised reinvestment allowances	(920,871)	(969,072)	-	-
Utilisation of deferred tax assets previously not recognised	(1,053)	-	-	-
Deferred tax assets not recognised during the period	76,870	50,001	-	-
Deferred tax assets recognised on reinvestment allowance	(918,547)	(969,072)	-	-
Underprovided in prior years	87,191	335,446	(12,282)	-
Tax expense for the year	(482,708)	(519,083)	7,155	151,081



Notes to the Financial Statements (cont'd)

31 December 2005

6. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of ordinary shares in issue during the financial year:-

	2005	2004
Net profit for the year (RM)	2,685,376	4,626,283
Weighted average number of ordinary shares in issue	48,090,472	47,355,516
Basic earnings per share (sen)	5.58	9.77

(b) Diluted

For the purpose of calculating diluted earnings per share, the net profit for the year and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects (if any) of all potential ordinary shares, i.e. share options granted to employees and Warrants:-

	2005	2004
Net profit for the year (RM)	2,685,376	4,626,283
Weighted average number of ordinary shares in issue	48,090,742	47,355,516
Effects of dilution:- Warrants	-	9,483,684
Adjusted weighted average number of ordinary shares in issue and issuable	48,090,742	56,839,200
Diluted earnings per share (sen)	5.58	8.14

7. NET DIVIDENDS PER ORDINARY SHARE

	Net dividends per ordinary share		Amount	
	2005 RM	2004 RM	2005 Sen	2004 Sen
Final				
1% tax exempt on 48,092,200 (2004: 48,065,000) ordinary shares	480,922	480,650	1	1

The Directors do not recommend the payment of any dividend in respect of the financial year ended 31 December 2005.



Notes to the Financial Statements (cont'd)

31 December 2005

8. PROPERTY, PLANT AND EQUIPMENT

	Long leasehold land RM	Short leasehold land RM	Buildings RM	Plant, machinery, and motor vehicles RM	Furniture, fixtures and equipment RM	Total RM
Group						
Cost						
At 1 January 2005	7,502,313	776,445	7,216,028	61,000,821	9,025,467	85,521,074
Additions	-	-	103,680	1,632,542	1,281,708	3,017,930
Disposals/written off	-	-	(64,553)	(487,155)	(475,285)	(1,026,993)
Acquisition of subsidiary	-	-	-	8,454	40,858	49,312
At 31 December 2005	7,502,313	776,445	7,255,155	62,154,662	9,872,748	87,561,323
Accumulated depreciation						
Charge for 2004	97,639	11,582	471,015	3,990,151	164,652	4,735,039
At 1 January 2005	866,511	95,348	2,938,109	33,165,498	1,110,915	38,176,381
Charge for the year	121,388	12,557	447,491	4,241,262	180,816	5,003,514
Disposals/written off	-	-	(43,446)	(366,208)	(201,993)	(611,647)
At 31 December 2005	987,899	107,905	3,342,154	37,040,552	1,089,738	42,568,248
Net book value						
At 31 December 2005	6,514,414	668,540	3,913,001	25,114,110	8,783,010	44,993,075
At 31 December 2004	6,635,802	681,097	4,277,919	27,835,323	7,914,552	47,344,693

Included in the above are assets acquired under lease instalments with net book value of RM2,394,094 (2004: RM2,463,814).

Certain property, plant and equipment with the following net book values are pledged to banks for banking facilities obtained.

	Group	
	2005 RM	2004 RM
Leasehold land and buildings	4,927,736	8,679,833
Plant, machinery and motor vehicles	4,714,492	9,003,422
	9,642,228	17,683,255

Certain long leasehold land of the Group with a net book value of RM2,350,600 (2004: RM2,376,725) are held in trust by a third party, who was a former Director of a subsidiary company.

9. QUARRY DEVELOPMENT EXPENDITURE

	Group	
	2005 RM	2004 RM
At 1 January	1,822,760	1,622,463
Additions	750	213,066
Less: Amount amortised	170,018	12,769
At 31 December	1,653,492	1,822,760



Notes to the Financial Statements (cont'd)

31 December 2005

10. INVESTMENT IN SUBSIDIARY COMPANIES

	Group	
	2005 RM	2004 RM
Unquoted shares, at cost	34,717,453	28,801,445

The details of the Group's subsidiary companies, which are incorporated and domiciled in Malaysia, are set out as follows:-

Name of company	Principal activities	Effective group interest	
		2005	2004
B.I.G. Industrial Gas Sdn. Bhd.	Manufacture, distribution and marketing of industrial gases, provision of services and maintenance and trading in related products.	100%	100%
Uni-Mix Sdn. Bhd.	Manufacture and sale of ready-mix concrete and provision of related services	100%	100%
Hypervictory Sdn. Bhd.	Quarry operations	100%	100%
Lumanai Sdn. Bhd.	Provision of transportation services	100%	100%
Kinalaju Supply Sdn. Bhd.	Agent for distribution of cement	100%	100%
B.I.G. Communications Sdn. Bhd.	Fibre optic network contractor	100%	100%
Alpha Billion Sdn. Bhd.	Property developer	100%	100%
B.I.G. Marketing Sdn. Bhd.	General trading	100%	100%
B.I.G. Construction Sdn. Bhd.	Construction contractor	100%	100%
Linear Excellent Sdn. Bhd.	Contractor	100%	100%
Tani Kukuh Sdn. Bhd.	Investment holding	100%	100%
Sistem SDS Sdn. Bhd.	Trading and distribution of electrical home appliances, consumer durables and other related products on credit instalment scheme	100%	100%
B.I.G. Marine Sdn. Bhd.	Ship owner and vessel chartering	100%	100%
B.I.G. Bahtera Sdn. Bhd.	Money lending	100%	100%
B.I.G. Offshore Services Limited *	Inactive	100%	100%
B.I.G. Ferry Services Sdn. Bhd.	Inactive	100%	100%
Uni-Mix Concrete Products Sdn. Bhd. (formerly known as B.I.G. Shipyard Sdn. Bhd.)	Inactive	100%	100%



Notes to the Financial Statements (cont'd)

31 December 2005

10. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Name of company	Principal activities	Effective group interest	
		2005	2004
Matang Billion Sdn. Bhd.	Inactive	100%	-
Beta Billion Sdn. Bhd.	Inactive	100%	-
B.I.G. Development (Matang) Sdn. Bhd.	Inactive	100%	-
B.I.G. Offshore Services Sdn. Bhd.	Inactive	100%	-
Puncak Luyang Sdn. Bhd.* (formerly known as Pristana Sdn. Bhd.)	Project management and property developer.	51%	-
Subsidiary company of Alpha Billion Sdn. Bhd.			
Alpha Billion Management Services Sdn. Bhd.	Inactive	100%	100%
Subsidiary company of Hypervictory Sdn. Bhd.			
Besitek Konsortium Sdn. Bhd.	Inactive	100%	100%

* Not audited by Ernst & Young, Malaysia.

Acquisitions of subsidiary companies

On 27 January 2005, the Company acquired the entire issued and paid-up share capital of Matang Billion Sdn. Bhd., a company incorporated in Malaysia, comprising 2 ordinary shares of RM1.00 each for a cash consideration of RM2.00.

On 27 January 2005, the Company acquired the entire issued and paid-up share capital of Beta Billion Sdn. Bhd., a company incorporated in Malaysia, comprising 2 ordinary shares of RM1.00 each for a cash consideration of RM2.00.

On 27 January 2005, the Company acquired the entire issued and paid-up share capital of B.I.G. Development (Matang) Sdn. Bhd., a company incorporated in Malaysia, comprising 2 ordinary shares of RM1.00 each for a cash consideration of RM2.00.

