



B.I.G. INDUSTRIES BERHAD

(195285-D)
(Incorporated in Malaysia)



ANNUAL REPORT 2017

Value Driven, Quality Proven





VALUE DRIVEN, QUALITY PROVEN

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CORPORATE PROFILE

HISTORY AND BUSINESS

B.I.G. Industries Berhad ("BIG") was incorporated in Malaysia in 1990. It was listed on the KLSE Second Board in 1995 and thereafter transferred to the Main Market of Bursa Malaysia Securities Berhad in 2009.

The principal activities of the BIG Group are:

- i) Manufacturing, distribution and marketing of industrial gases, provision of services and maintenance and trading in related products in Peninsular Malaysia, Sabah and Sarawak;
- ii) Manufacturing, distribution and marketing of ready-mix concrete products and related services in Sabah; and
- iii) Property development in Peninsular Malaysia, Sabah and Sarawak.

GAS DIVISION

We manufacture, distribute and market industrial gases in Peninsular Malaysia, Sabah and Sarawak under the brand name of BIG. We also undertake project works & services and trade in related products such as welding / cutting equipment & consumables.

Growing in tandem with the nation's drive towards industrialisation, BIG has manufacturing plants strategically located in Kuching, Bintulu, Miri and Pasir Gudang and refilling facilities in Sibul, Labuan, Sandakan and Lumut.

With the strong network of branches, manufacturing plants, refilling equipment, ISO tanks and cylinders across Sarawak, we enjoy a unique position as one of the largest independent industrial gases manufacturer in Sarawak.

Since our humble beginning, we have served various primary industries in the following sectors:

1. Oil, Gas, Petrochemical
2. Shipbuilding & Metal Industry
3. Electronics
4. Food & Beverages
5. Fire Fighting System
6. Medical

Our Achievements

- Certified Food Grade Carbon Dioxide Gas Supplier
- MS ISO 9001:2008 Certified Company
- Awarded ECO Green Manufacturing Certificate (2002)

CONCRETE DIVISION

Operating under the brand of UMIK since 1984, we are the pioneer and leading ready-mixed concrete ("RMC") operator in Sabah. In 2005, we started on pre-cast concrete products to complement our RMC as well as expand our product base.

We are and have been involved in high grade RMC supply for projects such as the Sutera Harbour (Marine Structure), Babagon Dam, Menggabong and Likas Bridge and most of the high rise buildings in Kota Kinabalu and recognised as a high grade quality supplier of RMC by JKR Sabah.

Our Achievements

- ISO 9001:2008 Certified Company
- SIRIM Product certified manufacturer

PROPERTY DEVELOPMENT

We are an established developer and through the years have accumulated a vast experience in diverse property developments.

Our philosophy and strategy is to deliver a competitive and innovative value for money product to our customers. We believe in maximizing our customers return through our philosophy and improving people's lives by providing on time and good quality homes.

Our Completed Projects

Sabah

Puncak Luyang @ Kota Kinabalu

- 10 units of semi detached houses
- 62 units of condominiums (Phase 1 Block A)
- 64 units of condominiums (Phase 2 Block B)

Pristana Industrial Park @ Kota Kinabalu

- 10 units of semi-detached warehouses
- 1 unit of detached warehouse

Sarawak

Pristana Garden @ Kuching

- 128 units of apartments
- 88 units of double storey terrace houses
- 15 units of single storey terrace houses

The new project in Melalin is pending the earthworks and building plan approval from the authorities.

NOTICE OF TWENTY-SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Seventh Annual General Meeting of B.I.G. INDUSTRIES BERHAD will be held at the Setia Hall, Carlton Holiday Hotel & Suites, No. 1, Persiaran Akuatik, Seksyen 13, 40100 Shah Alam, Selangor Darul Ehsan on Wednesday, 29 November 2017 at 11.00 am for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 30 June 2017 and the Directors' and Auditors' Reports thereon. **(Note)**
2. To approve the payment of Directors' remuneration to the Non-Executive Directors of the Company amounting to RM123,000 for the financial year ended 30 June 2017. **(Ordinary Resolution 1)**
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) Mr Thiang Kai Goh **(Ordinary Resolution 2)**
 - ii) Datuk Lee Chuen Wan **(Ordinary Resolution 3)**
4. To re-elect Mr Lau Chia En who retires pursuant to Article 114 of the Company's Articles of Association and being eligible offers himself for re-election. **(Ordinary Resolution 4)**
5. To re-appoint Messrs Baker Tilly Monteiro Heng as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 5)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions:

6. Continuing in Office as Independent Non-Executive Director

"THAT Tan Sri Dato' Sri Dr Lau Ban Tin who has served as Independent Non-Executive Director of the Company for more than 9 years to continue to serve as an Independent Non-Executive Director of the Company." **(Ordinary Resolution 6)**

7. Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

"THAT, pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act") and subject always to the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to allot and issue shares in the Company at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company." **(Ordinary Resolution 7)**

NOTICE OF TWENTY-SEVENTH ANNUAL GENERAL MEETING (CONT'D)

8. To transact any other ordinary business for which due notice shall have been given.

BY ORDER OF THE BOARD

WONG YOKE LIN
Company Secretary

Shah Alam
27 October 2017

Notes:

1. In respect of the Record of Depositors ("ROD"), only member whose name appears on the Annual General Meeting ROD as at 23 November 2017 shall be entitled to attend or appoint proxy to attend and/or vote at the Twenty-Seventh Annual General Meeting.

2. **Proxy**

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.

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 is an individual member of the Company.

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 appointment shall be invalid unless the proportion of his shareholding to be represented by each proxy is specified.

An instrument appointing a proxy or representative must be deposited at the Registered Office of the Company at 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.

3. **Agenda item 1**

This agenda item 1 is meant for discussion only as under the provisions of Section 340(1)(a) of the Companies Act 2016 and the audited financial statements do not require the approval of shareholders. The matter will not put forward for voting.

4. **Ordinary Resolution 6**

The Board and Nomination Committee have assessed the independence of Tan Sri Dato' Sri Dr Lau Ban Tin ("Tan Sri Lau") who is an Independent Non-Executive Director of the Company for a cumulative terms of more than 9 years. The Board has recommended to shareholders that Tan Sri Lau remains as Independent Non-Executive Director in view of he:

- i) has expertise and wide experience in the industries of the group.
- ii) participates in the board deliberation actively and objectively.
- iii) performs his duties without influence of management with independent judgement.
- iv) discharges his fiduciary duties in the interest of the Company and minority shareholders.

NOTICE OF TWENTY-SEVENTH ANNUAL GENERAL MEETING (CONT'D)

Notes:

5. Ordinary Resolution 7

The Resolution 7, if passed, will give the Directors authority to allot and issue shares not exceeding 10% of the total number of issued shares 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 annual general meeting.

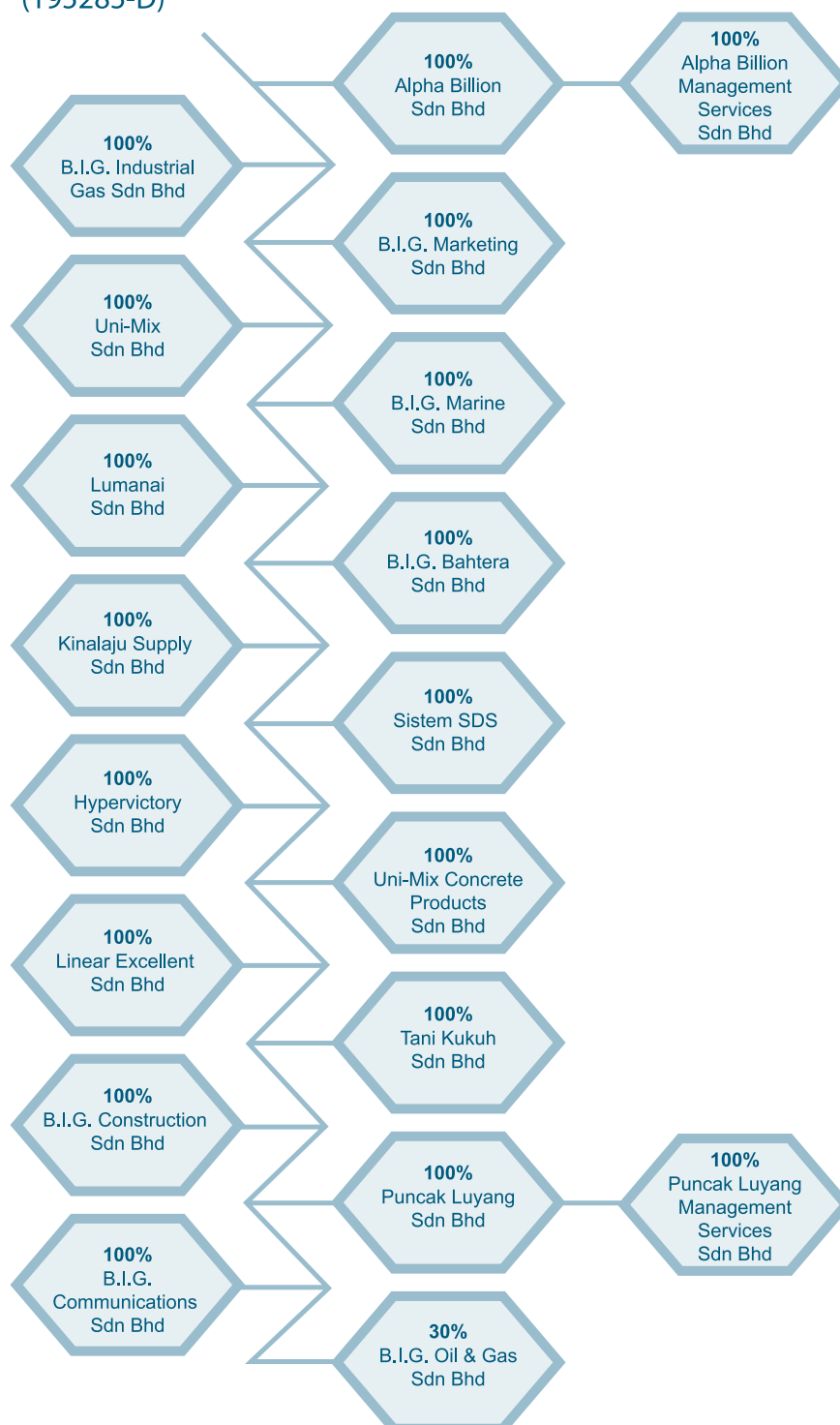
No new shares in the Company were issued pursuant to the authority granted to the Directors at the Twenty-Sixth Annual General Meeting held on 29 November 2016 and which will lapse at the conclusion of the Twenty-Seventh Annual General Meeting.

The general mandate is a renewal which will provide flexibility to the Company for any possible fund raising exercises, including but not limited to placing of shares, for the purpose of funding future investment, working capital and/or acquisitions.

GROUP CORPORATE STRUCTURE



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



CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Sri Dr Lau Ban Tin	<i>(Independent Non-Executive Chairman)</i>
Choong Wye Lin	<i>(Executive Director)</i>
Datuk Lee Chuen Wan	<i>(Senior Independent Non-Executive Director)</i>
Thiang Kai Goh	<i>(Non-Independent Non-Executive Director)</i>
Lau Chia En	<i>(Non-Independent Non-Executive Director)</i>

AUDIT COMMITTEE

Chairman

Datuk Lee Chuen Wan

Members

Tan Sri Dato' Sri Dr Lau Ban Tin
Thiang Kai Goh

NOMINATION COMMITTEE

Chairman

Datuk Lee Chuen Wan

Members

Tan Sri Dato' Sri Dr Lau Ban Tin
Thiang Kai Goh

REMUNERATION COMMITTEE

Chairman

Datuk Lee Chuen Wan

Members

Tan Sri Dato' Sri Dr Lau Ban Tin
Choong Wye Lin

COMPANY SECRETARY

Wong Yoke Lin

REGISTERED & PRINCIPAL OFFICE

Lot 2225, Section 66, Jalan Dermaga
Pending Industrial Estate
93450 Kuching, Sarawak
Tel : 082-486 321
Fax : 082-336 933
www.bigind.com.my

CORPORATE OFFICE

19D, 4th Floor, Block 2
Worldwide Business Centre
Jalan Tinju 13/50, Section 13
40675 Shah Alam, Selangor Darul Ehsan
Tel : 03-5512 9999
Fax : 03-5512 9282

SHARE REGISTRAR

Tricor Investor & Issuing House Services
Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 03-2783 9299
Fax : 03-2783 9222

AUDITORS

Baker Tilly Monteiro Heng (AF0117)
Baker Tilly MH Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel : 03-2297 1000
Fax : 03-2282 9980

PRINCIPAL BANKERS

AmBank (M) Berhad
Malayan Banking Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market
Stock Name : BIG
Stock Code : 7005

PROFILE OF THE BOARD OF DIRECTORS

TAN SRI DATO' SRI DR LAU BAN TIN

Independent Non-Executive Director

TAN SRI DATO' SRI DR LAU BAN TIN, aged 61, a male Malaysian, was appointed to the Board of the Company on 18 November 1998. Tan Sri Dato' Sri Dr Lau was a member of the Audit Committee and on 29 January 2014 he was re-designated as the Chairman of the Audit Committee. On 1 March 2016, he was appointed as the Chairman of the Company and re-designated from the Chairman to a member of the Audit Committee. Presently, he is also a member of the Nomination Committee, Remuneration Committee and Risk Management Committee of the Company.

Tan Sri is a Chartered Accountant by profession and a member of the Malaysian Institute of Accountants. He is a fellow member of several professional bodies, including the Malaysian Institute of Taxation, CPA Australia, the Chartered Institute of Management Accountants and the Association of International Accountants (U.K.). He obtained his MBA and DBA (Economics) from the Southern Cross University of Australia.

Tan Sri was a pioneer in setting up Tawakal Hospital in Kuala Lumpur and was also the financial consultant for the Bandar Tun Razak Project under Dewan Bandaraya Kuala Lumpur. Currently, he is an advisor of Persatuan Penjagaan Kanak-Kanak Cacat Klang, a member of Young Presidents Organisation – Gold and an adviser for the Klang Chinese Chamber of Commerce and Industry. He is also currently actively involved in township property development in the vicinity of Shah Alam and Klang.

Tan Sri has attended all the five (5) Board Meetings held during the financial year ended 30 June 2017.

CHOONG WYE LIN

Executive Director

CHOONG WYE LIN, aged 49, a female Malaysian, was appointed to the Board of the Company as the Executive Director on 17 August 2015. She was appointed as a member of the Remuneration Committee on 1 March 2016.

Ms Choong is a Member of the Malaysian Institute of Accountants (MIA) and Fellow Member of the Association of Chartered Certified Accountants (ACCA). She has 20 over years of finance related experiences gained from a public accounting firm and various commercial organisations.

Previous positions were in Ernst & Young, Arab-Malaysian Corporation Berhad, Country Heights Holding Berhad, B.I.G. Industries Berhad (October 2006 to December 2007), George Kent (Malaysia) Berhad, Pinehill Pacific Berhad, Java Berhad and Quantum Medical Solutions Sdn Bhd.

Ms Choong has attended all the five (5) Board Meetings held during the financial year ended 30 June 2017.

PROFILE OF THE BOARD OF DIRECTORS (CONT'D)

DATUK LEE CHUEN WAN *Senior Independent Non-Executive Director*

DATUK LEE CHUEN WAN, aged 66, a male Malaysian, was appointed to the Board of the Company as an Independent Non-Executive Director on 10 December 2010. He is also the Chairman of Nomination Committee since 25 April 2012. On 1 March 2016, he was re-designated from a member to the Chairman of the Audit Committee of the Company.

Presently, he is a Director of Rotary International District 3310 Berhad, a public company.

Datuk Lee holds an Honours Degree in Law from University of Buckingham, United Kingdom. He was called to the Bar as a Barrister of Honourable Society of the Middle Temple.

Datuk Lee is an experienced practicing lawyer of the High Court in Sabah for more than 20 years in civil litigation in the areas of banking, commercial, industrial and property laws. He is currently a legal consultant in Messrs MG's Legal Chambers in Kota Kinabalu. He retired as a partner of a legal firm, Messrs Shelley Yap in Kota Kinabalu at the end of 2009. Formerly, he was the Area Manager of DMIB Bhd. He is a member of Sabah Law Association and has vast experience in law, marketing and management.

Datuk Lee has attended all the five (5) Board Meetings held during the financial year ended 30 June 2017.

THIANG KAI GOH *Non-Independent Non-Executive Director*

THIANG KAI GOH, aged 68, a male Malaysian, was appointed to the Board of the Company as a Non-Independent Non-Executive Director on 16 November 2012. On 1 March 2016, he was appointed a member of the Audit Committee and Nomination Committee.

Mr Thiang is a Chartered Accountant. He is a fellow member of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants, the Malaysian Institute of Certified Public Accountants and the Chartered Tax Institute of Malaysia.

In 1975, he started his public practice specializing in audit assurance, taxation, insolvency and corporate advisory. Presently, he is the Managing Partner of Thiang & Co.

Mr Thiang has attended all the five (5) Board Meetings held during the financial year ended 30 June 2017.

PROFILE OF THE BOARD OF DIRECTORS (CONT'D)

LAU CHIA EN

Non-Independent Non-Executive Director

Mr Lau Chia En, aged 45, a male Malaysian, was appointed to the Board of the Company as a Non-Independent Non-Executive Director on 1 August 2017.

Currently, he is a Director of Wong Engineering Corporation Berhad, a public company.

Mr Lau is a graduate from Michigan Technological University with a Bachelor of Science in Electrical Engineering. He obtained his Master of Science in Business Administration (Finance) from University of Wisconsin.

He works in the corporate sector for the past 22 years practicing corporate finance for at least 18 years in investment banks and stock broking environment in Malaysia, mainly in MIMB Investment Bank Berhad and Aseambankers Malaysia Berhad (currently known as Maybank Investment Bank Berhad). His expertise is in mergers and acquisitions (M&A), initial public offerings, reverse takeovers, general offers and others. His last position held in a formal outfit was the Head of Corporate Finance at SJ Securities Sdn Bhd, a securities firm in Malaysia. Currently, he is working in a boutique investment advisory firm.

Mr Lau who is appointed in August 2017 has not attended any Board Meetings held during the financial year ended 30 June 2017.

Save as disclosed, none of the Directors has:

- (i) any family relationship with any Directors and/or major shareholders of the Company;
- (ii) any conflict of interest with the Company; and
- (iii) any conviction for any offences within the past five (5) years.

KEY SENIOR MANAGEMENT

CHOONG WYE LIN

Executive Director

She is aged 49 and was appointed to the Board and as the Executive Director on 17 August 2015. Her profile is listed in the Profile of Directors on page 8 of this Annual Report.

STATEMENT ON CORPORATE GOVERNANCE

The Statement on Corporate Governance by the Board of Directors has been set out in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements of Bursa Securities”).

The Board of Directors (“Board”) recognises the importance of practising 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.

The Board is pleased to report on the application of the principles and recommendations of Corporate Governance contained in the Malaysian Code of Corporate Governance (“the Code”) and the extent of compliance with the best practices of the Code by the Company. These principles and best practices have been applied by the Group throughout the financial year ended 30 June 2017.

BOARD OF DIRECTORS

The Board

The Group is headed by an effective Board which leads and controls the Group in the discharge of its stewardship responsibilities.

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

- Reviewing the Group’s strategic action plans particularly promoting sustainability and policies;
- The conduct of the Group’s business to ensure that it is being properly managed;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Appointing, training, fixing the compensation of, and where appropriate, replacing senior management;
- Developing and implementing an investor relations programme and shareholder communications policy for the Company;
- Reviewing the adequacy and the integrity of the Group’s system of internal control, risk management framework and management information systems, including system for compliance with applicable laws, regulation, rules, directives and guidelines; and
- Responsible for the preparation of the Company’s financial statements.