On 4 March 2005, the Company acquired the entire issued and paid-up share capital of B.I.G. Offshore Services Sdn. Bhd., a company incorporated in Malaysia, comprising 2 ordinary shares of RM1.00 each for a cash consideration of RM2.00.

On 19 October 2005, the Company acquired the 51% of the total issued and paid-up share capital of Puncak Luyang Sdn. Bhd. (formerly known as Pristana Sdn. Bhd.), a company incorporated in Malaysia, comprising 6,375,000 ordinary shares of RM1.00 each for a purchase consideration of RM5,916,000.



Notes to the Financial Statements (cont'd)

31 December 2005

10. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Acquisitions of subsidiary companies (cont'd)

The acquisitions had the following effect on the Group's financial results for the year:-

	2005 RM	2004 RM
Revenue	349,751	2,293,097
(Loss)/profit from operations	(15,899)	123,540
Net (loss)/profit for the year	(26,575)	95,475

The acquisitions had the following effect on the financial position of the Group as at the end of the year:-

	2005 RM	2004 RM
Land held for development	12,713,744	-
Property, plant and equipment	46,441	-
Development expenditure	-	5,002,363
Trade receivables	-	187,466
Other receivables	24,982	41
Cash in hand	514,057	14,071
Trade payables	(1,737,879)	-
Other payables	(1,452,730)	(87,895)
Amount due to holding company	-	(209,185)
Amount due to fellow subsidiaries	(173,963)	-
	<u>9,934,652</u>	<u>4,906,861</u>

The fair values of the assets acquired and liabilities assumed from the acquisition of the subsidiary companies were as follows:-

	2005 RM	2004 RM
Land held for development	12,713,744	-
Property, plant and equipment	46,441	-
Development expenditure	-	5,002,363
Trade receivables	-	187,466
Other receivables	24,982	41
Cash in hand	512,070	14,071
Trade payables	(1,737,879)	-
Other payables	(1,450,730)	(87,895)
Amount due to holding company	-	(209,185)
Amount due to fellow subsidiary	(165,880)	-
Post acquisition loss	18,477	-
Total net assets	9,961,225	4,906,861
Less: Minority interest	(4,880,996)	-
Group's share of net assets	5,080,229	4,906,861
Goodwill on acquisition	835,779	893,165
Cost of acquisition	<u>5,916,008</u>	<u>5,800,026</u>
Purchase consideration satisfied by cash	5,916,008	5,800,026
Cash and cash equivalents of subsidiary companies acquired	(512,070)	(14,071)
Net cash outflow of the Group	<u>5,403,938</u>	<u>5,785,955</u>



Notes to the Financial Statements (cont'd)

31 December 2005

11. INVESTMENT IN ASSOCIATED COMPANIES

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Unquoted shares, at cost	60,003	60,003	60,003	60,003
Less: Share of post-acquisition losses	60,003	18,939	-	-
	-	41,064	60,003	60,003

The Group's interest in the associated companies is represented by:-

	Group	
	2005 RM	2004 RM
Share of net assets	-	29,534
Share of goodwill in associated companies	-	11,530
	-	41,064

The details of the Group's associated companies, which are incorporated and domiciled in Malaysia, are set out as follows:-

Name of company	Principal activities	Effective group interest	
		2005	2004
B.I.G. Oil and Gas Sdn. Bhd.	Inactive	30%	30%
B.I.G. Kidurong Sdn. Bhd.	Inactive	30%	30%
B.I.G. Samudra Sdn. Bhd.	Inactive	30%	30%

12. OTHER INVESTMENTS

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Unquoted investments:-				
Unquoted shares, at cost	2,227,657	1,659,839	-	-
Golf and country club membership, at cost	224,000	224,000	-	-
Junior Bond	4,500,000	4,500,000	4,500,000	4,500,000
	6,951,657	6,383,839	4,500,000	4,500,000
Quoted investments:-				
Quoted shares, at cost	464,263	5,897,716	-	4,497,422
Less: Accumulated impairment losses	464,263	513,994	-	-
	-	5,383,722	-	4,497,422
Total investments	6,951,657	11,767,561	4,500,000	8,997,422
Market value of quoted investments	-	5,595,987	-	4,709,687

The Directors are of the opinion that no further allowance for diminution in value of quoted investments is required as the diminution is considered not permanent and the net tangible asset values of certain investments exceeds the quoted price of those investments.



Notes to the Financial Statements (cont'd)

31 December 2005

13. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land held for property development

	Leasehold land RM
Group	
At 31 December 2005:-	
Cost	
At 1 January 2005	5,002,363
Additions	100,000
Acquisition of subsidiary company	12,713,744
Transfer to property development costs	<u>-</u>
At 31 December 2005	17,816,107
Carrying amount at 31 December 2005	<u>17,816,107</u>
At 31 December 2004:-	
Cost	
At 1 January 2004	202,567
Additions	5,002,363
Transfer to property development costs	<u>(202,567)</u>
At 31 December 2004	5,002,363
Carrying amount at 31 December 2004	<u>5,002,363</u>

(b) Property development costs

	Group	
	2005 RM	2004 RM
Property development costs at 1 January:-		
Leasehold land	9,588,091	1,727,098
Development costs	2,719,895	3,847,572
	<u>12,307,986</u>	<u>5,574,670</u>
Costs incurred during the year:-		
Leasehold land	-	4,347,231
Development costs	6,109,262	1,821,631
	<u>6,109,262</u>	<u>6,168,862</u>
Costs recognised in income statement:-		
At 1 January	-	1,911,115
Development costs	1,764,687	2,569,715
	<u>1,764,687</u>	<u>4,480,830</u>
Transfers:-		
From land held for property development	-	202,567
Property development costs at 31 December	<u>16,652,561</u>	<u>7,465,269</u>



Notes to the Financial Statements (cont'd)

31 December 2005

14. AMOUNT DUE FROM/(TO) RELATED COMPANIES

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Amount due from subsidiary companies	-	-	61,549,900	59,995,330
Amount due from associated company	177,479	187,570	110,642	110,642
	177,479	187,570	61,660,542	60,105,972
Amount due to subsidiary companies	-	-	(431,544)	(499,990)
Amount due to associated company	(29,999)	(75,671)	(29,999)	(29,999)
	147,480	111,899	61,198,999	59,575,983

Certain amounts due from/(to) the related companies are unsecured, interest free and under no fixed term of repayment. Certain amounts due from subsidiary companies earn interest at rates ranging from 1.5% to 8.65% (2004: 3.34% to 8.65%) per annum and are repayable on demand.

15. INVENTORIES

	Group	
	2005 RM	2004 RM
At cost:-		
Industrial gases	709,265	556,563
Welding equipment and construction materials	894,980	915,736
Raw materials	606,542	740,724
Spare parts and consumables	416,105	361,761
Stone	2,455,396	980,175
Goods in transit	851,638	846,980
	5,933,926	4,401,939

16. TRADE RECEIVABLES

Trade receivables	31,823,279	25,211,347
-------------------	------------	------------

The Group's normal credit term ranges from 14 to 180 days. Other credit terms are assessed and approved on a case by case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Other receivables	7,796,004	8,509,327	41,678	286,391
Deposits	973,782	4,201,896	4,156	3,246,971
Prepayments	1,466,738	1,789,479	-	180,742
Current tax assets	83,826	316,186	19,320	217,981
	10,320,350	14,816,888	65,154	3,932,085

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or group of debtors.