Board Charter

The Board has established a Board Charter which sets out the duties, responsibilities, functions and powers of the Board by adopting the principles of good corporate governance in accordance with the applicable rules, regulations and laws in Malaysia. The Board Charter is available at our website at www.bigind.com.my.

Board Compositions and Balance

The Board comprises five (5) members of whom two (2) are Independent Non-Executive Directors, two (2) are Non-Independent Non-Executive Directors and one (1) is 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 8 to page 10 demonstrate the diverse range of knowledge, experience and ability to make independent judgement. The Chairman undertakes the running of the Board, senior management and general managers are responsible for running the Group’s business and resources.

The Nomination Committee and Board do not believe that a term of more than 9 years can impair independence in view of the high calibre and integrity in discharging the duties and responsibilities independently and effectively by Tan Sri Dato’ Sri Dr Lau Ban Tin. In relation thereof, the Board is seeking shareholders’ approval of the same at the forthcoming annual general meeting.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

BOARD OF DIRECTORS (cont'd)

Board Compositions and Balance (cont'd)

The Board fulfils the requirement to have at least one third of the Board comprising of Independent Directors. The Board is satisfied that the current composition of Directors provides an appropriate balance and size to promote all shareholders' interests and to govern the Group effectively. This balance ensures that all matters brought before the Board are fully and objectively discussed, taking into account the interest of shareholders as a whole including in particular, those of minority shareholders.

The Board is led by Tan Sri Dato' Sri Dr Lau Ban Tin who is the Chairman and the executive management of the Group is led by Ms Choong Wye Lin as the Executive Director. The role and responsibilities of the Chairman and the Executive Director are clearly defined and separated so as to ensure a balance of power and authority. The Chairman is responsible for running the Board and ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in the Board's decisions. The Directors are professionals and entrepreneurs with diverse mix of skills and expertise ranging from management, accounting, business administration, engineering, audit assurance, insolvency, corporate advisory, taxation, property development, law and corporate finance. Their diverse backgrounds and versatility provide invaluable perspective to overseeing the overall strategic direction of the Company.

All members of the Board comply with the limitation of directorship requirements under the Listing Requirements of Bursa Securities.

Board Meetings and Supply of Information

The Board meetings are held at least quarterly and more frequently as and when the business or operational needs arise. Board meetings are also held whenever necessary to discuss various corporate matters including corporate exercises, new major investments and significant changes in regulatory requirement that affect the Group. The quarterly Board meetings are held to discuss and review the quarterly results of the Group for announcement to Bursa Securities and annual meetings are held to discuss and approve the Group's audited financial statements, annual budget and business plans.

There were five (5) Board meetings held during the financial year. The Board recorded its deliberations in terms of issues discussed and the conclusions in discharging its duties and responsibilities.

The details of attendance of each Director during the financial year are as follows:

Directors	Number of Board Meetings Attended
Tan Sri Dato' Sri Dr Lau Ban Tin	5 / 5
Datuk Lee Chuen Wan	5 / 5
Thiang Kai Goh	5 / 5
Choong Wye Lin	5 / 5
Lau Chia En (<i>Appointed on 1 August 2017</i>)	-

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

BOARD OF DIRECTORS (cont'd)

Board Meetings and Supply of Information (cont'd)

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 financial, operational, corporate matters as well as activities and performance of the Company. The board reports are circulated in a timely manner to enable the Directors to obtain further explanation, where necessary, in order to be properly briefed before the meeting and/or to arrive at an informed decision.

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

Directors have access to the advice and services of the senior management and the Company Secretary and may seek independent advice should the need arises. Any need for professional advice comes under the purview of the Board who will deliberate the matter on a consensual basis.

BOARD COMMITTEES

The Board had established various Board Committees to assist with the discharging of duties and responsibilities, in which the Board Committees operate within clearly defined terms of reference. There are three (3) Board Committees established to assist the Board in the discharge of its duties namely Audit Committee, Nomination Committee and Remuneration Committee.

- **Audit Committee**

The Audit Committee is currently made up of three (3) members comprising of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director appointed by the Board of Directors with written terms of reference clearly setting out its authority and duties.

The Committee reports to the Board on the effectiveness of the Group's internal control system and risk management. The Risk Management Committee assists the Committee in the discharge of its duties, particularly in the area of risk management. Each year the Chairman of the Committee conducts a review of the Committee's effectiveness based on a process established by the Board. Further information of the Audit Committee could be found on pages 24 to 26.

- **Nomination Committee**

The Nomination Committee comprises exclusively of Non-Executive Directors. Presently, it is chaired by Datuk Lee Chuen Wan and its members are Tan Sri Dato' Sri Dr Lau Ban Tin and Mr Thiang Kai Goh.

Members of the Nomination Committee abstained from participating in matters concerning their re-election, re-designation and assessment. The Committee sat four (4) times during the financial year ended 30 June 2017. The attendance of each committee members is as below:

Nomination Committee	Number of Meetings Attended
Datuk Lee Chuen Wan (<i>Chairman</i>)	4 / 4
Tan Sri Dato' Sri Dr Lau Ban Tin	4 / 4
Thiang Kai Goh	4 / 4

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

BOARD COMMITTEES (cont'd)

- **Nomination Committee – Appointments to the Board (cont'd)**

Activities for the financial year ended 30 June 2017 were as below:

- (i) Discussion and recommendation to the Board on the re-election of Directors retired pursuant to Article 106 and Article 114 of the Articles of Association of the Company and also assessment of Tan Sri Dato' Sri Dr Lau Ban Tin to continue in office as an Independent Non-Executive Director of the Company after serving for a tenure of exceeding 9 years.
- (ii) Review the mix, skill, independence and diversity of the existing board, assessment of the effectiveness of the Board, Board Committees and contribution of individual Directors.
- (iii) Assessment and notation of the sessions, seminars, programmes and workshops attended, participated, presented and/or delivered by the Board members.
- (iv) Discussion, recommendation and deliberation on the appointment and resignation of the Risk Management Committee members.
- (v) Discussion, recommendation and deliberation on the appointment of a member of the Board.

- **Remuneration Committee**

- (a) **Level and Make-up of Remuneration**

The Remuneration Committee determines the remuneration of each Director. The remuneration of each Director reflects the level of responsibility and commitment, which goes with Board membership. 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 her own remuneration and the respective Board members shall abstain from all discussions pertaining to their remuneration. The Remuneration Committee is authorised by the Board to appoint external advisers if it considers to be beneficial.

Fees payable to Directors are proposed by the Board and thereafter will be tabled to the shareholders for approval at the Company's Annual General Meeting prior to making any payment to the Directors.

The Remuneration Committee is chaired by Datuk Lee Chuen Wan and its current members are Tan Sri Dato' Sri Dr Lau Ban Tin and Ms Choong Wye Lin.

The Committee met three (3) times during the financial year under review. All members attended all the meetings during their tenure of office.

STATEMENT ON CORPORATE GOVERNANCE
(CONT'D)

BOARD COMMITTEES (cont'd)

• **Remuneration Committee - Directors' Remuneration (cont'd)**

(b) Procedures

The Remuneration Committee meets as and when required to determine all aspects of remuneration and terms and conditions of service of all the Directors of the Company.

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 the case of Independent Non-Executive Directors and Non-Independent Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the respective Non-Executive Directors concerned and is determined by the Board, taking into the consideration the recommendation of the Remuneration Committee.

The policy of the Remuneration Committee is in line with the Group's overall practice on remuneration packages, compensation and benefits. The Group provides a bonus and incentive scheme for all employees, including the Executive Director, where appropriate, which are dependent on the individual performance and 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 are disclosed as below:

	Group		Company	
	2017 RM	* 2016 RM	2017 RM	* 2016 RM
Executive Director				
Fees	-	8,000	-	8,000
Salary and other emoluments	332,349	392,462	-	-
	332,349	400,462	-	8,000
Non-Executive Directors				
Fees	123,000	222,000	123,000	222,000
Other emoluments	7,000	9,500	-	-
	462,349	631,962	123,000	230,000

* The financial year end has changed from 31 December 2015 to 30 June 2016 (18 months) and the comparative figures are for 12 months.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

BOARD COMMITTEES (cont'd)

- **Remuneration Committee - Directors' Remuneration (cont'd)**

(c) Disclosure of Remuneration (cont'd)

The remuneration paid to Executive Director and Non-Executive Directors of the Company for the financial year ended 30 June 2017 by category and in the bands of RM50,000 is as set out below:

Range (RM)	No. of Executive Director	No. of Non-Executive Director
1 - 50,000	-	3
300,001 - 350,000	1	-

DIRECTORS' TRAINING

All Directors have completed the Mandatory Accreditation Programme ("MAP") as required under the Listing Requirements of Bursa Securities. The Directors are mindful that training is essential to all Directors and they should continue to update their skills and knowledge to maximise their effectiveness as Directors during their tenure.

During the financial year the External Auditors, Internal Auditors and Company Secretary engaged by the Company provided updates to the Board on relevant governance matters and on new legislation and regulations concerning the Group and the Directors' duties and obligations. The Audit Committee regularly considers new accounting developments from the management, Internal Auditors and the External Auditors. Non-Executive Directors increase their understanding of the business and sector through regular presentations given by the management on issues, innovations and market intelligence related to the industry and business.

Respective Directors have also attended the following programmes, workshop, conference and seminars to further broaden their skills, knowledge, and perspectives to keep them abreast with new and relevant developments. During the financial year, the Directors have attended various programmes as follows to enhance and share their knowledge and expertise:

Datuk Lee Chuen Wan

- Latest Directors' Liabilities (Local and Malaysian) Cases Workshop
- Companies Act 2016: New Dynamic & Impact Seminar

Thiang Kai Goh

- National Tax Conference 2016
- Understanding MPERS

He also spoke in a firm for the Seminar on Taxation 2016, Budget 2017, Tax Updates and Developments, MPERS vs PERS and Its Tax Implications, and GST Updates and Developments

Tan Sri Dato' Sri Dr Lau Ban Tin

- Property Management Time Bomb Seminar 2016: Strata Management - Time Bomb Still Ticking
- Corporate Malaysia Roundtable (CMR) – "Role of Infrastructure in Development"

He also spoke in the following events:

- Home & Property Investment Fair – Millionaire Forum
- The Companies Act 2016: New Expectation for Directors

Choong Wye Lin

- Risk Management Programme: I Am Ready To Manage Risk!
- ACCA Budget Seminar

Lau Chia En

- Mandatory Accreditation Programme for Directors of Public Listed Companies

ELECTION/RE-ELECTION OF DIRECTORS

In accordance with the Company's Articles of Association ("Articles"), a Director who is appointed during the year is subject to retirement and to seek re-election by shareholders at the next Annual General Meeting ("AGM"). The Articles also provided that at least one third (1/3) of the existing Directors are subject to retirement by rotation and to seek re-election at regular intervals at every AGM, at least once in every three (3) years.

RELATIONSHIPS WITH SHAREHOLDERS AND INVESTORS

The Board discloses information on the performances of the Company, corporate strategies and other matters affecting shareholders and investors through timely dissemination of information via the Bursa Link, the Company's website, Annual Report, Circulars to shareholders and press releases, where necessary. Enquiries by shareholders are promptly dealt as practicable as possible.

In addition, Datuk Lee Chuen Wan acts as the Senior Independent Non-Executive Director and thus, any matters concerning the Group may be conveyed to him.

ANNUAL GENERAL MEETING

The AGM is the principal forum for dialogue with shareholders. Notice of the Annual General Meeting ("AGM") and Annual Reports in the CD-ROM forms are despatched to shareholders at least twenty-one (21) days before the date of the AGM. At the AGM, the Chairman of the meeting would present the requested financial results and business activities for the year under review.

At each AGM, the Board encourages shareholders to participate in the question and answer session. The Chairman, or where appropriate, the Directors would respond to all relevant enquiries in relation to the Group during the AGM.

For election/re-election of Directors, the Board ensures that full information is disclosed through the notice of meetings on all Directors seeking election/re-election at the AGM.

In addition, an explanatory statement accompanying items of special business is included in the notice of the AGM to facilitate full understanding and evaluation of the issues involved.

**ACCOUNTABILITY AND AUDIT
– FINANCIAL REPORTING**

The Group's financial statements are prepared in accordance with the requirements of the Financial Reporting Standards and the Companies Act 2016 in Malaysia, and the Listing Requirements of Bursa Securities. The Board is responsible to ensure that the financial statements of the Group present a balanced and understandable assessment on the state of affairs of the Group. The Audit Committee assists the Board in scrutinising information for disclosure to ensure accuracy, adequacy and completeness.

RISK MANAGEMENT AND INTERNAL CONTROL

The information on the Group's risk management and internal control is presented in the Statement on Risk Management and Internal Control as set out on pages 21 to 23 of this Annual Report.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

EXTERNAL AUDIT

The Group's independent External Auditors carry out 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 highlight any significant defects in the Group's system of control and non-compliance to the attention of the management, and if necessary, to the Audit Committee and the Board accordingly. This includes the communication of fraud.

RELATIONSHIP WITH EXTERNAL AUDITORS

The role of the Audit Committee in relation to the External Auditors is set out in the Audit Committee Report on pages 24 to 26 of this Annual Report. The Company has always maintained a formal and transparent relationship with its External 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 Board will continuously review the principles and practices in corporate governance in achieving the high standards of corporate governance throughout the Group and to the high level of integrity and ethical standards in all its business dealings.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF AUDITED FINANCIAL STATEMENTS

Pursuant to the Companies Act 2016, Directors are required to prepare the audited financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Group and of the Company for the said financial year under review.

In preparing the audited financial statements of the Group and the Company for the financial year ended 30 June 2017, 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 Financial Reporting Standards in Malaysia have been applied.

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 the financial statements comply with the Companies Act 2016 and Financial Reporting Standards.

SUSTAINABILITY

The Group is committed in its business strategies and businesses promote sustainability by adopting and applying environmental responsible practices, sound social policies and governance structures to minimize risks and volatility and to enhance the long-term development impact of corporate activities. It takes into consideration of the social, economic and environmental aspects of the businesses, people and earth.

CORPORATE SOCIAL RESPONSIBILITY

Environmental Friendly

The Group strongly respects and values the environment and is committed to greener future. Over the years, the Group strives to reduce the environmental impact from daily routine such as:

- i) minimize the usage of paper via increased used of emails;
- ii) minimize electrical and fuel consumption and takes measure to ensure that it is not wasted; and
- iii) the Group purchases paper that contains recycled content and recycles office paper.

The Group consistently communicates with the employees and creates awareness of environmental policy to ensure that all levels of employees working towards the same objectives.

Employees

The Group recognizes that employees are the most valuable assets and acknowledged their invaluable contributions to the Group. The Group understands that long-term sustainability depends on the ability to attract and retain talented, dedicated employees. The Group aims to be an employer of choice by offering competitive compensation and benefits and also rewarding opportunity for professional growth and development. The Group strongly believes that stimulating and challenging working environment can encourage the employees to perform their best.

Health and Safety

The Group has the Centralized Occupational Safety and Health (“OSH”) Committee and at each locations of the Group Business Unit established in accordance to the Malaysia Occupational Safety and Health (Safety and Health Committee) Regulation 1996. The Group OSH Management System is in place to define the principles by which we conduct our activities. Elements in the System remained consistent for each review year while specific focus areas evolve annually. Among those elements are leadership commitment, training, risk communicating and controls, continuous improvement and system benchmarking against established standards and codes. We pride ourselves through our concerted effort to achieve ZERO OSH incident and ZERO non-productive time every day on every activities. To achieve this, the new employees have to undergo induction briefing, induction programmes and existing employees are required to go for refresher induction programmes every 3 years for the Gas Division.

Healthy Life Style and Work-Life Balance

To promote healthy life style and work-life balance, the Group organizes and sponsors various sports activities for the staff. Also, we had a company trip to the “Lost World of Tambun”. Despite hectic schedule, the Group strongly encourages all staff to participate in the sport activities in order to achieve a balance and healthy life style.

Community

The Group believes that contributing to the local community is not just something out of choice but is actually a vital part of the business. The Group plays an active role in contributing to these communities through direct financial support, gifts in kind and employees’ voluntarism.

This statement is issued in accordance with a resolution of the Directors dated 13 October 2017.

OTHER INFORMATION

Utilisation of Proceeds

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

Audit and Non-Audit Fees

The fees paid or payable to the External Auditors in relation to the audit and non-audit services rendered to the Company and to the Group for the financial year ended 30 June 2017 are as follows:

	Company RM	Group RM
Audit fees	37,000	193,100
Non-audit fees	13,000	13,000
	50,000	206,100

Material Contracts

There were no material contracts entered by the Company or its subsidiaries involving the interests of the Directors and major shareholders either still subsisting at the end of the financial year ended 30 June 2017 or entered into since the end of the previous financial period.

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.

Internal Audit Function

Internal audit function is out sourced, and the Internal Auditors report directly to the Audit Committee of the Company.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirement by Bursa Malaysia Securities Berhad (“Bursa Securities”), the Board of Directors (“the Board”) is pleased to present the Group’s Statement on Risk Management and Internal Control with respect to the state, nature and scope of the internal control of B.I.G. Industries Berhad (“the Group”) for the financial year ended 30 June 2017.

BOARD’S RESPONSIBILITY

The Board is responsible for the Group’s system of risk management and internal control with the aim to safeguard shareholders’ investments and Group’s assets. The Board recognises its responsibility to review the establishment of an appropriate control environment and to assess the adequacy and integrity of the risk management and internal control systems and frameworks. However, such a system is designed to manage the Group’s risks within an acceptable risk profile, rather than to eliminate the risk of failure to achieve the policies and business objectives of the Group. Therefore, it shall be noted that such system can only provide reasonable but not absolute assurance against material misstatement in management and financial information and records or against financial losses or fraud.

The Board through the senior executives, has undertaken the appropriate initiatives to promote accountability and efficiency in the Group’s operations. In this respect, management assists the Board in the implementation of the Board’s policies and procedures on risk and the design of suitable internal controls to mitigate and control these risks.

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

RISK MANAGEMENT FRAMEWORK

The Board recognises the importance of identifying, evaluating, monitoring and managing principal risks of the Group that will affect the achievement of the Group’s corporate objectives.

All significant risks of the Group have been identified and quantified. The Group’s Risk Register contains three divisions, namely Property Development, Industrial Gas and Concrete. The divisional unit managers of each operation identify and assess the possibility of occurrence and impact of risk as well as mitigate and manage material risks.

The Risk Management Committee comprising Executive Director, Independent Director, Director of Operation, General Manager and Group Finance Manager review the risk rating and profile of each division and formulate various actions to manage the challenges and risks identified. Amongst others, the key actions identified are as follow:

- Enhance the delivery of the Group’s products and services;
- Strengthening the financial processes and reporting;
- Keeping abreast of new requirement from the authorities and to ensure compliance; and
- Strengthening the credit control and collection procedures.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

KEY INTERNAL CONTROL PROCESSES

The following are the key processes that have been established in the Group. These internal control processes will be reviewed, enhanced or updated continuously in line with the changes in the operating environment.