Notes to the Financial Statements (cont'd)

31 December 2005

18. FIXED DEPOSITS WITH LICENSED BANKS AND FINANCIAL INSTITUTIONS

	Group	
	2005 RM	2004 RM
Fixed deposits with licensed banks:-		
- Pledged	599,348	122,792
- Not pledged	380,000	1,200,000
Fixed deposits with licensed financial institutions:-		
- Not pledged	433,210	1,010,848
	1,412,558	2,333,640

The fixed deposits pledged to the banks are given as security for banking facilities granted to certain subsidiary companies.

The weighted average interest rates during the financial year ranges from 1.4% to 3.0% (2004: 3.20% to 4.05%) and the maturities of deposits as at 31 December 2005 ranges from 30 to 365 days.

19. BANK OVERDRAFTS

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Secured	697,980	514,976	-	-

The weighted average effective interest rates for the Group was 7% (2004: 2.89% to 6.99%) respectively.

The secured bank overdrafts of the Group are secured by certain assets of the Group and of the Company as disclosed in Note 8.

20. SHORT TERM BORROWINGS

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Secured:-				
Bill payables	3,429,256	3,822,061	-	-
Revolving credit	4,100,000	4,100,000	-	-
Term loans	948,215	1,464,877	-	-
	8,477,471	9,386,938	-	-
Unsecured:-				
Bill payables	3,635,641	6,090,653	-	-
Revolving credit	3,500,000	3,500,000	1,500,000	1,500,000
Term loan	-	600,000	-	-
	7,135,641	10,190,653	1,500,000	1,500,000
Total borrowings:-				
Bill payables	7,064,897	9,912,714	-	-
Revolving credits	7,600,000	7,600,000	1,500,000	1,500,000
Term loans (Note 26)	948,215	2,064,877	-	-
	15,613,112	19,577,591	1,500,000	1,500,000



Notes to the Financial Statements (cont'd)

31 December 2005

20. SHORT TERM BORROWINGS (cont'd)

The weighted average effective interest rates during the financial year for borrowings were as follows:-

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Bill payable	1.70% to 4.87%	1.85% to 3.83%	-	-
Revolving credit	4.98% to 5.54%	4.62% to 6.04%	4.98%	5.48%
Term loans	5.7% to 8.65%	4.53% to 8.65%	8.65%	8.65%

The secured revolving credits, trust receipts and term loans of the Group are secured by certain assets of the Group as disclosed in Note 8.

21. TRADE PAYABLES

	Group	
	2005 RM	2004 RM
Trade payables	8,078,736	5,402,050
Progress billings in respect of property development costs	447,875	21,720
	<u>8,526,611</u>	<u>5,423,770</u>

The normal credit term granted to the Group ranges from 30 days to 180 days.

22. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Other payables	3,902,159	1,310,990	47,783	36,569
Deposit	760,467	668,386	-	-
Accruals	4,274,404	3,618,316	41,053	38,894
	<u>8,937,030</u>	<u>5,597,692</u>	<u>88,836</u>	<u>75,463</u>

23. LEASE PAYABLES

	Group	
	2005 RM	2004 RM
Repayable within twelve months	433,831	390,733
Repayable after twelve months	1,136,863	962,638
	<u>1,570,694</u>	<u>1,353,371</u>



Notes to the Financial Statements (cont'd)

31 December 2005

23. LEASE PAYABLES (cont'd)

	Group	
	2005 RM	2004 RM
Minimum lease payments:-		
Not later than one year	520,186	461,334
Later than one year but not later than five years	1,239,685	1,084,321
	1,759,871	1,545,655
Less: Future finance charges on finance leases	189,177	192,284
Present value of finance lease liabilities	1,570,694	1,353,371

The lease payables bore interest at rates ranging from 2.5% to 5.0% (2004: 4.00% to 10.02%) per annum.

24. SHARE CAPITAL

	Group and Company			
	Number of Ordinary Shares of RM1.00 each		Amount	
	2005	2004	2005 RM	2004 RM
Authorised:-				
At 1 January and 31 December	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid:-				
At 1 January	48,087,200	19,218,000	48,087,200	19,218,000
Issued during the year:-				
Pursuant to Rights Issue, for cash	-	12,107,340	-	12,107,340
Pursuant to Rights Issue by way of capitalisation of revenue and share premium reserves	-	7,110,660	-	7,110,660
Bonus Issue	-	9,609,000	-	9,609,000
Pursuant to conversion of warrants, for cash	5,000	42,200	5,000	42,200
At 31 December	48,092,200	48,087,200	48,092,200	48,087,200

(a) Warrants 2004/2009

Pursuant to the Rights Issue with Warrants of the Company ("BIG"), the Company issued 19,218,000 new ordinary shares of RM1.00 each together with 19,218,000 free detachable Warrants 2004/2009 attached on the basis of one (1) free warrant for every one (1) ordinary share subscribed, at the subscription price of RM0.63 per Rights Share. Pursuant to the conditions stipulated in the Deed Poll dated 2 December 2003, each Warrant shall entitle the registered holder of the Warrants, at any time during the period of five (5) years commencing from 5 February 2004 to 4 February 2009, to subscribe for one (1) new ordinary share of RM1.00 each at the exercise price of RM1.00 per share.



Notes to the Financial Statements (cont'd)

31 December 2005

24. SHARE CAPITAL (cont'd)

(a) Warrants 2004/2009 (cont'd)

The salient features of the Warrants 2004/2009 are as follows:-

Terms	Details
"Transferability"	The Warrants shall be transferable by an instrument of transfer in any usual or common form or such other form as may be approved by the Directors, Bursa Malaysia Depository Sdn. Bhd. and the Bursa Malaysia Securities Berhad ("Bursa Securities"). Subject to the provisions of the Central Depositories Act and the Rules, no person shall be recognised by the Company as having title to a Warrant entitling the Warrantheader thereof to subscribe for a fractional part of a New Share or otherwise than as the holder of the entirety of such New Shares. Each Warrantheader shall be deemed to remain the registered holder of the Warrant registered in his name until the name of the transferee is entered into the Record of Depositors in the manner provided under the Central Depositories Act and the Rules.
"Tenure"	Five (5) years from the date of issuance of the Warrants.
"Exercise Period"	means the period commencing on and including the date of issue of the Warrants and ending at the close of business at 5.00 p.m. in Malaysia on a date being five (5) years from the Issue Date of the Warrants to be determined at the discretion of the Company subject to the approval of the relevant authorities, the shareholders of the Company and the Warrantheaders, in accordance to the procedure set out by this Deed and/or the laws.
"Exercise Price"	RM1.00 payable in full upon the exercise of each Warrant.
"Expiry Date"	means the date falling on the fifth (5th) year from the Issue Date of the Warrants.
"Entitlement"	Subject to the provisions to be included in the Deed Poll, each Warrant shall entitle the registered holder during the Exercise Period to subscribe for one (1) new BIG Share at the Exercise Price of RM1.00.
"Mode of Exercise"	The registered holder of the Warrants must complete and sign the Exercise Form and deliver the same to the Registrar together with a remittance in Malaysian currency for the amount equal to the subscription moneys when subscribing for new BIG Shares.
Board Lot	For the purposes of trading on the Bursa Securities, a Board Lot for the Warrants shall be One Hundred (100) Warrants carrying the right at the date of issue of the Warrants, to subscribe for One Hundred (100) New Shares.
Ranking of the new BIG Shares from exercise of Warrants	The new BIG Shares to be issued upon exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respects with the issued and paid-up capital of BIG, save and except that they will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date/books closure date of which precedes the date of allotment of the new BIG Shares to be issued pursuant to the exercise of the Warrants.