- a) Standard operating practices and guidelines involving operational planning, capital expenditure, safeguarding of assets against unauthorised use or disposition, financial and accounting records, reporting system and monitoring of Group's businesses and performances;
- b) The Executive Directors' involvement in the business operations and attendance at operational and management level meetings, monitor the Group's policies and procedures;
- c) The Audit Committee's review on audit findings reported by the Internal Auditors and External Auditors on the adequacy and effectiveness of the risk management and internal control systems;
- d) The Corporate Office at the holding company coordinates and monitors the monthly performance results of the operational units, based on actual against budgeted financial performances, key business indicators and highlights; and
- e) The financial performance and liquidity position of the Group is monitored through monthly reporting.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

Management has established clear line of accountability and delegated authorities through the standard operating practices. Management is responsible for identifying, evaluating, monitoring, managing and reporting on significant risks on an ongoing basis. Any significant risk matters shall be brought to the attention of the Executive Director, and if necessary, are also raised for discussion at Board meetings.

The summary status of key risks and mitigation actions are also presented in the Audit Committee Meetings. During the financial year under review, the Board has received assurance from the Executive Director and Group Financial Manager that to the best of their knowledge, the Group's risk management and internal control systems are operating adequately and effectively in all material aspects, before producing this Statements.

BOARD ASSURANCE

The Board confirms that the process for identifying, evaluating and managing significant risks in the Group is ongoing and assures that there was no material loss resulted from significant control weaknesses during the financial year under review and up to the date of approval of this Statement. Based on information, inquiry and assurance provided by the Executive Director and Group Finance Manager, the Board is of the opinion that the internal control system was reasonably satisfactory and adequate.

The Board wishes to reiterate that the system of risk management and internal control are only designed to manage risks rather than eliminate risks of failure to achieve business objectives. Nonetheless, the risk management and internal control would be continuously improved in line with the business development and to protect and enhance shareholders' value and business sustainability.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of the internal audit function. The Internal Audit Function is undertaken by IA Essential Sdn. Bhd. ("IAE"), an independent professional firm to provide internal audit services to assist the Audit Committee and Board in reviewing the effectiveness, adequacy and integrity of the Group's systems of internal control in managing risks.

Annually, an audit plan is presented to the Board and Audit Committee for comments, deliberation and approval. Thereafter, audit assignments will be conducted in accordance with the approved plan. On quarterly basis, the Internal Auditors present their findings and report to the Audit Committee. Operational Managers are required to respond to the Internal Auditor's recommendations and subsequently, their responses are incorporated into audit reports and circulated to the Audit Committee for review and to the Executive Directors and the relevant Head of Departments for action.

The areas and operating processes reviewed by the Internal Auditors during the financial year are the concrete operation in Kota Kinabalu and the gas operation in Bintulu; Lumut and Kuching.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Recommended Practice Guide ("RPG") 5 (Revised 2015) issued by the Malaysian Institute of Accountants, which does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on procedures performed and evidence obtained, the External Auditors have reported to the Board that nothing had come to their attention that caused them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in the review of the adequacy and integrity of internal control of the Group.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 13 October 2017.

AUDIT COMMITTEE REPORT

COMPOSITION

MEMBERS OF THE AUDIT COMMITTEE

Chairman

Datuk Lee Chuen Wan *(Senior Independent Non-Executive Director)*

Members

Tan Sri Dato' Sri Dr Lau Ban Tin *(Independent Non-Executive Director)*

Thiang Kai Goh *(Non-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 fulfills the following requirements:

- (a) the Audit Committee shall consist of no fewer than three (3) members;
- (b) all Audit Committee members must be Non-Executive Directors, with a majority of them being Independent Directors; and
- (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) fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.
- (d) Alternate Director is not allowed to be appointed as a member of the Audit Committee.

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

The terms of office and performance of the Committee and each of its members shall be reviewed by the Nomination Committee annually. However, the appointment terminates when a member ceases to be a Director.

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

2. MEETINGS AND REPORTING PROCEDURES

Number of Meetings

The Committee shall meet at least four (4) times in 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 Group Financial Controller/Head, Internal Auditors, representatives of the External Auditors and relevant management staff 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 as and when necessary.

Quorum

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

3. SECRETARY TO AUDIT COMMITTEE AND MINUTES

The Company Secretary shall be the Secretary of the Audit 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 relevant persons for noting and action, where necessary.

4. ACTIVITIES

The Audit Committee met five (5) times during the financial year ended 30 June 2017 to review the Company's and its Group's quarterly results and financial statements prior to the approval of the Board.

The summary of works of the Audit Committee in the discharge of its duties and responsibilities during the financial year ended 30 June 2017 included the following:

- (i) reviewed and discussed the internal audit findings reports, internal audit plan and risk registers;
- (ii) reviewed the External Auditors' scope of works, audit planning memorandum, fees structure and appointment;
- (iii) reviewed and discussed the External Auditors' reports, findings, recommendations, audit review memorandum on the results of their audit, accounting issues, accounting standards, the audit report and internal control recommendations in respect of control weaknesses noted in the course of their audit;
- (iv) reviewed the audited financial statements of the Company before they were tabled to the Board for approval;
- (v) reviewed all the unaudited quarterly results before tabling at the Board meeting for approval and release to Bursa Malaysia Securities Berhad and Securities Commission Malaysia;
- (vi) reviewed and discussed on any related party transactions that may arise to ensure compliance with the relevant regulatory requirements;
- (vii) reviewed and recommended to the Board of Directors for approval the Statement on Corporate Governance, Audit Committee Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report;
- (viii) sharing with fellow members on director risk management programme attended; and
- (ix) monitored other legal regulatory requirements and good governance.

AUDIT COMMITTEE REPORT (CONT'D)

5. NUMBER OF MEETINGS AND DETAILS OF ATTENDANCE

Five (5) Audit Committee meetings were held during the financial year ended 30 June 2017.

The attendance record of each member is as follows:

Audit Committee	Number of Meetings Attended
Datuk Lee Chuen Wan (<i>Chairman</i>)	5 / 5
Tan Sri Dato' Sri Dr Lau Ban Tin	5 / 5
Thiang Kai Goh	5 / 5

Three (3) Audit Committee meetings were held subsequent to the financial year ended 30 June 2017 ("FY2017") to the date of the report.

The attendance record of each member is as below:

Audit Committee	Number of Meetings Attended
Datuk Lee Chuen Wan (<i>Chairman</i>)	3 / 3
Tan Sri Dato' Sri Dr Lau Ban Tin	3 / 3
Thiang Kai Goh	2 / 3

6. INTERNAL AUDIT FUNCTION

During the FY2017, the internal audit function of the Group is executed by IA Essential Sdn Bhd, an external company which provides internal audit services ("Internal Auditors") to assist the Audit Committee in discharging its duties and responsibilities. The Internal Auditors are independent of the activities or operations of the operating units. The costs incurred by the internal audit function in respect of the financial year ended 30 June 2017 were RM80,130.00.

The principal role of the Internal Auditors is to undertake regular and systematic reviews of the systems of internal controls to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. It is the responsibility of the Internal Auditors 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 responses in respect of system and control weaknesses are issued to the Audit Committee members for review and to the respective management for their necessary action. Internal Auditors also monitors the implementation and disposition of all significant findings and management actions.

This statement is issued in accordance with a resolution of the Directors dated 13 October 2017.

FINANCIAL HIGHLIGHT

	FY 31 Dec 2012 RM	FY 31 Dec 2013 RM	FY 31 Dec 2014 RM	FP 30 Jun 2016 ⁽¹⁾ RM	FY 30 Jun 2017 RM
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OPERATING RESULT

Revenue	99,557,793	93,026,654	79,683,240	93,254,768	42,823,857
Operating profit (loss)	5,214,392	6,210,565	(4,266,695)	3,759,560	(7,210,011)
Profit/(Loss) before taxation	1,644,697	3,681,507	(6,050,199)	1,751,634	(8,276,392)
Profit/(Loss) attributable to owners of the Company	(2,544,953)	3,871,595	(6,332,187)	1,035,548	(6,611,966)

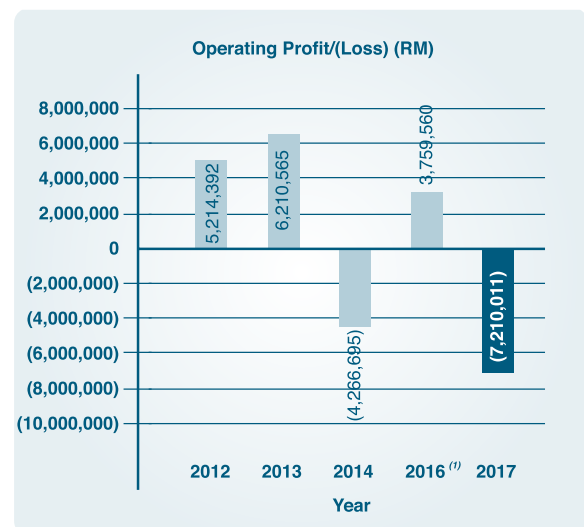
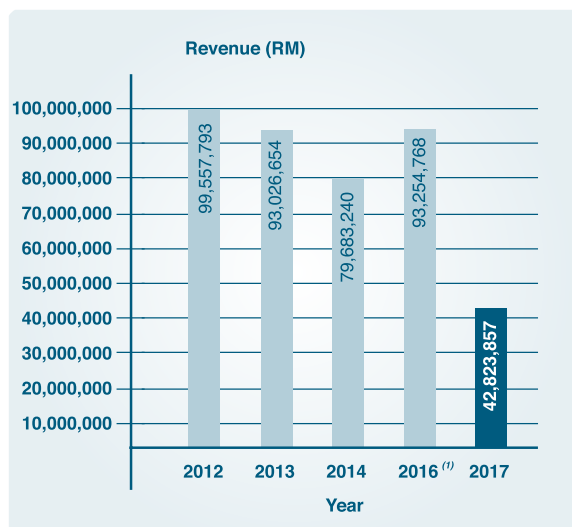
KEY STATEMENTS OF FINANCIAL POSITION DATA

Total Assets	125,979,942	111,920,668	97,205,029	81,651,027	69,051,243
Total Liabilities	82,240,777	64,309,908	55,926,456	39,336,906	33,349,088
Paid-up capital	48,092,200	48,092,200	48,092,200	48,092,200	48,242,313
Shareholders' equity	43,739,165	47,610,760	41,278,573	42,314,121	35,702,155

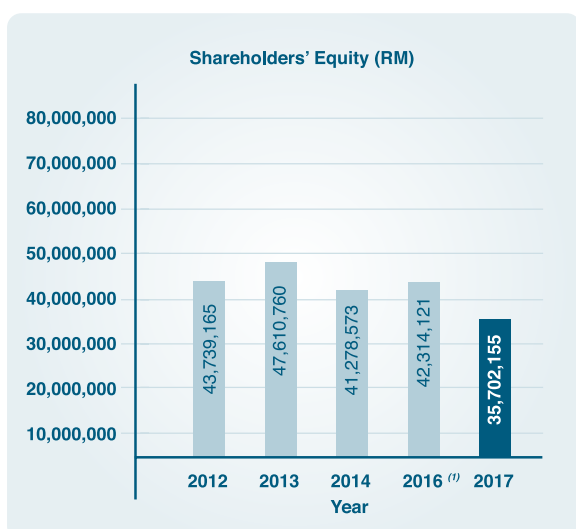
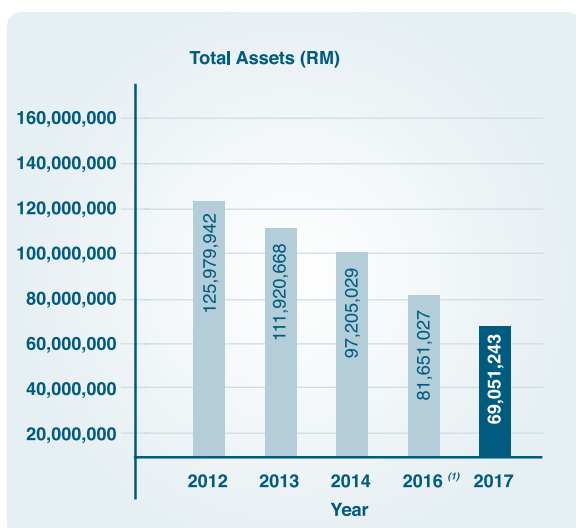
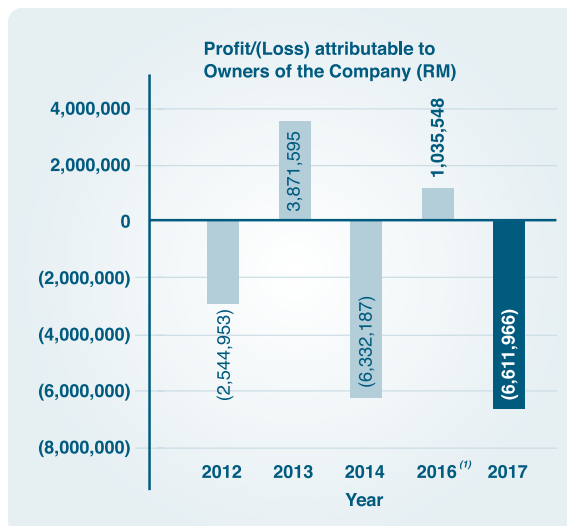
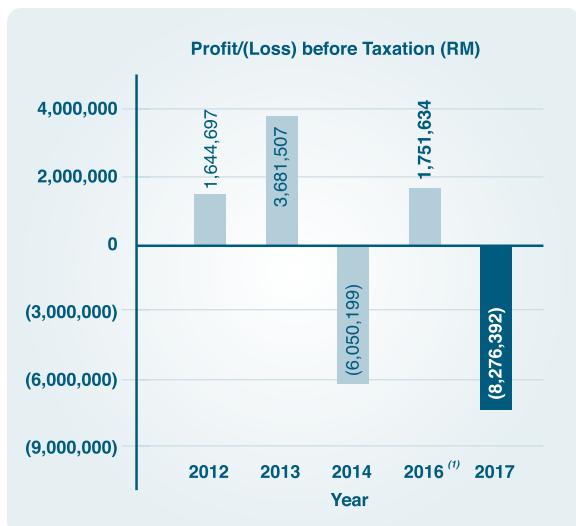
SHARE INFORMATION

Per share (sen)					
Basic earnings/(loss)	(5.29)	8.05	(13.17)	2.15	(13.75)
Net assets	0.91	0.99	0.86	0.88	0.74

⁽¹⁾ The results consist of eighteen months financial period ("FP") ended 30 June 2016 due to the change of financial year ("FY") end from 31 December to 30 June.



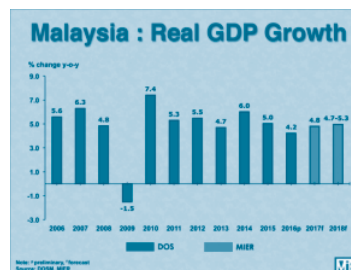
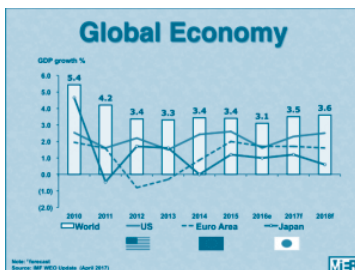
FINANCIAL HIGHLIGHT (CONT'D)



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 30 June 2017.

Year 2016 continued to be a challenging year for the Global Economy and our country's Economy with both registering lower GDP growth year- on-year from the preceding year. Our Malaysian Ringgit also depreciated against the basket of currencies of major trading partners (CNY, SGD, JPY,USD & THB) although strengthened slightly recently.



Source: 32nd National Economic Briefing: 25 July 2017, <https://www.mier.org.my/>

CHANGE IN FINANCIAL YEAR END

On 25 June 2015, we announced the change in our financial year end from 31 December to 30 June, consequentially last year's Annual Report and Audited Financial Statements of the Group and the Company covers eighteen (18) months; from 1 January 2015 to 30 June 2016.

Accordingly, the statements of comprehensive income, statements of changes in equity, statements of cash flows and their related notes are not comparable due to the difference in time period for the financial year ended 30 June 2017 (being a twelve months period) and the financial period ended 30 June 2016 (being an eighteen months period).

FINANCIAL PERFORMANCE

The Group closed the financial year ended 30 June 2017 ("YE 2017") with a Revenue of RM42.82 million compared to RM93.25 million for period ended 30 June 2016 ("PE 2016") and Loss of RM6.6 million for YE 2017 compared to a Profit of RM1.04 million for PE 2016.

As at 30 June 2017, the net assets per ordinary share of the Group stood at RM0.74 with basic loss per ordinary share of 13.75 sen for YE 2017.

OVERVIEW OF THE GROUP'S OPERATIONS

For YE 2017, the key challenge faced by the Industrial Gas and Concrete Division was securing sales orders within our collection risk parameters in a highly competitive buyer's market. Projects and works being downsized, delayed, re-timed, suspended or cancelled were a norm in 2016/2017 resulting in an extremely challenging business environment.

The Group continues to focus on sales, enhance our work processes and controls to improve efficiency and lower operational cost in order to remain competitive.

CHAIRMAN'S STATEMENT (CONT'D)

PROSPECTS

The Malaysian economy expanded by 5.8% in the second quarter of 2017 supported by domestic demand, particularly private sector spending. Given the strong growth in the first half of 2017 at 5.7%, going forward the Malaysian economy is expected to grow at above 4.8% in 2017 whereby domestic demand is projected to underpin this expansion.

*Source : Bank Negara Malaysia : Economic and financial developments in Malaysia in the second quarter of 2017
<http://www.bnm.gov.my/>*

Moving forward, the Board is of the view that the outlook for FY 2018 will remain challenging as key issues such as securing sales orders/new market at better pricing and collections remains the primary concern.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I wish to express

- our sincere gratitude and appreciation to our valued shareholders, customers, vendors, business associates and government bodies/authorities for their invaluable support and confidence in the Group.
- our appreciation to the management and staff of the Group for their hard work, dedication, loyalty and contribution towards the Group.

I would also like to express my gratitude to my fellow Directors for their commitment, unwavering support and contributions during the year.

TAN SRI DATO' SRI DR. LAU BAN TIN JP
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is involved in:

- i) Industrial Gas
 - Manufacturing, distribution and marketing of industrial gases, provision of services and maintenance and trading in related products in Peninsular Malaysia, Sabah and Sarawak;
- ii) Concrete
 - Manufacturing, distribution and marketing of ready-mix concrete products and related services in Sabah; and
- iii) Property development
 - in Peninsular Malaysia, Sabah, Sarawak.

A. OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS FOR YEAR ENDED 30 JUNE 2017

1. Industrial Gas

Established in 1982 in Miri, Sarawak, we are the pioneer industrial gas operator in Sarawak operating under the brand name of BIG.

BIG is an MS ISO 9001:2008 Certified Company. Growing in tandem with the nation's drive towards industrialisation, BIG has manufacturing plants with refilling facilities strategically located in Kuching, Bintulu, Miri and Pasir Gudang and refilling facilities in Sibul, Labuan, Sandakan and Lumut.

The comprehensive network of branches is a key asset in allowing us to serve and support our business partners in their growth and business expansion across Malaysia.



Network of 8 branches



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

A. OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS FOR YEAR ENDED 30 JUNE 2017 (cont'd)

2. Concrete

Established in 1984 in Kota Kinabalu, we are the pioneer ready-mixed concrete ("RMC") operator in Sabah operating under the brand name of UMIK.

In 2005, we started on Pre-cast Concrete Products ("PCP") to expand our product range and complement our RMC supply. We are now a one-stop PCP supplier with the full range of precast concrete piles sizes from 150mm to 300mm, Box Culvert and L- Shape moulds.

UMIK is an MS ISO 9001:2008 Certified Company and we are committed to manufacturing, distributing and marketing consistently high quality products to our customers.

Our comprehensive product range, plant, equipment and resources are key assets allowing us to serve and support our business partners in concreting their growth in Sabah.