Notes to the Financial Statements (cont'd)

31 December 2005

24. SHARE CAPITAL (cont'd)

(a) Warrants 2004/2009 (cont'd)

The following is the movement in the number of Warrants 2004/2009 to take-up un-issued ordinary shares of RM1.00 each in the Company during the financial year:-

	Number of Warrants 2004/2009
At 1 January 2005	19,175,800
Exercise during the financial year	<u>5,000</u>
At 31 December 2005	<u>19,170,800</u>

(b) Employees' Share Option Scheme ("ESOS")

The Company's ESOS is governed by the Bye-Laws approved by the shareholders at an Extraordinary General Meeting held on 16 June 2003. The ESOS was implemented on 26 February 2004 and is to be in force for a period of five (5) years from the date of implementation and will expire on 25 February 2009.

The salient features of the ESOS are as follows:-

- (i) The ESOS Committee appointed by the Board of Directors to administer the ESOS, may from time to time grant options to eligible employees of the Group to subscribe for new ordinary shares of RM1.00 each in the Company.
- (ii) Subject to the discretion of the ESOS Committee, any full time employee (including Executive Director) as at the date of offer, whose employment has been confirmed and have completed one year of service within the Company or its subsidiaries (which are not dormant) shall be eligible to participate in the ESOS.
- (iii) The total number of shares to be issued under the ESOS shall not exceed ten percent (10%) of the issued share capital of the Company at any point of time during the tenure of the ESOS and out of which not more than fifty percent (50%) of the shares shall be allocated, in aggregate, to Directors and other senior management of the Group. In addition, not more than ten percent (10%) of the shares available under the ESOS shall be allocated to any individual eligible employee or Executive Director of the Group, who either singly or collectively through his/her associates, hold twenty percent (20%) or more of the issued and paid-up capital of the Company and no option shall be granted for less than one hundred (100) shares.
- (iv) The option price for each share shall be the 5-day weighted average market price of the Company's shares as quoted in the Daily Official List issued by Bursa Malaysia Securities Berhad immediately prior to the Date of Offer, if the ESOS Committee shall so determine at their discretion from time to time, at a discount of not more than 10% or the par value of the shares of the Company of RM1.00, whichever is higher.
- (v) All new ordinary shares issued and allotted upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company except that they shall not rank for any rights, dividends, allotment and/or distributions declared which entitlement date precedes the date of exercise of the said options and will be subject to the provisions of the Articles of Association of the Company.
- (vi) The persons to whom the options have been granted have no right to participate by virtue of the options, in any share issue of any other company.



Notes to the Financial Statements (cont'd)

31 December 2005

24. SHARE CAPITAL (cont'd)

(b) Employees' Share Option Scheme ("ESOS") (cont'd)

The terms of share options outstanding as at the end of the financial year are as follows:-

Offer Date	Expiry Date	Exercise Price RM	Number of Share Options				At 31 December 2005
			At 1 January 2005	Granted	Exercised	Lapsed	
08/03/2004	25/02/2009	2.72	3,316,000	-	-	347,000	2,969,000
10/04/2004	25/02/2009	2.83	135,000	-	-	-	135,000

25. RESERVES

Movements in reserves are shown in the statements of changes in equity.

As at 31 December 2005, the Company has sufficient tax credit under Section 108 of the Income Tax Act 1967 and the balance in the tax exempt income account to frank the payment of dividends out of its entire revenue reserve.

26. TERM LOANS

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Secured:-				
Bank loan repayable by 84 equal monthly instalments commencing August 1997	-	119,391	-	-
Bank loan repayable by 60 monthly instalments commencing January 2001	-	226,452	-	-
Bank loan repayable by 47 equal monthly instalments commencing July 2001	230,992	568,597	-	-
Bank loan repayable by 60 monthly instalments commencing August 2001	-	40,446	-	-
Bank loan repayable by 60 monthly instalments commencing October 2001	180,023	375,305	-	-
Bank loan repayable by 36 monthly instalments commencing November 2003	202,927	391,921	-	-
Bank loan repayable by 35 equal quarterly instalments commencing October 2003	651,888	782,304	-	-
	1,265,830	2,504,416	-	-
Unsecured:-				
Bank loan repayable by 60 monthly instalments commencing January 2001	-	600,000	-	-
Bank loan repayable in August 2009	45,000,000	45,000,000	45,000,000	45,000,000
	46,265,830	48,104,416	45,000,000	45,000,000



Notes to the Financial Statements (cont'd)

31 December 2005

26. TERM LOANS (cont'd)

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Repayable within 12 months (Note 20)	948,215	2,064,877	-	-
Repayable after 12 months	45,317,615	46,039,539	45,000,000	45,000,000
	<u>46,265,830</u>	<u>48,104,416</u>	<u>45,000,000</u>	<u>45,000,000</u>

The term loans are secured by fixed and floating charges over the certain assets of the Group as described in Note 8. The weighted average interest rates for term loans are stated in Note 20.

27. DEFERRED TAXATION

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
At 1 January	2,091,900	2,667,800	-	-
Recognised in income statement (Note 5)	(652,813)	(575,900)	-	-
Under provided in prior year (Note 5)	38,832	-	-	-
At 31 December	<u>1,477,919</u>	<u>2,091,900</u>	<u>-</u>	<u>-</u>
Presented after appropriate offsetting as follows:-				
Deferred tax assets	(3,963,152)	(2,912,505)	-	-
Deferred tax liabilities	5,441,071	5,004,405	-	-
	<u>1,477,919</u>	<u>2,091,900</u>	<u>-</u>	<u>-</u>

28. CONTINGENT LIABILITIES

	Company	
	2005 RM	2004 RM
Corporate guarantees granted to banks in respect of the subsidiary companies' outstanding banking facilities as at 31 December	<u>15,113,406</u>	<u>15,031,046</u>

As at 31 December 2005, the gross amount of corporate guarantees granted to banks in respect of the subsidiary companies' banking facilities totalled RM36,841,500.

29. CAPITAL COMMITMENTS

	Group	
	2005 RM	2004 RM
Approved and contracted for	<u>-</u>	<u>735,000</u>



Notes to the Financial Statements (cont'd)

31 December 2005

30. SEGMENT INFORMATION

(a) Business segments

The Group is organised into three major business segments:-

- (i) Oil & Gas / Industrial Gas;
- (ii) Ready Mix Concrete (RMC)/Quarry; and
- (iii) Property development and construction.

Other business segments include transportation and provision of management services, none of which are of a sufficient size to be reported separately.

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

	Oil & Gas/ Industrial Gas RM	RMC/ Quarry RM	Property Development & Construction RM	Other RM	Eliminations RM	Consolidated RM
2005						
Revenue						
External sales	30,760,248	42,650,895	7,464,946	6,116,594	-	86,992,683
Inter-segment sales	-	22,371,595	-	1,558,503	(23,930,098)	-
	<u>30,760,248</u>	<u>65,022,490</u>	<u>7,464,946</u>	<u>7,675,097</u>	<u>(23,930,098)</u>	<u>86,992,683</u>
Results						
Profit from operations						6,825,603
Finance cost, net						(4,590,925)
Share of results of associated company						(41,064)
Taxation						<u>482,708</u>
Profit after taxation						2,676,322
Minority interest						<u>9,054</u>
Net profit for the year						<u>2,685,376</u>
Assets and liabilities						
Segment assets	71,665,269	38,598,955	38,054,261	121,393,499	(124,834,108)	144,877,876
Investment in associated companies	-	-	-	60,003	(60,003)	<u>-</u>
						<u>144,877,876</u>
Segment liabilities	54,773,555	26,494,433	28,591,767	61,340,058	(89,007,147)	<u>82,192,666</u>
Other information						
Amortisation	-	399,656	-	-	-	399,656
Depreciation	2,537,323	2,291,324	7,762	167,105	-	5,003,514



Notes to the Financial Statements (cont'd)

31 December 2005

30. SEGMENT INFORMATION (cont'd)

(a) Business segments (cont'd)