3. Property Development

In 2001, the Group had the opportunity to diversify its business into property development with the signing of the Sale cum Development Agreement ("SDA") with Borneo Development Corporation (Sarawak) Sdn Bhd for the proposed acquisition of a piece of land situated Demak Laut Industrial Park, Sejingkat, Kuching, Sarawak.

• Completed Projects

Sabah

Puncak Luyang @ Kota Kinabalu

- 10 units of Semi Detached Houses
- 62 units of condominiums (Phase 1 Block A)
- 64 units of condominiums (Phase 2 Block B)

Pristana Industrial Park @ Kota Kinabalu

- 10 units of Semi-Detached Warehouse
- 1 unit of Detached Warehouse

Sarawak

Pristana Garden @ Kuching

- 128 units of apartments
- 88 units of double storey terrace houses
- 15 units of single storey terrace houses

• Projects in the pipeline

Sabah

Melalin Bay Residence @ Kota Kinabalu

- 71 units of Double Storey Houses
- 6 units of Semi Detached Houses
- 1 unit Detached House

Peninsula Malaysia

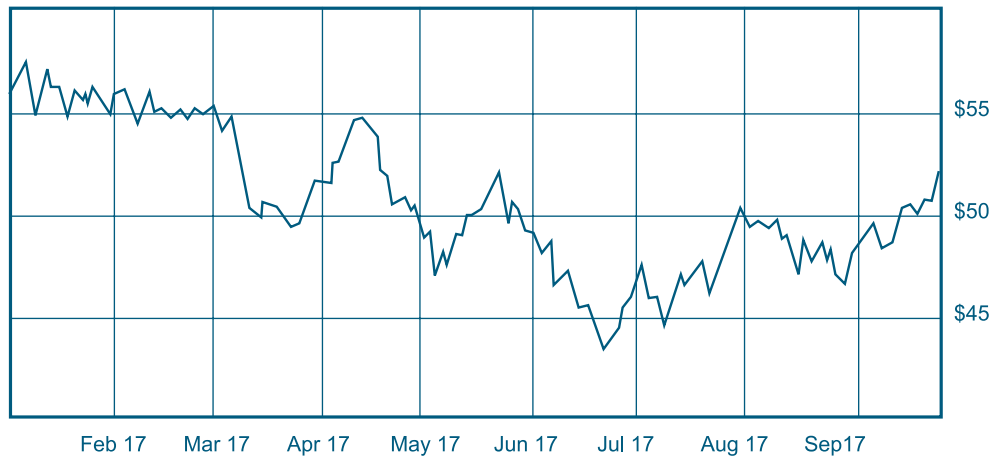
Tani Kukuh @ Bukit Cerakah, Section U10

- Serviced residences and commercial lots

B. FINANCIAL RESULTS AND FINANCIAL CONDITION FOR YEAR ENDED 30 JUNE 2017**1. Industrial Gas**

	YE 2017	PE 2016	YE 2014
Revenue	RM24.68 million	RM44.10 million	RM29.83 million
(Loss)/Profit Before Taxation	(RM3.41 million)	(RM1.95 million)	RM0.98 million
Assets	RM46.71 million	RM51.93 million	RM57.92 million
Liabilities	RM20.20 million	RM23.68 million	RM27.01 million
Assets: Liabilities	2.31 times	2.19 times	2.14 times

Our traditional key customers for this division are from the oil, gas and petrochemical; fabrication and shipbuilding; and food and beverage sector. With the crude oil prices dropping further in YE 2017, the trend of our customer's projects and works being downsized, delayed, re-timed, suspended and cancelled continued.



Source : <http://www.marketwatch.com/story/brent-oil-rallies-as-hopes-grow-opeac-will-extend-output-deal-2017-09-25>

Our Malaysian Ringgit also depreciated against the basket of currencies of major trading partners (CNY, SGD, JPY, USD & THB) resulting in increased procurement and procurement related costs.

The above factors pushed the Group to reduce our prices to defend our market share resulting in lower gross profit margins within the confines of our collection and recoverability risk.

Our notable contracts serviced this year were for supply and delivery of liquid nitrogen to Malaysia LNG Sdn Bhd and provision of industrial gas to Press Metal Bintulu Sdn Bhd and liquid oxygen to Gadong and Kuala Belait Hospital in Brunei.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

B. FINANCIAL RESULTS AND FINANCIAL CONDITION FOR YEAR ENDED 30 JUNE 2017 (cont'd)

2. Concrete

	YE 2017	PE 2016	YE 2014
Revenue	RM18.14 million	RM40.00 million	RM32.93 million
Loss Before Taxation	RM4.07 million	RM5.20 million	RM6.32 million
Assets	RM18.68 million	RM24.04 million	RM27.72 million
Liabilities	RM19.64 million	RM20.31 million	RM22.80 million
Assets : Liabilities	0.95 times	1.18 times	1.22 times

GDP by Economic Activity (at constant 2010 prices)

Annual growth (%)	Share 2016 (%)	2016		2017		
		2Q	1H	1Q	2Q	1H
Services	54.3	5.7	5.4	5.8	6.3	6.1
Manufacturing	23.0	4.2	4.4	5.6	6.0	5.8
Mining	8.8	2.1	0.4	1.6	0.2	0.9
Agriculture	8.1	-7.8	-5.9	8.3	5.9	7.1
Construction	4.5	8.9	8.5	6.5	8.3	7.4
Real GDP	100.0¹	4.0	4.0	5.6	5.8	5.7

¹ Numbers do not add up due to rounding and exclusion of import duties component

Source: Department of Statistics, Malaysia

This division saw the biggest decline in sales and increased losses. The construction activity in Sabah declined in the 1st half of 2017 as compared to 2016. The industry was faced with surplus capacity and low demand.

Our batching plant locations are as follows:

2016	2017
Salut	Salut
Penampang	Pulutan
Kota Marudu	

During the year we demobbed the batching plants in Penampang and Kota Marudu as the project was completed and commissioned a new batching plant in Pulutan. We are presently sourcing for suitable locations to locate our idle batching plants.

The division's financial results for YE 2017 reflected the market situation and struggled to balance low profit margins and collection risk on the backdrop of rising steel bar and fuel prices.

Our notable supply contracts in YE 2017 were for supply and delivery of RMC and PCP for the Mixed Commercial Cum Bus Terminal Kota Kinabalu, Teluk Likas Flyover Bridge, Housing Projects in Kg. Gayang, Tuaran, Kg. Kampar, Kota Marudu, Kg Lumat Beaufort; Condominium and carpark complex at Bantayan, Commercial developments in KKIP, Lawas, Labuan and Sandakan.



MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

B. FINANCIAL RESULTS AND FINANCIAL CONDITION FOR YEAR ENDED 30 JUNE 2017 (cont'd)

3. Property Development

	YE 2017	PE 2016	YE 2014
Revenue	Nil	RM9.16 million	RM11.33 million
(Loss)/ Profit Before Taxation	(RM0.20 million)	RM5.52 million	RM1.10 million
Assets	RM31.57 million	RM29.19 million	RM26.74 million
Liabilities	RM14.43 million	RM11.81 million	RM11.85 million
Assets : Liabilities	2.19 times	2.47 times	2.26 times

In Sabah, we completed Pristana Industrial Park - Inanam in Kota Kinabalu comprising of 10 units of Semi-Detached Warehouse and 1 unit of Detached Warehouse and obtained the Occupation Certificate ("OC") on 13 January 2016 and in Sarawak, we completed the final phase of Pristana Garden in Kuching comprising of 15 units of single storey terrace houses and obtained the Occupation Permit ("OP") on 22 June 2016.

Our next project in the pipeline is Melalin Bay Residence @ Kota Kinabalu. With the approval obtained for the development plan, we are awaiting building plan approval before we apply for the Developer License and Advertisement Permit to commence the sales.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

C. REVIEW OF OPERATING ACTIVITIES

The market remained challenging in YE 2017 with supply outweighing demand. Competition was rife, driving profit margins down as the focus was on generating cashflow and filling up idle capacity.

The Group focused on consistently delivering good value products and services to our customers from enhancement of work processes and controls, improved efficiency and lowering operational cost.

However, the prevailing weak business sentiment of our market forced the Group to take a prudent stand on credit control and credit management to ensure that the orders accepted were within our accepted collection risk parameters. This hard decision impacted the sales performance of the Group to a certain extent but there was a marked improvement in the "neither past due nor impaired" accounts.

1. Industrial Gas

In 2017, we introduced performance-linked incentive for our BIG Operations and Transportation Team to complement the existing sales and collection incentive.

The incentive is productivity based and designed to reward

- Good customer service,
- Operational efficiency to meet work schedules and customers' requirements,
- Compliance with SOP's, Health and Safety Guidelines
- Good management and cost control of operations
- Quality Control & Assurance

We also continued the branch premises and equipment upgrade program to the Kuching, Sibul, Bintulu and Lumut branches and target to complete the program within the next two years.

2. Concrete

The concrete division continued to make losses in YE 2017.

To contain the losses the Group:-

- Ceased the bulk cement transportation business effective November 2016 as the operations continued to make losses
- Rationalised the division's human capital, operational costs and overheads
- Invested in automated RMC batching systems and weighbridges at all batching locations for better accountability, quality assurance and control
- Commenced installation of GPS on the concrete mixer trucks and fleet renewal

The investments above will hold us in good stead to win new contracts/orders and turnaround the division.

3. Property Development

With the present market indicating a rise in consumer sentiment and end-financing availability for medium-high cost housing below RM450,000 per unit, focus will be on the development of Melalin Bay Residence in 2017/2018.

D. ANTICIPATED OR KNOWN RISKS

The Group has been recording losses all quarters of YE 2017 and this gives rise to cashflow and liquidity risks.

The board and management team are focusing on stemming the losses of the concrete division, pushing for its operations turnaround and most importantly improving the sales.

The property development division has been consistently contributing cashflow and profits to the Group and the focus will be on starting the development of Melalin Bay Residence.

The gas division took the opportunity to upgrade the branch premises and equipment to improve the service to our customers. We are also exploring new products to afford our customers better choices.

Meanwhile, the Group is exploring the divestment of its surplus and idle assets to raise cashflow for operational needs and CAPEX for productivity improvements.

E. FORWARD LOOKING STATEMENT

Moving forward, whilst there are indicators that the Malaysian economy is expected to grow at above 4.8% in 2017 as compared to 4.2% registered for 2016, the Board is of the view that the outlook for YE 2018 will remain challenging. However, the Board and management team believe that the Group will be able to generate profit from the gas division and the property project - Melalin Bay Residence @ Kota Kinabalu in the coming financial year ending 2018.

The Board and Management team is resolute on pushing the initiatives and programs discussed above to stem the losses.

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of B.I.G. Industries Berhad ("the Company") and its subsidiaries ("the Group") for the financial year ended 30 June 2017.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiaries are set out in Note 8 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM	Company RM
Loss for the financial year	(6,611,966)	(1,029,985)
Attributable to: Owners of the Company	(6,611,966)	(1,029,985)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial period.

The directors do not recommend the payment of any dividends in respect of the financial year ended 30 June 2017.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of 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.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

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.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group or 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 or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; 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.

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares or debentures were made by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up the unissued shares of the Company during the financial year.

DIRECTORS

The directors in office during the financial year and during the period from the end of financial year to the date of the report are:

Tan Sri Dato' Sri Dr. Lau Ban Tin
Datuk Lee Chuen Wan
Thiang Kai Goh
Choong Wye Lin
Lau Chia En

(Appointed on 1 August 2017)

DIRECTORS' INTERESTS

According to the Register of directors' shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, none of the directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS

Since the end of the previous financial period, none of the directors of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in Note 24 to the financial statements) by reason of a contract made by the Company or subsidiary company with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Company were RM5,000,000/- and RM20,680/- respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 8 to the financial statements.

The available auditors' reports on the accounts of the subsidiaries did not contain any qualification.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of significant events subsequent to the end of the financial year are disclosed in Note 32 to the financial statements.

AUDITORS' REMUNERATION

The details of the auditors' remuneration are disclosed in Note 24 to the financial statements.

INDEMNITY TO AUDITORS

The Company has agreed to indemnify the auditors' of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

AUDITORS

The auditors, Messrs. Baker Tilly Monteiro Heng, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

TAN SRI DATO' SRI DR. LAU BAN TIN

Director

CHOONG WYE LIN

Director

Date: 13 October 2017

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Note	Group 2017 RM	2016 RM	Company 2017 RM	2016 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	38,000,546	43,045,563	129	901
Land held for property development	6	6,209,875	5,930,058	-	-
Other investments	7	10,000	10,000	-	-
Investments in subsidiaries	8	-	-	47,151,816	47,431,315
Investment in associates	9	-	-	-	-
Goodwill on consolidation	10	-	-	-	-
Total non-current assets		44,220,421	48,985,621	47,151,945	47,432,216
Current assets					
Property development costs	11	-	-	-	-
Inventories	12	7,142,886	7,086,850	-	-
Trade and other receivables	13	12,721,067	19,923,839	3,944,572	3,566,659
Prepayments		418,614	368,267	-	-
Tax recoverable		1,637,637	734,159	18,618	11,478
Investment securities	14	7,378	10,132	3,368	3,292
Cash and bank balances	15	2,903,240	4,542,159	1,314	8,444
Total current assets		24,830,822	32,665,406	3,967,872	3,589,873
TOTAL ASSETS		69,051,243	81,651,027	51,119,817	51,022,089
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	16	48,242,313	48,092,200	48,242,313	48,092,200
Share premium		-	150,113	-	150,113
Accumulated losses		(12,540,158)	(5,928,192)	(13,372,865)	(12,342,880)
TOTAL EQUITY		35,702,155	42,314,121	34,869,448	35,899,433
Non-current liabilities					
Loans and borrowings	17	1,629,855	3,482,511	-	828,622
Deferred tax liabilities	18	4,360,961	5,804,847	-	-
Other payable	19	3,048,517	-	-	-
Total non-current liabilities		9,039,333	9,287,358	-	828,622
Current liabilities					
Trade and other payables	19	14,882,379	17,751,426	14,925,660	10,933,988
Loans and borrowings	17	9,418,817	12,285,262	1,324,709	3,360,046
Tax liabilities		8,559	12,860	-	-
Total current liabilities		24,309,755	30,049,548	16,250,369	14,294,034
TOTAL LIABILITIES		33,349,088	39,336,906	16,250,369	15,122,656
TOTAL EQUITY AND LIABILITIES		69,051,243	81,651,027	51,119,817	51,022,089

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

		Group		Company	
	Note	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM
Revenue	20	42,823,857	93,254,768	768,000	2,712,000
Other income	21	1,957,406	2,471,985	210,852	519,550
Changes in inventories of finished goods and property development		181,171	(322,582)	-	-
Inventories purchased and raw materials consumed		(21,660,638)	(41,285,587)	-	-
Carriage outwards		(68,546)	(615,507)	-	-
Employees benefits expense	22	(10,998,147)	(17,492,036)	(317,204)	(1,378,002)
Depreciation of property, plant and equipment		(5,371,142)	(8,354,331)	(772)	(1,029)
Development costs		200,922	(2,336,807)	-	-
Administrative and other expenses		(14,274,894)	(21,560,343)	(924,648)	(1,274,150)
Total expenses		(51,991,274)	(91,967,193)	(1,242,624)	(2,653,181)
OPERATING (LOSS)/PROFIT		(7,210,011)	3,759,560	(263,772)	578,369
Finance costs	23	(1,066,381)	(2,007,926)	(486,714)	(997,870)
Impairment loss on investment in subsidiaries		-	-	(279,499)	(649,929)
(LOSS)/PROFIT BEFORE TAXATION	24	(8,276,392)	1,751,634	(1,029,985)	(1,069,430)
Taxation	25	1,664,426	(716,086)	-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR/PERIOD, REPRESENTING TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR/PERIOD		(6,611,966)	1,035,548	(1,029,985)	(1,069,430)
(Loss)/Profit, representing total comprehensive (loss)/profit attributable to:					
– Owners of the Company		(6,611,966)	1,035,548	(1,029,985)	(1,069,430)
(Loss)/Earnings per share attributable to owners of the Company (sen per share):					
Basic	26	(13.75)	2.15		
Diluted	26	(13.75)	2.15		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	←— <i>Attributable to owners of the Company</i> →—			Total equity RM
		Share capital RM	Share premium RM	Accumulated losses RM	
Group					
At 1 January 2015		48,092,200	150,113	(6,963,740)	41,278,573
Profit net of tax, representing total comprehensive income for the financial period		-	-	1,035,548	1,035,548
At 30 June 2016		48,092,200	150,113	(5,928,192)	42,314,121
Transition to no par value regime	16	150,113	(150,113)	-	-
Loss net of tax, representing total comprehensive loss for the financial year		-	-	(6,611,966)	(6,611,966)
At 30 June 2017		48,242,313	-	(12,540,158)	35,702,155
Company					
At 1 January 2015		48,092,200	150,113	(11,273,450)	36,968,863
Loss net of tax, representing total comprehensive loss for the financial period		-	-	(1,069,430)	(1,069,430)
At 30 June 2016		48,092,200	150,113	(12,342,880)	35,899,433
Transition to no par value regime	16	150,113	(150,113)	-	-
Loss net of tax, representing total comprehensive loss for the financial year		-	-	(1,029,985)	(1,029,985)
At 30 June 2017		48,242,313	-	(13,372,865)	34,869,448

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Group		Company	
	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM
CASH FLOWS FROM OPERATING ACTIVITIES:				
(Loss)/Profit before taxation	(8,276,392)	1,751,634	(1,029,985)	(1,069,430)
Adjustments for:				
Impairment loss:				
– investment in subsidiaries	-	-	279,499	649,929
– amount owing by subsidiaries	-	-	162,020	-
– property, plant and equipment	314,956	21,652	-	-
– other investments	-	65,000	-	-
– other receivables, net of reversal	-	(222,110)	-	-
– trade receivables, net of reversal	(92,738)	106,099	-	-
Bad debts written off	77,699	236,067	-	-
Deposits written off	20,300	9,026	-	-
Depreciation for property, plant and equipment	5,371,142	8,354,331	772	1,029
Gain on financial liabilities measured at amortised cost	(225,971)	-	-	-
Gross dividend income	(244)	(2,538)	(84)	(677)
Interest expenses	1,066,381	2,007,926	486,714	997,870
Interest income	(46,414)	(193,537)	(210,617)	(518,217)
Inventories written off	22,018	8,577	-	-
Property, plant and equipment written off	393,515	127,776	-	-
Reversal of impairment loss no longer required:				
– Property, plant and equipment	(21,652)	-	-	-
Gain on disposal of property, plant and equipment	(455,061)	(570,220)	-	-
Operating cash flows before working capital changes	(1,852,461)	11,699,683	(311,681)	60,504
CASH FLOWS FROM OPERATING ACTIVITIES:				
Changes In Working Capital:				
Property development costs	-	1,672,521	-	-
Inventories	(78,054)	(412,514)	-	-
Receivables	7,152,058	7,088,833	(1,507)	-
Payables	405,441	(6,349,258)	71,393	(191,440)
Subsidiaries	-	-	3,386,747	9,244,024
	5,626,984	13,699,265	3,144,952	9,113,088
Interest paid	(96,458)	(219,339)	-	-
Interest received	46,414	193,537	210,617	518,217
Tax paid, net of refund	(687,239)	(1,311,522)	(7,140)	(1,200)
Net Operating Cash Flows	4,889,701	12,361,941	3,348,429	9,630,105

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Group		Company	
	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM
CASH FLOWS FROM INVESTING ACTIVITIES:				
Dividend received	244	2,538	84	677
Purchase of property, plant and equipment (Note A)	(422,904)	(1,320,574)	-	(1,930)
Proceeds from disposal of property, plant and equipment	533,600	1,082,516	-	-
Expenditure incurred on land held for development	(279,817)	(145,286)	-	-
Net advance to associate	(4,894)	(1,962)	(4,894)	(1,962)
Net change in investment securities	2,754	100,245	(76)	(59)
Net Investing Cash Flows	(171,017)	(282,523)	(4,886)	(3,274)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Interest paid	(969,923)	(1,788,587)	(486,714)	(997,870)
Net withdrawal of short terms deposits pledged and restricted cash	843,594	1,415,988	-	-
Net repayment of short term borrowings	(440,562)	(628,840)	-	-
Net repayment of:				
– term loans	(2,098,249)	(7,644,375)	(1,999,358)	(7,509,520)
– finance lease liabilities	(1,717,516)	(2,920,083)	-	-
Net Financing Cash Flows	(4,382,656)	(11,565,897)	(2,486,072)	(8,507,390)
NET CHANGE IN CASH AND CASH EQUIVALENTS	336,028	513,521	857,471	1,119,441
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR/PERIOD	(62,472)	(575,993)	(1,352,244)	(2,471,685)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR/PERIOD	15 273,556	(62,472)	(494,773)	(1,352,244)
ANALYSIS OF CASH AND CASH EQUIVALENTS:				
Cash and bank balances	1,866,650	3,530,108	1,314	8,444
Deposits placed with licensed banks	1,036,590	1,012,051	-	-
Bank overdrafts – secured	(1,693,414)	(2,824,767)	(496,087)	(1,360,688)
	1,209,826	1,717,392	(494,773)	(1,352,244)
Less: Deposits held as security value	(258,046)	(249,864)	-	-
Less: Housing Development Accounts held as security value (Note 15)	(678,224)	(1,530,000)	-	-
	273,556	(62,472)	(494,773)	(1,352,244)

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

Group and Company

During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM
Purchase of property, plant and equipment	1,091,483	2,422,238	-	1,930
Financed by way of finance lease arrangements	(668,579)	(1,101,664)	-	-
Cash payments on purchase of property, plant and equipment	422,904	1,320,574	-	1,930

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

1. CORPORATE INFORMATION

B.I.G. Industries Berhad (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiaries are disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

The registered office of the Company and its principal place of business are located at Lot 2225, Section 66, Jalan Dermaga, Pending Industrial Estate, 93450 Kuching, Sarawak, Malaysia.

The financial statements of the Group and of the Company were authorised for issuance by the Board of Directors in accordance with a resolution of the directors on 13 October 2017.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards (“FRSs”) and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of Measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

2.3 Use of Estimates and Judgement

The preparation of financial statements in conformity with FRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires directors to exercise their judgement in the process of applying the Group’s and the Company’s accounting policies. Although these estimates and judgement are based on the directors’ best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the financial statements.

2.4 Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate (“the functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is also the Company’s functional currency unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

2. BASIS OF PREPARATION (CONT'D)

2.5 Adoption of Amendments/Improvements to FRSs

The Group and the Company have adopted the following amendments/improvements to FRSs that are mandatory for the current financial year:

Amendments/improvements to FRSs

FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 7	Financial Instruments: Disclosures
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosures of Interest in Other Entities
FRS 101	Presentation of Financial Statements
FRS 116	Property, Plant and Equipment
FRS 119	Employees Benefits
FRS 127	Separate Financial Statements
FRS 128	Investment in Associates and Joint Ventures
FRS 138	Intangibles Assets

The adoption of the above amendments/improvements to FRSs did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group's and the Company's existing accounting policies.

2.6 New FRS, amendments/improvements to FRSs and new IC Interpretation ("IC") that have been issued, but yet to be effective

The Group and the Company have not adopted the following new FRS, amendments/improvements to FRSs and new IC Int that have been issued, but yet to be effective:

	Effective for financial periods beginning on or after
<u>New FRSs</u>	
FRS 9 Financial Instruments	1 January 2018
<u>Amendments/Improvements to FRSs</u>	
FRS 1 First-time adoption of FRSs	1 January 2018
FRS 2 Share-based Payment	1 January 2018
FRS 4 Insurance Contracts	1 January 2018
FRS 10 Consolidated Financial Statements	Deferred
FRS 12 Disclosure of Interests in Other Entities	1 January 2017
FRS 107 Statement of Cash Flows	1 January 2017
FRS 112 Income Taxes	1 January 2017
FRS 128 Investments in Associates and Joint Ventures	1 January 2018/ Deferred
FRS 140 Investment Property	1 January 2018
<u>New IC Int</u>	
IC Int 22 Foreign Currency Transactions And Advance Consideration	1 January 2018
IC Int 23 Uncertainty over Income Tax Treatments	1 January 2019

A brief discussion on the above significant new FRS, amendments/improvements to FRSs and new IC Int are summarised below. Due to the complexity of these new FRS, amendments/improvements to FRSs and new IC Int, the financial effects of their adoption are currently still being assessed by the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

2. BASIS OF PREPARATION (CONT'D)

2.6 New FRS, amendments/improvements to FRSs and new IC Interpretation (“IC”) that have been issued, but yet to be effective (cont'd)

FRS 9 Financial Instruments

Key Requirements of FRS 9:

- FRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statements of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statements of financial position.

- FRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.
- FRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

Amendments to FRS 107 Statement of Cash Flows

Amendments to FRS 107 require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes. The disclosure requirement could be satisfied in various ways, and one method is by providing reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

Amendments to FRS 112 Income Taxes

Amendments to FRS 112 clarify that decreases in value of debt instrument measured at fair value for which the tax base remains at its original cost give rise to a deductible temporary difference. The estimate of probable future taxable profits may include recovery of some of an entity's assets for more than their carrying amounts if sufficient evidence exists that it is probable the entity will achieve this.

The amendments also clarify that deductible temporary differences should be compared with the entity's future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences when an entity evaluates whether it has sufficient future taxable profits. In addition, when an entity assesses whether taxable profits will be available, it should consider tax law restrictions with regards to the utilisation of the deduction.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

2. BASIS OF PREPARATION (CONT'D)

2.6 New FRS, amendments/improvements to FRSs and new IC Interpretation (“IC”) that have been issued, but yet to be effective (cont'd)

Amendments to FRS 10 Consolidated Financial Statements and FRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in FRS 10 and those in FRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in FRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

IC Int 23 Uncertainty over Income Tax Treatments

IC Int clarifies that where there is uncertainty over income tax treatments, an entity shall:

- (i) assume that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations.
- (ii) reflect the effect of uncertainty in determining the related tax position (using either the most likely amount or the expected value method) if it concludes it is not probable that the taxation authority will accept an uncertain tax treatment.

MASB Approved Accounting Standards, MFRSs

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1 January 2012, the MASB had on 19 November 2011 issued a new MASB approved accounting standards, MFRSs (“MFRSs Framework”) for application in the annual periods beginning on or after 1 January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Int 15 Agreements for the Construction of Real Estate (“Transitioning Entities”). The Transitioning Entities are given an option to defer the adoption of MFRSs Framework and shall apply the MFRSs framework for annual periods beginning on or after 1 January 2018. Transitioning Entities also include those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework. As such, the Group and the Company will prepare their first MFRSs financial statements using the MFRSs framework for financial year ended 31 December 2018. The main effects arising from the transition to the MFRSs Framework are discussed below.

The effect is based on the Group’s and the Company’s best estimates at the reporting date. The financial effects may change or additional effects may be identified, prior to the completion of the Group’s and the Company’s first MFRSs based financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

2. BASIS OF PREPARATION (CONT'D)

2.6 New FRS, amendments/improvements to FRSs and new IC Interpretation ("IC") that have been issued, but yet to be effective (cont'd)

Application of MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1")

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs.

The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adoption of MFRS 1 cannot be determined and estimated reliably until the process is completed.

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

- (i) identify the contracts with a customer;
- (ii) identify the performance obligation in the contract;
- (iii) determine the transaction price;
- (iv) allocate the transaction price to the performance obligations in the contract;
- (v) recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The Group is currently assessing the impact of the adoption of this standard.

MFRS 16 Leases

Currently under MFRS 117 Leases, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from the finance leases.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position except for short-term and low value asset leases.

Due to the complexity of this new MFRS, the financial effects of its adoption are currently still being assessed by the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

3. SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries and associates used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) *Subsidiaries and Business Combination*

Subsidiaries are entities over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities assumed at the acquisition date.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of Consolidation (cont'd)

(a) Subsidiaries and Business Combination (cont'd)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, joint venture, an available-for-sale financial asset or a held for trading financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling Interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

(c) Associates

Associates are entities over which the Group has significant influence, but not control, to the financial and operating policies.

Investment in associates are accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of an available-for-sale financial asset or a held for trading financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of Consolidation (cont'd)

(c) *Associates (cont'd)*

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(d) *Transactions Eliminated on Consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Separate Financial Statements

In the Company's statement of financial position, investments in subsidiaries and associates are measured at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.9(b) to the financial statements.

3.3 Financial Instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contract provisions of the financial instrument.

Financial instruments are recognised initially at fair value, except for financial instruments not measured at fair value through profit or loss, they are measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

(a) *Subsequent Measurement*

The Group and the Company categorise the financial instruments as follows:

(i) *Financial Assets*

Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial assets are either held for trading, including derivatives or are designated into this category upon initial recognition.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at costs.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial Instruments (cont'd)

(a) Subsequent Measurement (cont'd)

The Group and the Company categorise the financial instruments as follows: (cont'd)

(i) Financial Assets (cont'd)

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method less accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.9(a) to the financial statements. Gains and losses are recognised in profit or loss through the amortisation process.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.9(a) to the financial statements. Gains and losses are recognised in profit or loss through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets comprise investment in equity and debt securities that are designated as available-for-sale or are not classified in any of the three preceding categories.

Subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Unquoted equity instruments carried at cost

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.9(a) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial Instruments (cont'd)

(a) Subsequent Measurement (cont'd)

The Group and the Company categorise the financial instruments as follows: (cont'd)

(ii) Financial Liabilities

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, including derivatives or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Derivatives that are linked to and must be settled by delivery of equity instruments that do not have a quoted price in an active market for identical instruments whose fair values otherwise cannot be reliably measured are measured at cost.

The Group has not designated any financial liabilities at fair value through profit or loss.

Other financial liabilities

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process.

(b) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

(c) Derecognition

A financial asset or a part of it is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial Instruments (cont'd)

(d) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.4 Property, Plant and Equipment

(a) Recognition and Measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition of measurement of impairment losses is in accordance with Note 3.9(b) to the financial statements.

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.14 to the financial statements.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(b) Subsequent Cost

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group or the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

(c) Depreciation

Freehold land has unlimited useful life and therefore is not depreciated. Asset under construction or capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

Leasehold land is depreciated over their lease terms. All other property, plant and equipment are depreciated on straight line basis to write off the cost of each asset to its residual value over the estimated useful lives of the assets concerned. The principal annual rates used for this purpose are as follows:

Buildings	2% – 10 %
Plant and machinery, and cylinders	5% – 10 %
Furniture, fixtures and equipment	10% – 40 %
Motor vehicles	20 %

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial Instruments (cont'd)

(c) *Depreciation (cont'd)*

The residual values, depreciation method and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at each reporting date. The effects of any revisions of the residual values and useful lives are included in profit or loss for the financial year in which the changes arise.

Fully depreciated assets are retained in the accounts until the assets are no longer in use.

(d) *Derecognition*

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

3.5 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

(a) *Lessee Accounting*

If an entity in the Group is a lessee in a finance lease, it capitalises the leased asset and recognises the related liability. The amount recognised at the inception date is the fair value of the underlying leased asset or, if lower, the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that assets.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are charged as expenses in the periods in which they are incurred.

The capitalised leased asset is classified by nature as property, plant and equipment.

For operating leases, the Group does not capitalise the leased asset or recognise the related liability. Instead lease payments under an operating lease are recognised as an expense on the straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

(b) *Lessor Accounting*

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases (cont'd)

(b) Lessor Accounting (cont'd)

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

3.6 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined on a first-in-first-out basis and comprises the original cost of purchase plus the cost of bringing the inventories to their present location and condition.

The cost of inventory recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative sale value of the property sold.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.7 Property Development Activities

(a) Land Held for Property Development

Land held for property development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current assets and is stated at cost less impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.9(b) to the financial statements.

Cost comprises the cost of land and all related costs incurred on activities necessary to prepare the land for its intended use. Where the Company had previously recorded the land at a revalued amount, it continues to retain this amount as its surrogate cost as allowed by FRS 201 Property Development Activities.

Land held for property development will be reclassified to property development costs when significant development work has been undertaken and is expected to be completed within the normal operating cycle.

(b) Property Development Costs

Property development costs comprise of costs of acquisition of land and all costs that are directly attributable to development activities or costs that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the profit or loss by using the stage of completion method.

The stage of completion is determined by the proportion of property development costs incurred for the work performed up to the reporting date over the estimated total property development costs to completion. Under this method, profits are recognised as the property development activity progresses.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Property Development Activities (cont'd)

(b) *Property Development Costs (cont'd)*

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue and expenses is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any foreseeable loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately in the profit or loss. Property development costs not recognised as an expense is recognised as an asset, which is measured at the lower of cost and net realisable value. Upon the completion of development, the unsold completed development properties are transferred to inventories.

Borrowing costs incurred on the property development project are capitalised and included as part of property development costs in accordance with the accounting policy on borrowing costs in Note 3.14 to the financial statements.

The excess of revenue recognised in the profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the profit or loss is classified as progress billings within trade payables.

3.8 Cash and Cash Equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts.

3.9 Impairment of Assets

(a) *Impairment and Uncollectibility of Financial Assets*

At each reporting date, all financial assets (except for financial assets categorised as fair value through profit or loss and investment in subsidiaries) are assessed whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Losses expected as a result of future events, no matter how likely, are not recognised.

Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Loans and receivables and held-to-maturity investments

The Group and the Company first assess whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If there is no objective evidence for impairment exists for an individually assessed financial asset, whether significant or not, the Group and the Company include the financial asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment. Financial assets that are individually assessed for impairment for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment of Assets (cont'd)

(a) Impairment and Uncollectibility of Financial Assets (cont'd)

Loans and receivables and held-to-maturity investments (cont'd)

The amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced through the use of an allowance account and the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases due to an event occurring after the impairment that was recognised, the previously recognised impairment loss is then reversed by adjusting an allowance account to the extent that the carrying amount of the financial asset does not exceed what the amortised cost would have been had the impairment not been recognised.

Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group and the Company. If a write-off is later recovered, the recovery is credited to the profit or loss.

Available-for-sale financial assets

In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment. The Group and the Company use their judgement to determine what is considered as significant or prolonged decline, evaluating past volatility experiences and current market conditions.

Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognised. The amount of cumulative loss that is reclassified from equity to profit or loss shall be the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss.

Impairment losses on available-for-sale equity investments are not reversed through profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss, is recognised in other comprehensive income.

For available-for-sale debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to a loss event occurring after the recognition of the impairment loss in profit or loss.

Unquoted equity instruments carried at cost

In the case of unquoted equity instruments carried at cost, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses shall not be reversed.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment of Assets (cont'd)

(b) Impairment of Non-financial Assets

The carrying amounts of non-financial assets (except for inventories, amount due from customers for contract work, deferred tax assets, assets arising from employee benefits, investment properties measured at fair value, biological assets and non-current assets or disposal groups classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful life and are not yet available for use, the recoverable amount is estimated at each reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Share Capital

Ordinary Shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.11 Employee Benefits

(a) *Short-term Employee Benefits*

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group and the Company.

(b) *Defined Contribution Plans*

As required by law, the Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

3.12 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are determined by discounting the expected future cash flows at a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

3.13 Revenue and Other Income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) *Sales of Industrial Gases, Equipment and Plant Materials*

Revenue from sale of industrial gases, equipment and plant materials is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue and Other Income (cont'd)

(b) Rental Income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(c) Interest Income

Interest income is recognised using the effective interest method.

(d) Dividend Income

Dividend income is recognised when the Company's right to receive payment is established.

(e) Management Fee Income

Management fee income is recognised when services are rendered.

(f) Property Development

Revenue from sale of properties is accounted for by the stage of completion method in respect of the property units sold. The stage of completion method is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

No profit is recognised where development is in its initial stage or has not reached a stage of completion where it is possible to determine the financial outcome of the development with reasonable accuracy.

Any expected loss on development project is recognised as an expense immediately, including costs to be incurred over the defects liability period.

3.14 Borrowing Costs

Borrowing costs are interests and other costs that the Group and the Company incurs in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group and the Company begin capitalising borrowing costs when the Group and the Company have incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Taxes

(a) Income Tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(i) Current Tax

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

(ii) Deferred Tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future 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 differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

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 and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Taxes (cont'd)

(b) Goods and Services Tax

Revenues, expenses and assets are recognised net of amount of goods and services tax ("GST") except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3.16 Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. Chief Operating Officer of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decisions.

3.17 Fair Value Measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:-

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 Earnings per Ordinary Share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.19 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

- (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Depreciation and Useful Lives of Property, Plant and Equipment

As disclosed in Note 3.4, the Group and the Company review the residual values, useful lives and depreciation methods at the end of each reporting period. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and therefore, future depreciation charges could be revised.

The carrying amounts of the Group's and the Company's property, plant and equipment are disclosed in Note 5 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) Impairment of Property, Plant and Equipment

The Group and the Company review the carrying amount of its property, plant and equipment, to determine whether there is an indication that those assets have suffered an impairment loss in accordance with relevant accounting policies. Market valuations to determine the carrying amount of these assets will be procured when the need arises.

The property, plant and equipment of the Group consist of gas cylinders which are being used to house the gas which are sold to the customers. The cylinders are normally held by the customers until the gas are fully utilised.

As at the end of the financial year under review, there is no events or changes in circumstances to indicate that the carrying amount of an asset may suffer further impairment based on internal management assessment. The carrying amounts of property, plant and equipment are disclosed in Note 5 to the financial statements.

(c) Impairment of Financial Assets

The Group and the Company recognise impairment losses for loans and receivables using the incurred loss model. At the end of each reporting period, the Group and the Company assess whether there is any objective evidence that loans and receivables are impaired. Individually significant loans and receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All others are grouped into credit risk classes and tested for impairment collectively, using the Group's and the Company's past experience of loss statistics, ageing of past due amounts and current economic trends. The actual eventual losses may be different from the impairment made and this may affect the Group's and the Company's financial position and results.

The carrying amounts of the Group's and the Company's financial assets are disclosed in Note 30(a) to the financial statements.

(d) Impairment of Investments in Subsidiaries

The Company assesses the carrying amount of its investment in subsidiaries at each reporting date whether there is an objective evidence that the investment may be impaired. Costs of investments in subsidiaries which have ceased operations were impaired up to net assets of the subsidiaries.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Company's tests for impairment of investment in subsidiaries. The carrying amounts of investment in subsidiaries are disclosed in Note 8 to the financial statements.

The carrying amounts of the investments in subsidiaries are disclosed in Note 8 to the financial statements.

(e) Measurement of Income Taxes

The Group and the Company operate in various jurisdictions and are subject to income taxes in each jurisdiction. Significant judgement is required in determining the Group's and the Company's estimation for current and deferred taxes because the ultimate tax liability for the Group as a whole is uncertain. When the final outcome of the tax payable is determined with the tax authorities in each jurisdiction, the amounts might be different from the initial estimates of the taxes payables. Such differences may impact the current and deferred taxes in the period when such determination is made. The Group and the Company will make adjustments for current or deferred taxes in respect of prior years in the current period on those differences arise.