	Oil & Gas/ Industrial Gas RM	RMC/ Quarry RM	Property Development & Construction RM	Other RM	Eliminations RM	Consolidated RM
2004						
Revenue						
External sales	27,536,573	31,159,829	4,695,239	2,434,690	-	65,826,331
Inter-segment sales	-	16,393,673	-	6,206,178	(22,599,851)	-
	<u>27,536,573</u>	<u>47,553,502</u>	<u>4,695,239</u>	<u>8,640,868</u>	<u>(22,599,851)</u>	<u>65,826,331</u>
Results						
Profit from operations						7,490,979
Finance cost, net						(3,371,948)
Share of results of associated company						(11,831)
Taxation						<u>519,083</u>
Profit after taxation						<u>4,626,283</u>
Assets and liabilities						
Segment assets	78,167,314	38,931,402	12,095,837	118,085,716	(110,190,847)	137,089,422
Investment in associated companies	-	-	-	60,003	(18,939)	<u>41,064</u>
						<u>137,130,486</u>
Segment liabilities	62,832,059	28,207,296	12,313,528	57,677,411	(80,339,401)	<u>80,690,893</u>
Other information						
Amortisation	-	12,769	-	-	-	12,769
Depreciation	2,372,860	2,266,570	1,818	93,791	-	4,735,039

(b) Geographical segments

No geographical analysis has been presented as the Group's business interest is predominantly located in Malaysia.



Notes to the Financial Statements (cont'd)

31 December 2005

31. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the financial year, the Group and the Company had entered into the following significant related party transactions:-

	Company	
	2005 RM	2004 RM
(a) Transactions with subsidiary companies		
Income		
Management fee income from:-		
- B.I.G. Industrial Gas Sdn. Bhd.	72,000	72,000
- Hypervictory Sdn. Bhd.	18,000	18,000
- Lumanai Sdn. Bhd.	18,000	18,000
- Alpha Billion Sdn. Bhd.	24,000	24,000
- B.I.G. Marketing Sdn. Bhd.	6,000	6,000
- B.I.G. Construction Sdn. Bhd.	6,000	6,000
- Uni-Mix Sdn. Bhd.	18,000	6,000
- Systems SDS Sdn. Bhd.	42,000	42,000
- B.I.G. Bahtera Sdn. Bhd.	42,000	-
- Linear Excellent Sdn. Bhd.	6,000	-
- Kinalaju Supply Sdn. Bhd.	6,000	-
Interest income from:-		
- Alpha Billion Sdn. Bhd.	87,176	52,329
- B.I.G. Communication Sdn. Bhd.	143,312	147,564
- B.I.G. Bahtera Sdn. Bhd.	74,950	-
- Hypervictory Sdn. Bhd.	89,400	98,200
Dividend income from:-		
- B.I.G. Industrial Gas Sdn. Bhd.	1,500,503	5,499,513
- Uni-Mix Sdn. Bhd.	-	262,856
- Lumanai Sdn. Bhd.	-	192,500
- Kinalaju Supply Sdn. Bhd.	-	25,710
Expenditure		
Interest paid to Uni-Mix Sdn. Bhd.		
- Uni-Mix Sdn. Bhd.	-	3,247
- B.I.G. Industrial Gas Sdn. Bhd.	247,338	130,990

The Directors are of the opinion that the above transactions were entered into with the subsidiary companies in the normal course of business and under mutually agreed terms.

(b) Transactions with a director-related company

	Group	
	2005 RM	2004 RM
Receipts of construction contract for reservoir - Seristana Sdn. Bhd.	2,467,545	-
Receipts of construction contract for building works - Seristana Sdn. Bhd.	2,573,792	-



Notes to the Financial Statements (cont'd)

31 December 2005

31. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

(c) Directors' remuneration

The remuneration paid to the Executive Director and Non-Executive Directors of the Company are disclosed as follows:-

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Executive Director				
Fees	30,000	30,000	12,000	12,000
Salaries, allowances and bonus	221,280	210,824	-	-
Employee Provident Fund	23,040	21,744	-	-
Non-Executive Directors				
Fees	74,000	92,000	74,000	92,000

The remuneration paid to the Executive Director and Non-Executive Directors of the Company are further analysed as follows:-

	Number of Directors			
	Executive		Non-Executive	
Band of remuneration	2005	2004	2005	2004
Nil	-	-	-	-
RM1 – RM50,000	-	-	5	7
RM50,001 – RM100,000	-	-	-	-
RM100,001 – RM150,000	-	-	-	-
RM150,001 – RM200,000	-	-	-	-
RM200,001 – RM250,000	1	1	-	-

32. SIGNIFICANT EVENTS

(a) Corporate Exercises

- (i) Private placement of up to 4,804,000 new ordinary shares of RM1.00 each

On 21 June 2005, the Company announced that the application for a further extension of time to implement the Private Placement has not been approved by the Securities Commission. As such the approval for the Private Placement is deemed to have lapsed in 18 February 2005.

- (ii) Share split involving the subdivision of every one (1) existing share of RM1.00 each in the Company into ten (10) new shares of RM0.10 each

On 27 June 2005, the Company announced that Bursa Malaysia Securities Berhad had approved its application for the subdivision of its shares. However, on 16 August 2005, the Company had decided to abort the share split involving the subdivision of every one (1) existing share of RM1.00 each in the Company into ten (10) new shares of RM0.10 each.



Notes to the Financial Statements (cont'd)

31 December 2005

32. SIGNIFICANT EVENTS (cont'd)

(b) Acquisition of new subsidiary companies

On 27 January 2005, the Company acquired the entire issued and paid-up share capital of Matang Billion Sdn. Bhd., a company incorporated in Malaysia, comprising 2 ordinary shares of RM1.00 each for a cash consideration of RM2.00.

On 27 January 2005, the Company acquired the entire issued and paid-up share capital of Beta Billion Sdn. Bhd., a company incorporated in Malaysia, comprising 2 ordinary shares of RM1.00 each for a cash consideration of RM2.00.

On 27 January 2005, the Company acquired the entire issued and paid-up share capital of B.I.G. Development (Matang) Sdn. Bhd., a company incorporated in Malaysia, comprising 2 ordinary shares of RM1.00 each for a cash consideration of RM2.00.

On 4 March 2005, the Company acquired the entire issued and paid-up share capital of B.I.G. Offshore Services Sdn. Bhd., a company incorporated in Malaysia, comprising 2 ordinary shares of RM1.00 each for a cash consideration of RM2.00.

On 19 October 2005, the Company acquired the 51% of the total issued and paid-up share capital of Puncak Luyang Sdn. Bhd. (formerly known as Pristana Sdn. Bhd.), a company incorporated in Malaysia, comprising 6,375,000 ordinary shares of RM1.00 each for a purchase consideration of RM5,916,000.

33. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, foreign exchange, liquidity and credit risks. The Group operates within defined guidelines and the Group's policy is not to engage in speculative transactions.

(b) Interest rate risk

The Group's primary interest rate risk relates to interest-bearing debts, as the Group had no long-term interest-bearing assets as at 31 December 2005. The investment in financial assets are mainly short term in nature and they are not held for speculative purposes but have been placed in fixed deposits.

The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

(c) Foreign exchange risk

The Group is predominantly exposed to two foreign currencies namely, Singapore Dollar and Brunei Dollar. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

During the year, the Group has not entered into any hedging transactions.



Notes to the Financial Statements (cont'd)

31 December 2005

33. FINANCIAL INSTRUMENTS (cont'd)

(c) Foreign exchange risk (cont'd)

The net unhedged financial assets and liabilities of the Group at the end of the financial year that are not denominated in the functional currency of Ringgit Malaysia are as follows:-

	Brunei Dollar Equivalent RM	Singapore Dollar Equivalent RM	US Dollar Equivalent RM	Total RM
Functional currency				
At 31 December 2005:-				
Trade receivables <i>Ringgit Malaysia</i>	473,472	-	542,723	1,016,195
Cash and bank balances <i>Ringgit Malaysia</i>	87,125	-	-	87,125
Trade payables <i>Ringgit Malaysia</i>	-	-	1,597,104	1,597,104
At 31 December 2004:-				
Trade receivables <i>Ringgit Malaysia</i>	393,935	-	661,574	1,055,509
Cash and bank balances <i>Ringgit Malaysia</i>	213,414	-	-	213,414
Trade payables <i>Ringgit Malaysia</i>	-	4,751	462,511	467,262

(d) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position.

(e) Credit risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risk is minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Receivables are monitored on an ongoing basis via the Group's management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.



Notes to the Financial Statements (cont'd)

31 December 2005

33. FINANCIAL INSTRUMENTS (cont'd)

(f) Fair values

The aggregate net fair values of financial assets and financial liabilities at the end of the financial year which are not carried at fair value on the balance sheets of the Company and of the Group are represented as follows:-

	Note	Group		Company	
		Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Financial assets					
At 31 December 2005:-					
Investment in golf club membership	12	224,000	*	-	-
Investment in unquoted shares	12	2,227,657	*	-	-
Investment in bond	12	4,500,000	*	4,500,000	*
At 31 December 2004:-					
Investment in golf club membership	12	224,000	*	-	-
Investment in quoted shares	12	5,383,722	5,595,987	4,497,422	4,709,687
Investment in unquoted shares	12	1,659,839	*	-	-
Investment in bond	12	4,500,000	*	4,500,000	*
Financial liabilities					
At 31 December 2005:-					
Term loans	26	45,317,615	**	45,000,000	-
At 31 December 2004:-					
Term loans	26	46,039,539	**	45,000,000	-

* It is not practical to estimate the fair values of the Group's investments in golf club membership, unquoted shares and junior bond because of the lack of quoted market prices and the inability to estimate fair values without incurring excessive costs.

** The fair value information pertaining to long-term term loans is not disclosed as it is not practicable due to timeliness or cost to determine the fair value with sufficient liability. Alternatively, the principal characteristics, namely the terms and conditions of the instruments have been disclosed in Note 26.



Notes to the Financial Statements (cont'd)

31 December 2005

33. FINANCIAL INSTRUMENTS (cont'd)

(f) Fair values (cont'd)

The nominal/notional amount and net fair value of financial instruments not recognised in the balance sheet at the end of the financial year are:-

	Note	Company Nominal/ notional amount RM	Net fair value RM
At 31 December 2005:-			
Contingent liabilities	28	15,113,406	***
At 31 December 2004:-			
Contingent liabilities	28	15,031,046	***

*** It is not practicable to estimate the fair value of contingent liabilities reliably due to the uncertainties of timing, costs and eventual outcome.

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:-

(i) Cash and cash equivalents, receivables, payables, amount due to/from related companies and short-term borrowings

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.



Analysis of Shareholdings

as at 11 May 2006

Authorised Capital	:	RM100,000,000.00
Issued and Paid-up Capital	:	RM48,092,200.00
Class of Shares	:	Ordinary shares of RM1.00 each
Voting Rights	:	One vote per shareholder on a show of hand One vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	No. of Shares Held	%
1 to 99	58	1,633	0.00
100 to 1,000	862	730,105	1.52
1,001 to 10,000	2,164	8,898,577	18.50
10,001 to 100,000	391	10,789,603	22.44
100,001 to 2,404,609 (*)	38	15,355,750	31.93
2,404,610 and above (**)	4	12,316,532	25.61
TOTAL	3,517	48,092,200	100.00

Remarks: * - Less than 5% of issued shares
** - 5% and above of issued shares

THIRTY (30) LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS AS AT 11 MAY 2006

No.	Name of Substantial Shareholders	No. of Shares	%
1.	PM Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Pristine Corporation Sdn. Bhd. (D)</i>	3,933,282	8.18
2.	RC Nominees (Tempatan) Sdn. Bhd. <i>Lau Ban Tin (SBB DBGPS)</i>	3,250,950	6.76
3.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. <i>Deutsche Bank AG London</i>	2,585,200	5.38
4.	HSBC Nominees (Asing) Sdn. Bhd. <i>BNP Paribas Arbitrage (Hong Kong) Limited</i>	2,547,100	5.30
5.	Lee Sheng Fung	2,078,400	4.32
6.	Hoon Nin	2,001,000	4.16
7.	Employees Provident Fund Board	2,000,000	4.16
8.	HLB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Teoh Beng Keong</i>	770,000	1.60
9.	Mohd Redzuan Bin A. Samah	651,600	1.35
10.	HLB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Yong Siew Kat</i>	628,400	1.31
11.	Ch'ng Wee Lan	550,800	1.15
12.	Affin Nominees (Asing) Sdn. Bhd. <i>Pledged Securities Account for David John Mars</i>	481,000	1.00



Analysis of Shareholdings (cont'd)
as at 11 May 2006

**THIRTY (30) LARGEST SHAREHOLDERS
AS PER THE RECORD OF DEPOSITORS AS AT 11 MAY 2006 (cont'd)**

No.	Name of Substantial Shareholders	No. of Shares	%
13.	Mayban Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tommy Bin Bugo @ Hamid Bin Bugo (11195KC0018)</i>	450,000	0.94
14.	Tajaan Restu Holdings Sdn. Bhd.	400,000	0.83
15.	PM Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lau Ban Tin (G)</i>	400,000	0.83
16.	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lee Sheng Fung</i>	390,900	0.81
17.	HLB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Seow Thye</i>	375,000	0.78
18.	Othman Bin Merican	353,000	0.73
19.	Mohd Fauzi B Hj Abd Hamid	350,000	0.73
20.	Mayban Nominees (Tempatan) Sdn. Bhd. <i>Mayban Investment Management Sdn. Bhd. for Kumpulan Wang Simpanan Pekerja (N14011980810)</i>	236,700	0.49
21.	Ng Yu Thian	233,700	0.49
22.	Lee Seng Kim	200,000	0.42
23.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lim Chou Bu (472036)</i>	200,000	0.42
24.	Mayban Securities Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Noor Azman @ Noor Hizam B Mohd Nurdin (REM 699-Margin)</i>	186,450	0.39
25.	HLB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Siow Hui Ping</i>	175,000	0.36
26.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Kalthom Binti Kosai</i>	171,200	0.36
27.	Chong Yoon Fook	170,000	0.35
28.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Leon Chin Yee (E-KPG)</i>	150,000	0.31
29.	Lau Hien Chong	149,400	0.31
30.	HLB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Zainuddin Bin Yakkop</i>	146,800	0.31
Total		26,215,882	54.51



Analysis of Shareholdings (cont'd) as at 11 May 2006

LIST OF SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 11 MAY 2006

No.	Name	No. of shares in which substantial shareholders have direct interest		No. of shares in which substantial shareholders are deemed to have an interest	
			%		%
1.	Pristine Corporation Sdn. Bhd.	3,933,336 (i)	8.18	-	-
2.	Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin	3,650,950 (ii)	7.59	3,933,336 (iii)	8.18
3.	Y. Bhg. Dato' Haji Mohd Fauzi Bin Yusuf @ Mohd Yusof	-	-	3,933,336 (iii)	8.18
4.	BNP Paribas Arbitrage (Hong Kong) Limited	2,547,100 (iv)	5.30	-	-
5.	Deutsche Bank AG London	2,585,200	5.38	-	-
6.	Lee Sheng Fung	2,484,400 (v)	5.17	-	-

Notes:-

- (i) Indirect holdings through HDM Nominees (Tempatan) Sdn. Bhd. (54 shares) and PM Nominees (Tempatan) Sdn. Bhd. (3,933,282 shares).
- (ii) Indirect holdings through RC Nominees (Tempatan) Sdn. Bhd. (3,250,950 shares) and PM Nominees (Tempatan) Sdn. Bhd. (400,000 shares)
- (iii) Deemed interested by virtue of their substantial shareholdings in Pristine Corporation Sdn. Bhd.
- (iv) Indirect holding through HSBC Bank Malaysia Berhad (2,547,100 shares).
- (v) Direct holding (2,078,400 shares) and indirect holdings through HLB Nominees (Tempatan) Sdn. Bhd. (15,100 shares) and TA Nominees (Tempatan) Sdn. Bhd. (390,900 shares).