The income tax expense of the Group and the Company are disclosed in Note 25.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(f) Write-down of Obsolete or Slow Moving Inventories

The Group and the Company write down their obsolete or slow moving inventories based on the assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write-down of obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories.

The carrying amounts of the Group's and the Company's inventories are disclosed in Note 12.

(g) Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the statements of financial position cannot be measured based on quoted prices in active markets, their fair value are measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The information on the fair value measurements of financial assets and liabilities are disclosed in Note 30(c).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

5. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land RM	Buildings RM	Plant, machinery, and cylinders RM	Furniture, fixtures and equipment and motor vehicles RM	Capital work-in- progress RM	Total RM
2017						
Cost						
At 1 July 2016	8,240,561	9,183,578	73,340,938	23,176,448	251,307	114,192,832
Additions	-	16,750	561,107	513,626	-	1,091,483
Disposals	-	-	(47,482)	(2,293,279)	-	(2,340,761)
Transfer	-	-	230,567	(230,567)	-	-
Written off	-	(1,837,315)	(3,430,598)	(591,525)	(251,307)	(6,110,745)
At 30 June 2017	8,240,561	7,363,013	70,654,532	20,574,703	-	106,832,809
Accumulated depreciation						
At 1 July 2016	1,960,860	5,323,222	44,794,195	18,030,798	-	70,109,075
Depreciation for the financial year	166,488	181,430	3,536,283	1,486,941	-	5,371,142
Disposals	-	-	(11,299)	(2,250,923)	-	(2,262,222)
Transfer	-	-	126,472	(126,472)	-	-
Written off	-	(1,770,285)	(2,390,653)	(539,750)	-	(4,700,688)
At 30 June 2017	2,127,348	3,734,367	46,054,998	16,600,594	-	68,517,307
Accumulated impairment loss						
At 1 July 2016	-	-	1,038,194	-	-	1,038,194
Impairment loss for the financial year	-	-	293,304	-	-	293,304
Written off	-	-	(1,016,542)	-	-	(1,016,542)
At 30 June 2017	-	-	314,956	-	-	314,956
Net carrying amount						
At 30 June 2017	6,113,213	3,628,646	24,284,578	3,974,109	-	38,000,546

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Leasehold land RM	Buildings RM	Plant, machinery, and cylinders RM	Furniture, fixtures and equipment and motor vehicles RM	Capital work-in- progress RM	Total RM
2016						
Cost						
At 1 January 2015	8,754,363	9,345,470	73,174,056	24,435,321	187,534	115,896,744
Additions	-	-	765,697	1,405,224	251,307	2,422,228
Disposals	-	-	(351,006)	(2,759,337)	-	(3,110,343)
Transfer	(513,802)	(120,028)	-	120,028	(187,534)	(701,336)
Written off	-	(41,864)	(247,809)	(24,788)	-	(314,461)
At 30 June 2016	8,240,561	9,183,578	73,340,938	23,176,448	251,307	114,192,832
Accumulated depreciation						
At 1 January 2015	1,798,771	4,999,463	39,835,427	18,003,944	-	64,637,605
Depreciation for the financial period	260,218	383,861	5,289,995	2,420,257	-	8,354,331
Disposals	-	-	(203,152)	(2,394,895)	-	(2,598,047)
Transfer	(98,129)	(24,949)	-	24,949	-	(98,129)
Written off	-	(35,153)	(128,075)	(23,457)	-	(186,685)
At 30 June 2016	1,960,860	5,323,222	44,794,195	18,030,798	-	70,109,075
Accumulated impairment loss						
At 1 January 2015	-	-	1,016,542	-	-	1,016,542
Impairment loss for the financial period	-	-	21,652	-	-	21,652
At 30 June 2016	-	-	1,038,194	-	-	1,038,194
Net carrying amount						
At 30 June 2016	6,279,701	3,860,356	27,508,549	5,145,650	251,307	43,045,563

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Computer RM
Company	
2017	
Cost	
At 1 July 2016/30 June 2017	1,930
Accumulated depreciation	
At 1 July 2016	1,029
Depreciation for the financial year	772
At 30 June 2017	1,801
Net carrying amount	
At 30 June 2017	129
2016	
Cost	
At 1 January 2015	-
Additions	1,930
At 30 June 2016	1,930
Accumulated depreciation	
At 1 January 2015	-
Depreciation for the financial period	1,029
At 30 June 2016	1,029
Net carrying amount	
At 30 June 2016	901

- (i) Included in property, plant and equipment of the Group are assets acquired under finance lease arrangements with carrying amount as follows:

	Group	
	2017 RM	2016 RM
Plant, machinery, and cylinders	1,571,277	2,327,925
Furniture, fixtures and equipment and motor vehicles	3,319,874	3,499,944
	4,891,151	5,827,869

- (ii) The leasehold land of the Group at the carrying amount of RM2,050,274/- (2016: RM2,076,401/-) is held in trust pursuant to trust deed.
- (iii) The leasehold land of the Group at the carrying amount of RM750,521/- (2016: RM860,265/-) is pledged as security for borrowings.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (iv) On 26 June 2012, B.I.G. Industrial Gas Sdn. Bhd. ("BIGG"), a subsidiary of the Company, entered into a conditional Sale and Purchase Agreement with Pan Wijaya Property Sdn. Bhd. ("PWPSB"), subject to the consent from Jabatan Tanah dan Survei, for the disposal of a piece of vacant leasehold land held with a carrying amount of RM594,769/- (2016: RM607,732/-) for a cash consideration of RM3.1 million.

The Director of Lands and Surveys, Sarawak via its letter dated 12 March 2013 rejected the application for consent to transfer ownership of land title held under Lot 2072. Accordingly, the conditional SPA dated 26 June 2012 on the proposed disposal is treated as cancelled, null and void.

On 5 February 2013, PWPSB created a caveat instrument registered as Instrument No. L703/2013 at Bintulu Land District on 5 February 2013 forbidding the registration of any dealing and refusal of PWPSB to remove the caveat, BIGG had on 26 July 2013 commenced a legal proceeding against PWPSB for the removal of the caveat.

On 3 September 2013, PWPSB sued BIGG for Specific Performance of a SPA and in the alternative for damages for breach of contract. BIGG refuted the claim as Director of Lands and Surveys, Sarawak had refused to grant the consent and thus it was impossible to perform the SPA and therefore void.

On 10 April 2014, the High Court had ordered ("Court Order"):

- (i) the removal of the said caveat from the Register of the Department of Land and Surveys Bintulu Division ("DLS-Bintulu") with costs; and
- (ii) the Company was entitled to damages subject to proofs.

On 11 August 2014, the solicitors of BIGG had sent a sealed copy of the Court Order to the DLS-Bintulu for the aforesaid removal of caveat. On 10 September 2014, PWPSB filed an appeal against the High Court's ruling of 10 April 2014 and on 17 October 2014, the Court of Appeal had ordered for a full hearing at the High Court. The High Court had fixed the trial dates on 11 May 2015 and 12 May 2015.

The full trial at the High Court was held on 11 May 2015 and 12 May 2015 and on 18 March 2016, the High Court ruled as follows:

- (i) the Caveat to be withdrawn upon receipt of RM620,000/- from the Company;
- (ii) no specific performance is granted against the Company;
- (iii) global costs of RM55,000/- payable to PWPSB; and
- (iv) the Company to pay damages (to be assessed by Registrar) under Section 75 of Contract Act 1950 or Clause 6 of SPA.

On 15 May 2017, the High Court in Bintulu had allowed BIGG's application to stay the PWPSB's Notice for Directions for assessment of damages dated 16 March 2017 pending the final disposal of BIGG's Notice of Motion for leave to appeal to the Federal Court dated 14 March 2017.

On 14 September 2017, the Company has been granted leave to appeal to the Federal Court.

The Board is of the opinion that the legal proceedings against PWPSB will not have any material impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

6. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2017 RM	2016 RM
Leasehold land		
At Cost:		
At 1 July/1 January	5,930,058	5,181,565
Additions	279,817	145,286
Transfer from property, plant and equipment	-	603,207
At 30 June	6,209,875	5,930,058

Included in the land held for property development was an amount of RM156,253/- (2016: RM156,253/-) held in trust pursuant to trust deed.

7. OTHER INVESTMENTS

	Group	
	2017 RM	2016 RM
Available-for-sale financial assets		
Unquoted, at cost	2,302,657	2,302,657
Less: Accumulated impairment loss	(2,292,657)	(2,292,657)
At 30 June	10,000	10,000

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2017 RM	2016 RM
At Cost		
At 1 July/1 January	48,737,307	48,737,307
Less: Accumulated impairment loss		
At 1 July/1 January	1,305,992	656,063
Charge for the financial year/period	279,499	649,929
At 30 June	1,585,491	1,305,992
Carrying amount	47,151,816	47,431,315

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The Company's ownership interest in the subsidiaries which are all incorporated in Malaysia and their respective principal activities are as follows:

Name of company	Ownership interest		Principal activities
	2017 %	2016 %	
Direct subsidiaries			
B.I.G. Industrial Gas Sdn. Bhd.	100	100	Manufacture, distribution and marketing of industrial gases, provision of services and maintenance and trading in related products
Uni-Mix Sdn. Bhd.	100	100	Manufacture and sale of ready-mix concrete and provision of related services
Hypervictory Sdn. Bhd.	100	100	Quarry operations
Lumanai Sdn. Bhd.	100	100	Provision of transportation services
Kinalaju Supply Sdn. Bhd.	100	100	Agent for distribution of cement
B.I.G. Communications Sdn. Bhd.	100	100	Fibre optic network contractor
Alpha Billion Sdn. Bhd.	100	100	Property developer and construction
B.I.G. Marketing Sdn. Bhd.	100	100	Trading and distribution of building materials
B.I.G. Construction Sdn. Bhd.	100	100	Construction contractor
Linear Excellent Sdn. Bhd.	100	100	Contractor
Tani Kukuh Sdn. Bhd.	100	100	Property development
Sistem SDS Sdn. Bhd.	100	100	Trading and distribution of electrical home appliances, consumer durables and other related products on credit installment schemes
B.I.G. Marine Sdn. Bhd.	100	100	Dormants
B.I.G. Bahtera Sdn. Bhd.	100	100	Dormants
Uni-Mix Concrete Products Sdn. Bhd.	100	100	Manufacturing and trading of reinforced concrete piles
Puncak Luyang Sdn. Bhd.	100	100	Property management and property development

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The Company's ownership interest in the subsidiaries which are all incorporated in Malaysia and their respective principal activities are as follows: (cont'd)

Name of company	Ownership interest		Principal activities
	2017 %	2016 %	
Subsidiaries of Puncak Luyang Sdn. Bhd.			
Puncak Luyang Management Services Sdn. Bhd.	100	100	Has not commenced operations
Subsidiary of Alpha Billion Sdn. Bhd.			
Alpha Billion Management Services Sdn. Bhd.	100	100	Has not commenced operations

9. INVESTMENT IN ASSOCIATES

	Group and Company	
	2017 RM	2016 RM
Unquoted shares in Malaysia, at cost	96,000	96,000
Less: Accumulated impairment losses	(96,000)	(96,000)
	-	-

The details of the associate which incorporated in Malaysia are as follows:

Name of company	Ownership interest		Principal activities
	2017 %	2016 %	
B.I.G. Oil and Gas Sdn. Bhd.	30	30	Has not commenced operations

10. GOODWILL ON CONSOLIDATION

	Group	
	2017 RM	2016 RM
At 1 July/1 January	840,968	840,968
Less: Accumulated impairment losses	(840,968)	(840,968)
At 30 June	-	-

Goodwill arising from business combinations has been allocated to cash-generating unit ("CGU") for impairment testing.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

11. PROPERTY DEVELOPMENT COSTS

	Group	
	2017 RM	2016 RM
Group		
Cumulative property development costs		
Leasehold land costs	-	5,048,991
Development costs	-	40,817,805
At 1 July/1 January	-	45,866,796
Cost incurred during the financial year/period	-	4,408,266
Unsold unit transferred to inventories	-	(2,260,754)
Reversal of completed project	-	(48,014,308)
At 30 June	-	-
Cumulative costs recognised in profit or loss		
Leasehold land costs	-	(5,048,991)
Development costs	-	(39,145,284)
At 1 July/1 January	-	(44,194,275)
Recognised during the financial year/period	-	(3,820,033)
Reversal of completed project	-	48,014,308
At 30 June	-	-
Carrying amounts at 30 June	-	-

12. INVENTORIES

	Group	
	2017 RM	2016 RM
At cost:		
Raw materials	779,664	851,886
Work in progress	-	11,656
Finished goods	3,059,859	2,878,687
Spare parts and consumables	1,050,769	1,083,867
Completed development properties	2,252,594	2,260,754
	7,142,886	7,086,850
Recognised in profit or loss:		
Inventories recognised as cost of sales	21,479,467	41,608,169

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Trade receivables				
Trade receivables	12,839,091	19,690,026	-	-
Accrued billings	305,244	305,244	-	-
Less: Accumulated impairment loss	(1,709,164)	(1,801,902)	-	-
	11,435,171	18,193,368	-	-
Other receivables				
Other receivables	490,248	595,575	-	-
Amount owing by subsidiaries	-	-	12,899,277	12,365,745
Amount owing by an associate	43,372	38,478	43,372	38,478
Less: Accumulated impairment loss				
– Amount owing by subsidiaries	-	-	(8,963,068)	(8,801,048)
– Amount owing by an associate	(36,516)	(36,516)	(36,516)	(36,516)
	497,104	597,537	3,943,065	3,566,659
Refundable deposits	788,792	1,132,934	1,507	-
	1,285,896	1,730,471	3,944,572	3,566,659
Total trade and other receivables	12,721,067	19,923,839	3,944,572	3,566,659

(i) Trade and Other Receivables

- (a) The trade receivables are non-interest bearing and the normal credit terms offered by the Group in respect of trade receivables are 30 days to 180 days (2016: 30 days to 180 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition. Other credit terms are assessed and approved on a case-by-case basis.
- (b) The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2017 RM	2016 RM
Neither past due nor impaired	5,493,579	9,345,278
<i>Past due but not impaired</i>		
Past due 1 to 30 days	1,665,153	2,046,457
Past due 31 to 60 days	1,156,078	1,529,989
Past due 61 to 90 days	844,382	1,277,499
Past due 91 to 120 days	838,920	484,144
Past due more than 121 days	1,437,059	3,510,001
	5,941,592	8,848,090
Impaired	1,709,164	1,801,902
	13,144,335	19,995,270

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

13. TRADE AND OTHER RECEIVABLES (CONT'D)

(i) Trade and Other Receivables (cont'd)

(b) The ageing analysis of the Group's trade receivables is as follows: (cont'd)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has not made any allowance for impairment for receivables that are past due as there has not been a significant change in the credit quality of these receivables and the amounts due are still recoverable.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the reporting date. The Group has policies in place to ensure that credit is extended only to customers with acceptable credit history and payment track records. Allowances for impairment are made on specific trade receivables when there is objective evidence that the Group will not be able to collect the amounts due.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date are as follows:

	Group	
	2017	2016
	RM	RM
Individually impaired		
Trade receivables		
– nominal amounts	1,751,804	1,803,279
Less: Accumulated impairment loss	(1,709,164)	(1,801,902)
	42,640	1,377

Trade receivables are individually determined to be impaired at the reporting date which are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

13. TRADE AND OTHER RECEIVABLES (CONT'D)

(i) Trade and Other Receivables (cont'd)

- (c) The Group's trade and other receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade and other receivables are as follows:

	Group	
	2017 RM	2016 RM
Trade receivables		
At 1 July/1 January	1,801,902	1,695,803
Add: Charge for the financial year/period	439,588	476,663
Reversal of impairment losses	(532,326)	(370,564)
At 30 June	1,709,164	1,801,902

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Other receivables				
At 1 July/1 January	36,516	574,558	8,837,564	9,519,778
Add: Charge for the financial year/period	-	-	162,020	-
Reversal of impairment losses	-	(222,110)	-	-
Written off	-	(315,932)	-	(682,214)
At 30 June	36,516	36,516	8,999,584	8,837,564

- (d) The currencies exposure profiles of trade receivables are as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Ringgit Malaysia	10,155,290	16,663,661	-	-
Brunei Dollars	1,279,881	1,529,707	-	-
	11,435,171	18,193,368	-	-

(ii) Amount Owning by Subsidiaries

Amount owing by subsidiaries are non-trade in nature, unsecured, generally non-interest bearing, except amounts of RM3,895,569/- (2016: RM3,555,730/-) earn interest at a rate of 5.50% (2016: 5.50% to 7.35%) per annum and repayable on demand.

(iii) Amount Owning by an Associate

Amount owing by an associate is non-trade in nature, unsecured, non-interest bearing and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

14. INVESTMENT SECURITIES

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Financial assets at fair value through profit or loss – unquoted unit trusts in Malaysia	7,378	10,132	3,368	3,292

Unit trusts are funds invested mainly in money market and fixed income instruments and are managed by investment management company.

15. CASH AND BANK BALANCES

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Cash and bank balances	1,866,650	3,530,108	1,314	8,444
Short-term deposits placed with licensed banks	1,036,590	1,012,051	-	-
	2,903,240	4,542,159	1,314	8,444

For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Cash in hand and at banks	1,866,650	3,530,108	1,314	8,444
Short-term deposits placed with licensed banks	1,036,590	1,012,051	-	-
Less: Short-term deposits held as security value	(258,046)	(249,864)	-	-
Less: Cash held pursuant to Housing Development Accounts (“HDA”)	(678,224)	(1,530,000)	-	-
Less: Bank overdrafts (Note 17)	(1,693,414)	(2,824,767)	(496,087)	(1,360,688)
	273,556	(62,472)	(494,773)	(1,352,244)

The currency exposure profiles of the cash and bank balances are as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Ringgit Malaysia	1,863,979	3,528,902	1,314	8,444
Brunei Dollars	2,671	1,206	-	-
	1,866,650	3,530,108	1,314	8,444

(i) Cash and Bank Balances

Included in cash and bank balances is an amount of RM678,224/- (2016: RM1,530,000/-) held under Housing Development Accounts (“HDA”) pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and is restricted from use in other operations.

(ii) Short-term Deposits Placed with Licensed Banks

Included in short term deposits are amounts of RM258,046/- (2016: RM249,864/-) pledged as security for banking facilities granted to certain subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

15. CASH AND BANK BALANCES (CONT'D)

(ii) Short-term Deposits Placed with Licensed Banks (Cont'd)

The interest rate as at reporting date and the remaining maturities of the Group's and the Company's deposits placed with licensed banks are as follows:

	Group and Company	
	2017	2016
	RM	RM
Interest rate per annum (%)	3.00 - 3.40	2.90 - 3.30
Average maturities (months)	1 to 12	1 to 12

16. SHARE CAPITAL

	Group and Company			
	2017		2016	
	Number of shares units	Amounts RM	Number of shares units	Amounts RM
Issued and fully paid:				
At the beginning of the financial year/period	48,092,200	48,092,200	48,092,200	48,092,200
Transition to no-par value regime	-	150,113	-	-
At the end of the financial year/period	48,092,200	48,242,313	48,092,200	48,092,200

The holder of ordinary shares is entitled to receive dividend as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual interests.