DIRECTORS' INTEREST

No.	Name of Directors	No. of Shares			
		Direct Interest	%	Deemed Interest	%
1.	Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin	3,650,950	7.59	3,933,336 (i)	8.18
2.	Y. Bhg. Dato' Haji Mohd Fauzi Bin Yusuf @ Mohd Yusof	-	-	3,933,336 (i)	8.18
3.	Yong Siew Kat	628,400	1.31	-	-

Note:-

- (i) Deemed interested by virtue of their substantial shareholdings in Pristine Corporation Sdn. Bhd.



Analysis of Warrantholdings as at 11 May 2006

No. of Warrants Issued	:	19,170,800
Exercise Price of Warrants	:	RM1.00
Exercise Period	:	5 February 2004 - 4 February 2009
Exercise Rights	:	Each Warrant entitles the registered holder during the Exercise Period to subscribe for one (1) new ordinary share of RM1.00 each in the share capital of the Company
Voting Rights at Meeting of Warrantholders	:	One vote per warrant holder on a show at hand One vote per warrant on a poll

DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrantholders	No. of Warrants Held	%
1 to 99	29	1,199	0.00
100 to 1,000	595	488,552	2.55
1,001 to 10,000	964	4,847,685	25.29
10,001 to 100,000	318	9,528,064	49.70
100,001 to 958,539 (*)	24	4,305,300	22.46
958,540 and above (**)	0	0	0.00
TOTAL	1,930	19,170,800	100.00

Remarks: * - Less than 5% of issued warrants
** - 5% and above of issued warrants

THIRTY (30) LARGEST WARRANTHOLDERS AS PER THE RECORD OF DEPOSITORS AS AT 11 MAY 2006

No.	Name of Warrantholders	No. of Warrants	%
1.	Mohd Redzuan Bin A. Samah	628,000	3.28
2.	RC Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Yee Wai Chow (M)</i>	476,300	2.48
3.	Chng Kim Chye	272,000	1.42
4.	HLB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Mazni Binti Azasli</i>	200,000	1.04
5.	Palaniappan A/L Krishnan	185,400	0.97
6.	Mark Lee Yoong Chong	165,000	0.86
7.	Goh Nan Kioh	161,800	0.84
8.	Lim Lee Poo	160,000	0.83
9.	Tang Lee Sheng	150,000	0.78
10.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Leon Chin Yee (E-KPG)</i>	150,000	0.78
11.	HDM Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lionel Koh Kok Peng (M09)</i>	150,000	0.78



Analysis of Warrantholdings (cont'd) as at 11 May 2006

THIRTY (30) LARGEST WARRANTHOLDERS AS PER THE RECORD OF DEPOSITORS AS AT 11 MAY 2006 (cont'd)

No.	Name of Warrantholders	No. of Warrants	%
12.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Yeoh Kim Poh (Margin-MY0088)</i>	150,000	0.78
13.	Mohd Fauzi B Hj Abd Hamid	140,000	0.73
14.	RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Kek Lai Chuan (CEB)</i>	138,000	0.72
15.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ho Man Ka (470692)</i>	134,800	0.70
16.	HDM Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lim Kam Seng (M15)</i>	134,600	0.70
17.	Yong Ming	120,000	0.63
18.	Low Hock See	120,000	0.63
19.	Chaw Keen Leong	119,000	0.62
20.	Affin Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Mohd Redzuan Bin A. Samah</i>	117,800	0.61
21.	Lim Kam Wai	112,200	0.59
22.	Khaw Khean Huat	105,300	0.55
23.	Ng Yu Tian	105,000	0.55
24.	RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Yoke Lan (CEB)</i>	100,100	0.52
25.	Patrick Chiong Sui Chai	100,000	0.52
26.	Lim Kam Seng	100,000	0.52
27.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Ho Nai Lok (Margin-MY0047)</i>	100,000	0.52
28.	Choong Thiam Fatt	100,000	0.52
29.	Mayban Securities Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Noor Azman @ Noor Hizam B Mohd Nurdin (REM 699-Margin)</i>	94,100	0.49
30.	Yong Ching @ Yong Cho Shoo	90,000	0.47
	Total	4,879,400	25.45



List of Properties Held by the Group as at 31 December 2005

Location	Description	Approximate Age of Building	Land Area (Sq. m)	Tenure	Net Book Value (RM)	Date of Acquisition
1. Lot 759, Block 4, Miri Concession Land District Piasau Industrial Estate Jalan Kilang, Miri	An Oxygen Plant and Office Building	22 years & 13 years	3,310	2044	433,389	1984
2. Lot 1830 Block 4 Miri Concession Land District Piasau Industrial Estate Jalan Kilang, Miri	An Acetylene Plant and Fabrication Works Building	20 years	2,448	2052	342,930	1982
3. Lot 2225, Section 66 Kuching Town Land District, Pending Industrial Estate, Kuching	An Office Building and Refilling Plants Oxygen/Nitrogen Plant, Store/Warehouse	11 years & 8 years	12,141	2053	2,144,907	1994
4. Lot 35, Block 13 Senggi Poak Land District Paku, Bau	Vacant Land	N/A	5,339	2039	42,908	1997
5. Lot 564, Block 16 Seduan Land District Upper Lanang Industrial Estate, Lorong Then Kung Suk 5, Sibul	An Office Building and Refilling Plant	14 years	1,966	2038	450,157	1992
6. Lot 977, Block 26 Kemena Land District Kidurong, Light Industrial Estate Kidurong Road, Bintulu	An Oxygen/Nitrogen Plant, Acetylene Plant and Office Building	16 years	7,719	2051	1,508,865	1991
7. Lot 2072, Block 26 Kemena Land District Kidurong Industrial Area, Bintulu	Vacant Land	N/A	12,243	60 years	441,454	1992
8. Lot 2602, Block 32 Kemena Land District Kemena Industrial Area, Bintulu	Vacant Land	N/A	8,139	2056	248,776	1991



List of Properties Held by the Group (cont'd) as at 31 December 2005

Location	Description	Approximate Age of Building	Land Area (Sq. m)	Tenure	Net Book Value (RM)	Date of Acquisition
9. Lot 2395, Block 31 Kemena Land, Bintulu	Company House	17 years	553.3	2049	53,031	1990
10. CL205359495 CL205359486 Kg. Durian Tunjong F. T. Labuan	An Office Building and Refilling Plans	7 years	808 1,045	2919	637,658	1997
11. Lot 1950, 1951 Block 5, Kuala Baram Land District Miri	Vacant Land	N/A	1,705.9	2056	239,645	2002
12. Lot 3 & 4, Jalan Bakau Off Km 9, Jalan Tuaran, Kota Kinabalu	Premix Concrete Site and Ancillary Building, Office Building	N/A 8 years	7,620	2027	1,227,425	1986
13. PL 046290082 NT043205778* NT043205787* NT043205796* Kampung Malalin Off Km 31, Jalan Tuaran, Kota Kinabalu	10 units Single Storey Terrace House cum Workshop	9 years	2,030 4,290 10,562 10,198	2075 Perpetuity Perpetuity Perpetuity	657,409	1997 1996 1996 1996
14. Indah Court Apartment, Kota Kinabalu	1 Unit Apartment	7	N/A	N/A	107,178	1998
15. Bukit Vor Apartment Kota Kinabalu	1 Unit Apartment	5	N/A	N/A	131,479	2000
16. NT044012115** NT044012124** NT043131540** FR1265** NT044012633** FR044012044** FR044015161** FR044012697** Telipok, Kota Kinabalu	Quarry Site Quarry Site Quarry Site Crushing Plant Quarry Site Quarry Site Vacant Quarry Site	N/A	42,729 40,064 19,830 53,419 27,316 29,846 12,141 4,047	Perpetuity Perpetuity Perpetuity Perpetuity Perpetuity Perpetuity Perpetuity Perpetuity	2,428,744	1996 1996 1996 1996 1998 1997 1999 2001

Notes:-

* Lands hold in trust by Mr. Chan Kok Hwa and subleased to Uni-Mix Sdn. Bhd.

** Lands hold in trust by Mr. Chan Kok Hwa and subleased to Hypervictory Sdn. Bhd.

N/A: Not Applicable



Group Corporate Directory

HEAD OFFICE & FACTORY

B. I. G. INDUSTRIES BERHAD

Lot 2225, Section 66, Jalan Dermaga
Pending Industrial Estate
93450 Kuching, Sarawak
Tel : 082-486321
Fax : 082-336933

B. I. G. INDUSTRIAL GAS SDN. BHD.

KUCHING BRANCH

Lot 2225, Section 66, Jalan Dermaga
Pending Industrial Estate
93450 Kuching, Sarawak
Tel : 082-486321
Fax : 082-336933

MIRI BRANCH

Lot 759, Block 4
Piasau Industrial Estate
P. O. Box 1297
98008 Miri, Sarawak
Tel : 085-653995
Fax : 085-654841

LABUAN BRANCH

Lot 112-3, Court Light Industrial Park
Jalan Pohon Batu
P. O. Box 81566
87025 F T Labuan
Tel : 087-465818
Fax : 087-465597

SIBU BRANCH

19, Lorong Then Kung Suk 5
Lot 564, Block 16
Upper Lanung Road
C.D.T. 36, 96008 Sibu
Tel : 084-213059
Fax : 084-214953

BINTULU BRANCH

Lot 977, Block 26
Tanjung Kidurong
P. O. Box 1106
97008 Bintulu, Sarawak
Tel : 086-252430
Fax : 086-252558

B. I. G. MARKETING SDN. BHD.

Lot 2225, Section 66, Jalan Dermaga
Pending Industrial Estate
93450 Kuching, Sarawak
Tel : 082-486321
Fax : 082-336933

ALPHA BILLION SDN. BHD.

Lot 2225, Section 66, Jalan Dermaga
Pending Industrial Estate
93450 Kuching, Sarawak
Tel : 082-486321
Fax : 082-336933

LUMANAI SDN. BHD.

Lot 21, 23, 25, 27, 2nd Floor
Likas Plaza, Jalan Tuaran, Likas
88400 Kota Kinabalu, Sabah
Tel : 088-437422
Fax : 088-437430

KINALAJU SUPPLY SDN. BHD.

Lot 21, 23, 25, 27, 2nd Floor
Likas Plaza, Jalan Tuaran, Likas
88400 Kota Kinabalu, Sabah
Tel : 088-437422
Fax : 088-437430

HYPERVICTORY SDN. BHD.

Lot 21, 23, 25, 27, 2nd Floor
Likas Plaza, Jalan Tuaran, Likas
88400 Kota Kinabalu, Sabah
Tel : 088-437422
Fax : 088-437430

UNI-MIX SDN. BHD.

Lot 21, 23, 25, 27, 2nd Floor
Likas Plaza, Jalan Tuaran, Likas
88400 Kota Kinabalu, Sabah
Tel : 088-437422
Fax : 088-437430

FACTORY

5¹/₂ Miles, Jalan Tuaran
Likas Industrial Estate, Inanam
Kota Kinabalu, Sabah
Tel : 088-420543
Fax : 088-429330

B. I. G. COMMUNICATIONS SDN. BHD.

Lot 21, 23, 25, 27, 2nd Floor
Likas Plaza, Jalan Tuaran, Likas
88400 Kota Kinabalu, Sabah
Tel : 088-437422
Fax : 088-437430

B. I. G. CONSTRUCTION SDN. BHD.

Lot 21, 23, 25, 27, 2nd Floor
Likas Plaza, Jalan Tuaran, Likas
88400 Kota Kinabalu, Sabah
Tel : 088-437422
Fax : 088-437430

This page is intentionally left blank

**B.I.G. INDUSTRIES BERHAD**

(Company No. 195285-D)
(Incorporated in Malaysia)

Proxy Form

NO. OF SHARES HELD

I/We _____
(Full Name in Block Letters)

of _____
(Full Address)

being a member of **B.I.G. INDUSTRIES BERHAD** (195285-D), hereby appoint _____

(Full Name in Block Letters)

of _____
(Full Address)

or failing him/her, the Chairman of the meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Sixteenth Annual General Meeting of the Company to be held at The Sarawak Club, Jalan Taman Budaya, 93000 Kuching, Sarawak on Tuesday, 27 June 2006 at 11.00 a.m.

My/our proxy is to vote as indicated below:-

NO.	RESOLUTIONS	FOR	AGAINST
1.	Adoption of Audited Financial Statement for the financial year ended 31 December 2005 and Reports of Directors and Auditors thereon		
2.	Approval of Directors' Fees		
3.	Re-election of Y. Bhg. Datuk Haji Mazelan Bin Bugo as Director pursuant to Article 106		
4.	Re-election of Ms. Yong Siew Kat as Director pursuant to Article 106		
5.	Re-appointment of Messrs. Ernst & Young as Auditors and authorising Directors to fix their remuneration		
6.	Ordinary Resolution No. 1 Authority given to Directors to issue shares pursuant to Section 132D of the Companies Act 1965		
7.	Ordinary Resolution No. 2 Proposed Renewal of Share Buy Back Authority		
8.	Ordinary Resolution No. 3 Proposed Renewal of Existing and New Shareholders' Mandate		
9.	Special Resolution Proposed Amendment to the Articles of Association of the Company		

Please indicate with an "X" in the appropriate box against the resolution how you wish your votes to be cast. In the absence of specific directions, your Proxy will vote or abstain as he/she thinks fit.

Dated this _____ day of _____ 2006.

Signature/Common Seal of shareholder

Notes:-

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company.
2. A corporation which is a member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.
3. An instrument appointing a proxy shall be in writing under the hand of the appointor or if the appointor is a corporation either under its common seal or under the hand of an attorney duly authorised. Where a member appoints two proxies, the appointments shall be invalid unless the number of shares to be represented by each proxy is specified.
4. An instrument appointing a proxy or representative must be deposited at the Registered Office of the Company, Lot 2225, Section 66, Jalan Dermaga, Pending Industrial Estate, 93450 Kuching, Sarawak, Malaysia not less than 48 hours before the time appointed for holding the meeting.



Please fold along this line (1)

**Postage
Stamp**

The Company Secretary
B.I.G. INDUSTRIES BERHAD
(Company No. 195285-D)
Lot 2225, Section 66, Jalan Dermaga
Pending Industrial Estate
93450 Kuching, Sarawak

Please fold along this line (2)