The new Companies Act 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account of RM150,113/- become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM150,113/- for purposes as set out in Sections 618(3). There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

17. LOANS AND BORROWINGS

	Note	Group		Company	
		2017	2016	2017	2016
		RM	RM	RM	RM
Non-current:					
Secured					
Finance lease liabilities	(i)	1,275,303	2,193,604	-	-
Term loans	(ii)	354,552	1,288,907	-	828,622
Total non-current		1,629,855	3,482,511	-	828,622

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

17. LOANS AND BORROWINGS (CONT'D)

	Note	Group		Company	
		2017 RM	2016 RM	2017 RM	2016 RM
Current:					
Secured					
Finance lease liabilities	(i)	1,463,656	1,594,292	-	-
Term loans	(ii)	936,201	2,100,095	828,622	1,999,358
Bank overdrafts	(iii)	1,693,414	2,824,767	496,087	1,360,688
Bill payables	(iv)	2,325,546	2,766,108	-	-
Revolving credits	(iv)	3,000,000	3,000,000	-	-
Total current		9,418,817	12,285,262	1,324,709	3,360,046
Total loans and borrowings:					
Finance lease liabilities	(i)	2,738,959	3,787,896	-	-
Term loans	(ii)	1,290,753	3,389,002	828,622	2,827,980
Bank overdrafts	(iii)	1,693,414	2,824,767	496,087	1,360,688
Bill payables	(iv)	2,325,546	2,766,108	-	-
Revolving credits	(iv)	3,000,000	3,000,000	-	-
		11,048,672	15,767,773	1,324,709	4,188,668

(i) Finance Lease Liabilities

	Group	
	2017 RM	2016 RM
Minimum lease payments:		
Not later than one year	1,588,011	1,780,009
Later than one year and not later than five years	1,344,303	2,314,851
	2,932,314	4,094,860
Less: Future interest charges	(193,355)	(306,964)
Present value of minimum lease payments	2,738,959	3,787,896
Present value of minimum lease payments:-		
Not later than one year	1,463,656	1,594,292
Later than one year and not later than five years	1,032,036	2,193,604
Later than five years	243,267	-
	2,738,959	3,787,896
Less: Amount due within twelve months	(1,463,656)	(1,594,292)
Amount due after twelve months	1,275,303	2,193,604

The finance lease liabilities are effectively secured on the rights of the assets under finance lease arrangements as disclosed in Note 5 to the financial statements. Interest rates are fixed at the inception of the finance lease arrangement. The effective interest rates range from 2.52% to 5.48% (2016: 4.77% to 8.61%).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

17. LOANS AND BORROWINGS (CONT'D)

(ii) Term Loans

Term loan 1 of the subsidiary of RM462,131/- (2016: RM561,022/-) bear interest at 7.85% (2016: 7.85%) per annum and is repayable by monthly instalments of RM11,601/- over ten years commencing from the day of first drawdown.

Term loan 2 of the Company of RM828,622/- (2016: RM2,827,980/-) bear interest at 5.5% (2016: 5.5%) per annum and is repayable by monthly instalments of RM186,009 over two years commencing from the day of first drawdown.

(iii) Bank Overdrafts

The effective interest rate of the bank overdrafts of the Group and of the Company as at the reporting date is 8.35% (2016: 8.35%) per annum.

(iv) Bill Payables and Revolving Credits

The effective interest rates of the bill payables and revolving credits are ranging from 3.66% to 5.10% and 3.85% to 3.88% (2016: 3.89% to 5.43% and 6.57% to 6.76%) respectively per annum.

(v) Security

The term loans, bank overdrafts, bill payables and revolving credits are secured by the following:

- (a) first legal charges over the certain leasehold land of the Group as disclosed in Note 5 to the financial statements; and
- (b) corporate guarantees by the Company.

18. DEFERRED TAX LIABILITIES

	Group	
	2017 RM	2016 RM
Deferred tax liabilities		
At 1 July/1 January	5,804,847	6,074,789
Recognised in profit or loss (Note 25)		
– current year	(367,117)	(545,915)
– prior year	(1,076,769)	275,973
	(1,443,886)	(269,942)
At 30 June	4,360,961	5,804,847
Presented after appropriate offsetting as follows:		
Deferred tax liabilities	4,360,961	5,804,847
	4,360,961	5,804,847

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

19. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2017 RM	2016 RM	2017 RM	2016 RM
Current:					
Trade payables					
Trade payables	(i)	4,014,355	5,784,157	-	-
Trade payables – retention sum		409,900	409,900	-	-
		4,424,255	6,194,057	-	-
Non-current:					
Other payable	(ii)	3,048,517	-	-	-
Current:					
Other payables					
Other payables	(ii)	4,412,015	5,318,960	199,832	152,377
Refundable deposits	(iii)	3,952,944	3,566,770	-	-
Accruals		2,048,523	2,626,997	54,638	30,700
Amount owing to subsidiaries	(iv)	-	-	14,671,190	10,750,911
Amount owing to associate	(iv)	44,642	44,642	-	-
		10,458,124	11,557,369	14,925,660	10,933,988
Other payable (Non-current)		3,048,517	-	-	-
Total trade and other payables (Current)		14,882,379	17,751,426	14,925,660	10,933,988
Total trade and other payables		17,930,896	17,751,426	14,925,660	10,933,988

(i) Trade Payables

Trade payables are non-interest bearing and the normal credit terms available to the Group in respect of trade payables range from 30 to 90 days (2016: 30 to 90 days) from the date of invoices and progress billings.

(ii) Other Payables

All the above amounts are unsecured, interest-free and are normally settled on an average term of two to six months (2016: average term of two to six months) except for the non-current other payables to be repaid after 30 June 2019.

(iii) Refundable Deposits

Included in refundable deposits is an amount of RM3,903,944/- (2016: RM3,566,770/) for cylinder deposit.

(iv) Amounts Owing to Subsidiaries and Associate

Amounts owing to subsidiaries and associate are non-trade in nature, unsecured, non-interest bearing, repayable upon demand and are expected to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

20. REVENUE

	Group		Company	
	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM
Sale of goods	40,731,436	80,295,996	-	-
Property development revenue	-	9,160,179	-	-
Transportation and handling fees	921,349	1,652,233	-	-
Hiring of plant and machinery	76,981	156,860	-	-
Rental income from cylinder	1,094,091	1,989,500	-	-
Management fee income from subsidiaries	-	-	768,000	2,712,000
	42,823,857	93,254,768	768,000	2,712,000

21. OTHER INCOME

	Group		Company	
	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM
Bad debts recovered	12,672	171,744	-	-
Gross dividend income	244	2,538	84	677
Gain on disposal of property, plant and equipment	455,061	570,220	-	-
Realised gain on foreign exchange	20,756	321,069	151	-
Interest income	46,414	193,537	210,617	518,217
Reversal of impairment loss on trade receivables	532,326	370,564	-	-
Reversal of impairment loss on other receivables	-	222,110	-	-
Reversal of impairment loss on property, plant and equipment	21,652	-	-	-
Management fee	108,000	162,000	-	-
Gain on financial liabilities measured at amortised cost	225,971	-	-	-
Miscellaneous income	534,310	458,203	-	656
	1,957,406	2,471,985	210,852	519,550

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

22. EMPLOYEES BENEFITS EXPENSE

	Group		Company	
	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM
Wages and salaries	9,617,121	15,341,541	293,640	1,224,290
Social security contributions	131,317	190,589	1,606	8,077
Contributions to defined contribution plan	1,130,157	1,677,988	20,908	143,794
Other benefits	119,552	281,918	1,050	1,841
	10,998,147	17,492,036	317,204	1,378,002

23. FINANCE COSTS

	Group		Company	
	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM
Interest expense on:				
– Term loans, bill payables, revolving credits and bank overdrafts	854,028	1,529,465	321,626	781,853
– Finance lease liabilities	212,353	478,461	-	-
– Amount owing to subsidiaries	-	-	165,088	216,017
Total finance costs	1,066,381	2,007,926	486,714	997,870

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

24. (LOSS)/PROFIT BEFORE TAXATION

Other than disclosed elsewhere in the financial statements, the following items have been charged in arriving at (loss)/profit before tax:

	Group		Company	
	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM
After charging:				
Impairment loss on:				
– other investments	-	65,000	-	-
– investments in subsidiaries	-	-	279,499	649,929
– property, plant and equipment	314,956	21,652	-	-
– amount owing by subsidiaries	-	-	162,020	-
– trade receivables	439,588	476,663	-	-
Auditors' remuneration:				
– current year	193,100	208,000	37,000	33,000
– (over)/under accrual in prior year	(8,512)	(41,725)	-	200
Non statutory audit fee	13,000	7,500	13,000	7,500
Bad debts written off	77,699	236,067	-	-
Depreciation of property, plant and equipment	5,371,142	8,354,331	772	1,029
Deposits written off	20,300	9,026	-	-
Inventory written off	22,018	8,577	-	-
Property, plant and equipment written off	393,515	127,776	-	-
Realised loss on foreign exchange	10,543	12,521	10,543	12,521
Rental of equipment, premises, and etc	856,844	1,340,298	1,132	14,476
Staff Cost:				
– Wages and salaries	9,191,121	14,983,129	170,640	1,216,290
– Social security contributions	130,488	190,589	1,606	8,077
– Contributions to defined contribution plan	1,094,637	1,635,938	20,908	143,794
– Other benefits	119,552	281,918	1,050	1,841
Executive directors' remuneration:				
– Fee	-	8,000	-	8,000
– Wages and salaries	296,000	350,412	-	-
– Contributions to defined contribution plan	35,520	42,050	-	-
– Social security contributions	829	-	-	-
Non-executive directors' remuneration:				
– Fee	123,000	222,000	123,000	222,000
– Other emoluments	7,000	9,500	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

25. TAXATION

	Group		Company	
	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM
Income tax:				
– current year	(4,622)	(1,068,326)	-	-
– over accrual in prior year	225,162	82,298	-	-
	220,540	(986,028)	-	-
Deferred tax (Note 18):				
– current year	367,117	545,915	-	-
– (under)/over accrual in prior year	1,076,769	(275,973)	-	-
	1,443,886	269,942	-	-
	1,664,426	(716,086)	-	-

The income tax is calculated at the statutory tax rate of 24% of the estimated taxable profit for the financial year.

The reconciliation of income tax expense applicable to (loss)/profit taxation at the statutory tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM
(Loss)/profit before tax	(8,276,392)	1,751,634	(1,029,985)	(1,069,430)
Taxation at statutory tax rate of 24%	1,986,334	(420,393)	247,196	256,663
Effect of changes in tax rate	-	(41,233)	-	-
Adjustments:				
Income not subject to tax	333,250	243,270	50,568	85,375
Non-deductible expenses	(1,038,316)	(656,549)	(243,687)	(306,056)
(Originating)/reversal of deferred tax assets not recognised	(918,773)	352,494	(54,077)	(35,982)
Under accrual in prior year	1,301,931	(193,675)	-	-
	1,664,426	(716,086)	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

25. TAXATION (CONT'D)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM
Taxable temporary differences	969,521	916,630	129	901
Unutilised capital allowances	(562,342)	(846)	-	-
Unabsorbed tax losses	(16,679,084)	(13,359,468)	(1,204,780)	(980,230)
At 30 June	(16,271,905)	(12,443,684)	(1,204,651)	(979,329)
Potential deferred tax assets not recognised at 24%	(3,905,257)	(2,986,484)	(289,116)	(235,039)

26. (LOSS)/EARNINGS PER ORDINARY SHARE

(i) Basic (loss)/earnings per Ordinary Share

Basic (loss)/earnings per share are based on the (loss)/profit for the financial year/period attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year/period, calculated as follows:

	Group	
	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM
(Loss)/earnings net of tax attributable to owners of the Company used in the computation of basic (loss)/earnings per share (RM)	(6,611,966)	1,035,548
Weighted average number of ordinary shares for basic (loss)/earnings per share (Unit)	48,092,200	48,092,200
Basic (loss)/earnings per ordinary share (sen)	(13.75)	2.15

(ii) Diluted (loss)/earnings per Ordinary Share

There are no dilutive potential ordinary shares. As such, the diluted (loss)/earnings per share of the Group is equivalent to basic (loss)/earnings per share.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

27. CAPITAL AND OTHER COMMITMENTS

(a) Capital Commitments

	Group	
	2017 RM	2016 RM
Capital expenditure approved and contracted for:		
– Furniture, fixtures and equipment	252,991	20,537

(b) Operating Lease Commitments – as Lessee

Future minimum rentals payables under non-cancellable operating lease at the reporting date but not recognised as liabilities are as follows:

	Group	
	2017 RM	2016 RM
Not later than one year	327,231	445,171
Later than one year but not later than five years	695,417	1,358,378
	1,022,648	1,803,549

The Group has entered into commercial leases on certain land, office premises and equipment. These leases have an average tenure of between one and five years with no renewal option or contingent rent provision included in the contracts. The Group is restricted from subleasing the leased office premises to third parties.

28. RELATED PARTIES DISCLOSURES

(a) Sales and Purchase of Goods and Services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year/period:

	Company	
	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM
Transaction with subsidiaries		
Management fee income received from:		
– Alpha Billion Sdn. Bhd.	120,000	60,000
– B.I.G Industrial Gas Sdn. Bhd.	228,000	342,000
– Kinalaju Supply Sdn. Bhd.	60,000	100,000
– Uni-Mix Sdn. Bhd.	192,000	1,653,500
– Uni-Mix Concrete Products Sdn. Bhd.	168,000	556,500

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

28. RELATED PARTIES DISCLOSURES (CONT'D)

(a) Sales and Purchase of Goods and Services (cont'd)

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year/period: (cont'd)

	Company	
	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM
Transaction with subsidiaries (cont'd)		
Interest income received/receivable from:		
– Alpha Billion Sdn. Bhd.	-	6,500
– B.I.G. Industrial Gas Sdn. Bhd.	-	18,088
– Hypervictory Sdn. Bhd.	-	241,426
– Kinalaju Supply Sdn. Bhd.	8,145	-
– Puncak Luyang Sdn. Bhd.	-	7,397
– Tani Kukuh Sdn. Bhd.	5,082	4,352
– Uni-Mix Sdn. Bhd.	147,150	197,136
– Uni-Mix Concrete Products Sdn. Bhd.	50,240	43,318
Interest expenses paid/payable to:		
– B.I.G. Industrial Gas Sdn. Bhd.	(162,943)	(212,500)
– Lumanai Sdn. Bhd.	(2,145)	(3,518)

(b) Compensation of Key Management Personnel

The remuneration of key management during the financial year/period is as follows:

	Group		Company	
	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM	1.7.2016 to 30.6.2017 RM	1.1.2015 to 30.6.2016 RM
Key management personnel:				
– short-term employee benefits	1,268,343	2,097,551	122,680	66,300
– defined contribution plan	151,170	248,156	14,736	7,956
	1,419,513	2,345,707	137,416	74,256
Included in the total key management personnel are:				
Directors' remuneration (Note 24)	332,349	388,236	-	-

Key management personnel comprise persons including the directors of the Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

29. SEGMENT INFORMATION

The Group prepared the following segment in accordance with FRS 8 Operating Segments based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group's Chief Operating Officer ("COO") for the purpose of making decisions about resource allocation and performance assessment.

(a) General Information

The Group's operations comprise the following business segments:

- Industrial gas : Manufacture, distribution and marketing of industrial gases, provision of services and maintenance and trading in related products.
- Ready mix concrete ("RMC")/Reinforced concrete piles ("RCP") : Manufacture and sale of ready mix concrete and reinforced concrete piles and provision of related services.
- Property development and construction : Property management and property developer.
- Corporate/Others : Provision of management services

The inter-segment transactions have been entered into 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.

(b) Measurement of Reportable Segments

Segment Profit

Segment performance is used to measure performance as the directors believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment Assets

The total of segment asset is measured based on all assets of a segment, as included in the internal reports that are reviewed by the directors.

Segment Liabilities

Segment liabilities are not included in the internal reports that are reviewed by the directors, hence no disclosures are made on segment liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

29. SEGMENT INFORMATION (CONT'D)

	Industrial gas		RCP/RMC		Property development & construction		Corporate/ others		Adjustments and eliminations		Per consolidated financial statements	
	2017 RM	2016 RM	2017 RM	2016 RM	2017 RM	2016 RM	2017 RM	2016 RM	2017 RM	2016 RM	2017 RM	2016 RM
External customers	24,681,451	44,095,281	18,142,406	39,999,308	-	9,160,179	-	-	-	-	42,823,857	93,254,768
Inter-segment	-	-	9,144,595	20,789,989	390,400	2,882,288	768,000	2,712,000	(10,302,995)	(26,384,277)	-	-
Total revenue	24,681,451	44,095,281	27,287,001	60,789,297	390,400	12,042,467	768,000	2,712,000	(10,302,995)	(26,384,277)	42,823,857	93,254,768
Results:												
Interest income	162,943	228,033	24,767	57,295	23,792	124,225	210,617	518,218	(375,705)	(734,234)	46,414	193,537
Dividend income	108	166	-	-	-	1,567	136	805	-	-	244	2,538
Depreciation and amortisation	(4,290,134)	(6,597,388)	(1,075,066)	(1,739,177)	(5,170)	(16,737)	(772)	(1,029)	-	-	(5,371,142)	(8,354,331)
Other non-cash income/(expenses)	164,521	(2,869,230)	(583,541)	(88,910)	175,392	(490,511)	(441,519)	(649,929)	652,081	4,488,457	(33,066)	389,877
Segment profit/(loss)	(3,413,961)	(1,951,917)	(4,070,523)	(5,204,253)	(201,098)	5,517,141	(1,069,355)	(1,097,794)	478,545	4,488,457	(8,276,392)	1,751,634
Income tax expense	1,668,878	(707,369)	-	22,550	(4,452)	(31,267)	-	-	-	-	1,664,426	(716,086)
(Loss)/profit for the financial year	(1,745,083)	(2,659,286)	(4,070,523)	(5,181,705)	(205,550)	5,485,874	(1,069,355)	(1,097,792)	478,545	4,488,457	(6,611,966)	1,035,548
Assets:												
Additions to non-current assets	229,850	1,142,682	860,047	1,275,083	281,403	147,824	-	1,930	-	-	1,371,300	2,567,519
Segment assets	46,706,416	51,929,620	18,682,543	24,041,849	31,574,321	29,186,116	52,403,826	52,333,319	(80,315,863)	(75,839,877)	69,051,243	81,651,027

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

29. SEGMENT INFORMATION (CONT'D)

Note: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

A Inter-segment revenues are eliminated on consolidation.

B Other-cash (expenses)/income consist of:

	Group	
	2017 RM	2016 RM
Written off on:		
– bad debts	(77,699)	(236,067)
– inventories	(22,018)	(8,577)
– property, plant and equipment	(393,515)	(127,776)
– deposits	(20,300)	(9,026)
Impairment loss on:		
– trade receivables	(439,588)	(476,663)
– other investment	-	(65,000)
– property, plant and equipment	(314,956)	(21,652)
Reversal of impairment loss on:		
– trade and other receivables	532,326	592,674
– property, plant and equipment	21,652	-
Bad debts recovered	-	171,744
Gain on disposal of property, plant and equipment	455,061	570,220
Gain on financial liabilities measured at amortised cost	225,971	-
	(33,066)	389,877

C The following items are deducted from segment (loss)/profit to arrive at “Loss/(profit) before tax, presented in the consolidated statement of comprehensive income:

	Group	
	2017 RM	2016 RM
Elimination of inter-segment transactions	478,545	4,488,457

D Additions to non-current assets consist of:

	Group	
	2017 RM	2016 RM
Property, plant and machinery	1,091,483	2,422,233
Land held for development	279,817	145,286
	1,371,300	2,567,519

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

29. SEGMENT INFORMATION (CONT'D)

Note: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements. (cont'd)

- E** The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	Group	
	2017	2016
	RM	RM
Investment in subsidiaries	(47,151,820)	(47,431,319)
Inter-segment assets	(33,164,043)	(28,408,558)
	(80,315,863)	(75,839,877)

Geographical Information

The Group operates principally in Malaysia and has not ventured into any operations outside Malaysia during the financial year. Hence, no geographical segment is presented.

Information about Major Customers

At the reporting date, no individual customer of the Group with revenue accounted for more than 10% of the Group revenue.

30. FINANCIAL INSTRUMENTS

(a) Categories of Financial Instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned, and therefore by the measurement basis:-

- (i) Loans and receivables ("L&R")
- (ii) Fair value through profit or loss ("FVTPL")
- (iii) Available for sale financial assets ("AFS")
- (iv) Other financial liabilities ("FL")

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

30. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of Financial Instruments (cont'd)

	Carrying amount RM	L&R RM	FVTPL RM	AFS RM	FL RM
2017					
Group					
Financial assets					
Other investments	10,000	-	-	10,000	-
Trade and other receivables	12,721,067	12,721,067	-	-	-
Investment securities	7,378	-	7,378	-	-
Cash and bank balances	2,903,240	2,903,240	-	-	-
	15,641,685	15,624,307	7,378	10,000	-
Financial liabilities					
Trade and other payables	(17,930,896)	-	-	-	(17,930,896)
Loans and borrowings	(11,048,672)	-	-	-	(11,048,672)
	(28,979,568)	-	-	-	(28,979,568)
Company					
Financial assets					
Trade and other receivables	3,944,572	3,944,572	-	-	-
Investment securities	3,368	-	3,368	-	-
Cash and bank balances	1,314	1,314	-	-	-
	3,949,254	3,945,886	3,368	-	-
Financial liabilities					
Trade and other payables	(14,925,660)	-	-	-	(14,925,660)
Loans and borrowings	(1,324,709)	-	-	-	(1,324,709)
	(16,250,369)	-	-	-	(16,250,369)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

30. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of Financial Instruments (cont'd)

	Carrying amount RM	L&R RM	FVTPL RM	AFS RM	FL RM
2016					
Group					
Financial assets					
Other investments	10,000	-	-	10,000	-
Trade and other receivables	19,923,839	19,923,839	-	-	-
Investment securities	10,132	-	10,132	-	-
Cash and bank balances	4,542,159	4,542,159	-	-	-
	<u>24,486,130</u>	<u>24,465,998</u>	<u>10,132</u>	<u>10,000</u>	<u>-</u>
Financial liabilities					
Trade and other payables	(17,751,426)	-	-	-	(17,751,426)
Loans and borrowings	(15,767,773)	-	-	-	(15,767,773)
	<u>(33,519,199)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(33,519,199)</u>
Company					
Financial assets					
Trade and other receivables	3,566,659	3,566,659	-	-	-
Investment securities	3,292	-	3,292	-	-
Cash and bank balances	8,444	8,444	-	-	-
	<u>3,578,395</u>	<u>3,575,103</u>	<u>3,292</u>	<u>-</u>	<u>-</u>
Financial liabilities					
Trade and other payables	(10,933,988)	-	-	-	(10,933,988)
Loans and borrowings	(4,188,668)	-	-	-	(4,188,668)
	<u>(15,122,656)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,122,656)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

30. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Risk Management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management. The audit committee provides independent oversight to the effectiveness of the risk management process.

(i) Credit Risk

Trade and Other Receivables

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

As at the reporting date, the maximum exposure to credit risk arising from trade and other receivables is represented by their carrying amounts in the statements of financial position.

The carrying amount of trade and other receivables are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Group uses ageing analysis to monitor the credit quality of the trade receivables. The ageing of trade receivables as at the end of the financial year is disclosed in Note 13 to the financial statements.

Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. A significant portion of these trade receivables are regular customers that have been transacting with the Group.

Management has taken reasonable steps to ensure that trade receivables that are neither past due nor impaired are stated at their realisable values. Impairment are made on specific receivables when there is objective evidence that the Group will not be able to collect all amounts due.

Intercompany balances

The Company provides unsecured loans and advances to its subsidiaries. The Company monitors the results of the subsidiaries in determining the recoverability of these intercompany balances.

As at the reporting date, there was no indication that the loans and advances to the subsidiaries are not recoverable.

As at the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

30. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Risk Management (cont'd)

(i) Credit Risk (cont'd)

Trade and Other Receivables (cont'd)

Credit risk concentration profile

The Group's trade receivables credit risk is concentrated in Malaysia.

The Group determines the credit risk concentration of its trade receivables by industry sector profile on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade receivables at the reporting date are as follows:

	Group	
	2017 RM	2016 RM
By industry sectors:		
Industrial gas	7,217,573	8,843,057
Ready mix concrete/reinforced concrete piles	3,911,762	7,715,547
Property development	305,836	1,634,764
	11,435,171	18,193,368

At the reporting date, no individual customer with outstanding amount accounted for more than 10% of the Group's trade receivables.

Financial Guarantee Contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries and banks of third party's bank loans. The Company monitors the results of the subsidiaries and their repayment on an on-going basis.

At the reporting date, the Group and the Company's maximum exposure to credit risks is represented by:

- A nominal amount of RM9,596,692/- (2016: RM11,544,344/-) relating to corporate guarantees provided by the Company to banks of subsidiaries' bank loans.
- A nominal amount of RM475,979/- (2016: RM931,849/-) relating to corporate guarantees provided by a subsidiary to banks of third party's bank loan.

The maximum amount the Company could pay if the guarantee is called on as disclosed in Note 30(b)(ii) to the financial statements. As at the reporting date, there was no indication that the subsidiaries would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

(ii) Liquidity Risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

30. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Risk Management (cont'd)

(ii) Liquidity Risk (cont'd)

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's and the Company's treasury department also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Maturity Analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

	Contractual cash flows				Total RM
	Carrying amount RM	On demand or within 1 year RM	2 to 5 years RM	More than 5 years RM	
Group					
2017					
Financial liabilities					
Trade and other payables	17,930,896	14,882,379	3,274,488	-	18,156,867
Loans and borrowings					
– finance lease liabilities	2,738,959	1,588,011	1,344,303	-	2,932,314
– bank overdrafts	1,693,414	1,834,814	-	-	1,834,814
– bill payables and revolving credits	5,325,546	5,325,546	-	-	5,325,546
– term loans	1,290,753	1,069,257	348,030	-	1,417,287
Financial guarantee contracts *	-	475,979	-	-	475,979
	28,979,568	25,175,986	4,966,821	-	30,142,807
2016					
Financial liabilities					
Trade and other payables	17,751,426	17,751,426	-	-	17,751,426
Loans and borrowings					
– finance lease liabilities	3,787,896	1,780,009	2,314,851	-	4,094,860
– bank overdrafts	2,824,767	3,060,635	-	-	3,060,635
– bill payables and revolving credits	5,766,108	5,766,108	-	-	5,766,108
– term loans	3,389,002	2,373,312	1,424,259	-	3,797,571
Financial guarantee contracts *	-	931,849	-	-	931,849
	33,519,199	31,663,339	3,739,110	-	35,402,449

* The Group has given corporate guarantee to bank on behalf of third parties. The potential exposure of the financial guarantee contract is equivalent to the amount of the banking facilities of the said third parties.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

30. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Risk Management (cont'd)

(ii) Liquidity Risk (cont'd)

Maturity Analysis (cont'd)

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows: (cont'd)

	Contractual cash flows				Total RM
	Carrying amount RM	On demand or within 1 year RM	2 to 5 years RM	More than 5 years RM	
Company 2017					
Financial liabilities					
Trade and other payables	14,925,660	14,925,660	-	-	14,925,660
Loans and borrowings					
– term loans	828,622	930,045	-	-	930,045
– bank overdrafts	496,087	537,510	-	-	537,510
Financial guarantee contracts #	-	9,596,692	-	-	9,596,692
	16,250,369	25,989,907	-	-	25,989,907
2016					
Financial liabilities					
Trade and other payables	10,933,988	10,933,988	-	-	10,933,988
Loans and borrowings					
– term loans	2,827,980	2,232,108	930,045	-	3,162,153
– bank overdrafts	1,360,688	1,474,305	-	-	1,474,305
Financial guarantee contracts #	-	11,544,344	-	-	11,544,344
	15,122,656	26,184,745	930,045	-	27,114,790

The Company has given corporate guarantee to bank on behalf of certain subsidiaries. The potential exposure of the financial guarantee contract is equivalent to the amount of the banking facilities of the said subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

30. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Risk Management (cont'd)

(iii) Interest Rate Risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their long-term loans and borrowings with floating interest rates.

The Group manages the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. The Management does not enter into interest rate hedging transactions as the cost of such instruments outweighs the potential risk of interest rate fluctuation.

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

Sensitivity Analysis for Interest Rate Risk

Fair value sensitivity analysis for fixed rate instruments

The Group do not account for any fixed rate financial assets at fair value through profit or loss and equity. Therefore a change in interest rates at the reporting date would not affect profit or loss and equity.

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables, in particular foreign currency rates, held constant on the Group's and the Company's total equity and profit for the financial year.

	Change in basis point	Effect on profit or loss RM	Effect on equity RM
Group			
30 June 2017	+50	14,921	14,921
	-50	(14,921)	(14,921)
30 June 2016	+50	(31,069)	(31,069)
	-50	31,069	31,069
Company			
30 June 2017	+50	6,623	6,623
	-50	(6,623)	(6,623)
30 June 2016	+50	(20,943)	(20,943)
	-50	20,943	20,943

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

30. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Risk Management (cont'd)

(iv) Foreign Currency Risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's and the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's and the Company's operating activities (when sales, purchases and borrowings that are denominated in a foreign currency). The foreign currency in which these transactions are denominated is primarily Brunei Dollar.

Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk.

The Group's exposure to foreign currency (a currency which is other than currency of the Group entities) risk, based on carrying amounts as at the end of reporting period is as follows:

	Brunei Dollar RM
Group 2017	
Trade and other receivables	1,279,881
Cash and bank balances	2,671
	1,282,552
2016	
Trade and other receivables	1,529,707
Cash and bank balances	1,206
	1,530,913

(c) Fair Value Measurement

(i) Fair Value of Financial Instruments that are Carried at Fair Value

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 30 June 2017, the fair value of investment securities as disclosed in Note 14 to the financial statements is measure under Level 1, of which is determined directly by reference to prices provided by investment management companies.

During the financial year ended 30 June 2017, there have been no transfers between Level 1 and Level 2 fair value measurement (2016: no transfer in either directions).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

30. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair Value Measurement (cont'd)

(ii) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Financial assets	
Other investments	7
Trade and other receivables	13
Cash and bank balances	15
Financial liabilities	
Loans and borrowings (current and non-current, except finance lease liabilities)	17
Trade and other payables	19

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near reporting date.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

It was not practicable to estimate the fair value of the Group's investment in unquoted shares due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

		Group			
			2017	2016	
	Note	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Group					
Financial liabilities					
Finance lease liabilities	17	2,738,959	2,818,380	3,787,896	3,801,634

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

30. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair Value Measurement (cont'd)

(ii) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value (cont'd)

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

	Note	Fair value RM	Fair value of financial instruments not carried at fair value			Total RM
			Level 1 RM	Level 2 RM	Level 3 RM	
2017						
Group						
Financial liabilities						
Loans and borrowings:						
– Finance lease liabilities	17	2,818,380	-	-	2,818,380	2,818,380

The fair value of finance lease liabilities are determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

31. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial year/period ended 30 June 2017 and 30 June 2016.

The directors monitor and are determined to maintain an optimal gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratio is calculated as total debts divided by total equity. The gearing ratio at as reporting date are as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Trade and other payables	17,930,896	17,751,426	14,925,660	10,933,988
Total loans and borrowings	11,048,672	15,767,773	1,324,709	4,188,668
Less: Cash and bank balances	(2,903,240)	(4,542,159)	(1,314)	(8,444)
Net debt	26,076,328	28,977,040	16,249,055	15,114,212
Equity attributable to owners of the Company	35,702,155	42,314,121	34,869,448	35,899,433
Capital and net debt	61,778,483	71,291,161	51,118,503	51,013,645
Gearing ratio	42%	41%	32%	30%

There was no change in the Group's and Company's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

31. CAPITAL MANAGEMENT (CONT'D)

The Company is also required to comply with the disclosure and necessary capital requirements as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

32. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

- (a) On 19 July 2017, the Board of Directors of the Company and SJ Securities Sdn Bhd ("SJ Securities") announced that the Company is proposing to undertake the proposed private placement of up to 4,809,220 new BIG Shares representing up to 10% of the Company's share capital, to third party investor to be identified later at an issue price to be determined at a later date.

The Proposed Private Placement will be undertaken in accordance with the general mandate under Section 75 and 76 of the Company Act 2016, the approval of which had been obtained from the shareholders of the Company at its last annual general meeting.

The Company had submitted an application on 24 July 2017 to Bursa Securities in respect of the listing of and quotation for up to 4,809,220 new BIG Shares to be issued pursuant to the Propose Private Placement on the Main Market of Bursa Securities.

On 26 July 2017, the Board and SJ Securities announced that the Bursa Securities had, vide the letter dated 25 July 2017 approved the listing of and quotation for up to 4,809,220 new BIG Shares to be issued pursuant to the Proposed Private Placement subject to the following conditions:

1. The Company and SJ Securities must fully comply with the relevant provisions under the Main Market Listing Requirement of Bursa Securities pertaining to the implementation of the Proposed Private Placement;
 2. The Company and SJ Securities to inform Bursa Securities upon the completion of the Proposed Private Placement;
 3. SJ Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursas Securities' approval once the Proposed Private Placement is completed; and
 4. The Company to furnish Bursa Securities with a certificate true copy of the new resolution passed pursuant to Section 76 of the Companies Act 2016, in the event the existing authority has expired prior to the full implementation of the Proposed Private Placement.
- (b) The Board has on 18 September 2017 apply for striking off for the following dormant and non-operating companies due to no intention to carry out any business:
- B.I.G. Bahtera Sdn. Bhd., a wholly-owned subsidiary;
 - B.I.G. Marine Sdn. Bhd., a wholly –owned subsidiary; and
 - Sistem SDS Sdn. Bhd., a wholly-owned subsidiary.

33. COMPARATIVE FIGURES

The Group and the Company changed their financial year end from 31 December to 30 June with effect from previous financial period ended 30 June 2016.

Accordingly, the comparative figures of the preceding financial year covered a period of 18 months whilst the figures of the current financial period's financial statements covered a period of 12 months from 1 July 2016 to 30 June 2017. Accordingly, the statements of comprehensive income, statements of changes in equity, statements of cash flows and their related notes are not in respect of comparable periods.

SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

On 25 March 2010, Bursa Malaysia Securities Berhad (“Bursa Malaysia”) issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued another directive on the disclosure and the prescribed format of presentation.

The breakdown of the accumulated losses of the Group and of the Company as at 30 June 2017 and 30 June 2016, into realised and unrealised profits or losses, pursuant to the directive, is as follow:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Total accumulated losses of the Company and its subsidiaries				
– Realised	(8,585,282)	222,323	(13,372,865)	(12,342,880)
– Unrealised	(4,360,961)	(5,804,847)	-	-
	(12,946,243)	(5,582,524)	(13,372,865)	(12,342,880)
Less: Consolidation adjustments	406,085	(345,668)	-	-
Total accumulated losses	(12,540,158)	(5,928,192)	(13,372,865)	(12,342,880)

The determination of realised and unrealised profits or losses is based on the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits or losses above is solely complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, **TAN SRI DATO' SRI DR. LAU BAN TIN** and **CHOONG WYE LIN**, being two of the directors of **B.I.G. Industries Berhad**, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 41 to 107 are drawn up in accordance with the Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2017 and of the results and cash flows of the Group and of the Company for the financial year then ended.

The supplementary information set out on page 108 has been prepared in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants and presented based on the format as prescribed by Bursa Malaysia Securities Berhad.

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

TAN SRI DATO' SRI DR. LAU BAN TIN
Director

CHOONG WYE LIN
Director

Date: 13 October 2017

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, **PUAN TENG SOON**, being the officer primarily responsible for the financial management of **B.I.G. Industries Berhad**, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 41 to 107 and the supplementary information set out on page 108 are 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.

PUAN TENG SOON

Subscribed and solemnly declared by the abovenamed at Klang in the Selangor Darul Ehsan on 13 October 2017.

Before me,

Yip Ban Leng (No. B435)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF B.I.G. INDUSTRIES BERHAD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **B.I.G. Industries Berhad**, which comprise the statements of financial position as at 30 June 2017 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 41 to 107.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2017, and of their financial performance and cash flows for the financial year then ended in accordance with the Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Property, Plant and Equipment (Note 4(b) and 5 to the Financial Statements)

Risk:

The property, plant and equipment of the Group consist of gas cylinders with a carrying amount of approximately RM17 mil which represents 45% of the Group's property, plant and equipment as at 30 June 2017. The gas cylinders are being used to house the gas which are sold to the customers. The cylinders are normally held by the customers until the gas are utilised. We focused on this area because of the inherent risk associated with the existence of these assets due to the multiple locations they are being held.

Our Audit Response:

Our audit procedures included, among others:

- evaluating the management's control over the cylinders;
- performing physical counts for the cylinders in selected divisions;
- reviewing the reconciliation prepared by the management;
- obtaining confirmation of cylinder quantities from selected customers; and
- reviewing the selected invoices on the rental charged to the customers.

INDEPENDENT AUDITORS' REPORT (CONT'D)
TO THE MEMBERS OF B.I.G. INDUSTRIES BERHAD

Trade Receivables (Note 4(c) and 13 to the Financial Statements)

Risk:

We focused on this area because the directors made judgements over both the events or changes in circumstances indicating that trade receivables are impaired and the estimation of the size of any such impairment. The trade receivables are monitored individually by management and therefore the impairment is assessed based on knowledge of each individual receivable.

Our Audit Response:

Our audit procedures included, among others:

- reviewing the design and implementation of controls associated with monitoring and impairment assessment of receivables that were either in default or significantly overdue;
- obtaining confirmation of balances from selected samples of receivables;
- reviewing subsequent receipts, customer correspondence, and considering explanation on recoverability of significantly past due balances; and
- assessing the reasonableness of impairment charges for identified credit exposures.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF B.I.G. INDUSTRIES BERHAD

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT (CONT'D)
TO THE MEMBERS OF B.I.G. INDUSTRIES BERHAD

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out on page 108 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

Ong Teng Yan
No. 03076/07/2019(J)
Chartered Accountant

Kuala Lumpur

Date: 13 October 2017

ANALYSIS OF SHAREHOLDINGS

AS AT 29 SEPTEMBER 2017

Issued Shares : 48,092,200 ordinary shares
 Voting Rights : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	Total Holdings	%
1 – 99	136	2,348	0.00
100 – 1,000	430	340,519	0.71
1,001 – 10,000	1,351	6,631,327	13.79
10,001 – 100,000	500	15,239,948	31.69
100,001 – 2,404,609 (*)	54	17,589,026	36.57
2,404,610 and above (**)	2	8,289,032	17.24
Total	2,473	48,092,200	100.00

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

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER THE RECORD OF DEPOSITORS AS AT 29 SEPTEMBER 2017

No.	Account Holders	No. of Shares	%
1.	Pristine Corporation Sdn Bhd	5,038,082	10.48
2.	Pristine Corporation Sdn Bhd	3,250,950	6.76
3.	TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ch'ng Wee Lan</i>	2,346,900	4.88
4.	TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Hoon Nin</i>	1,726,300	3.59
5.	Lee Sheng Fung	1,363,000	2.83
6.	Koulandamary A/K Sinnappan	1,080,900	2.25
7.	TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lee Sheng Fung</i>	1,019,300	2.12
8.	TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Mohd Norizy Bin Mokhtar</i>	920,226	1.91
9.	Affin Hwang Nominees (Asing) Sdn Bhd <i>Pledged Securities Account for David John Mars</i>	501,000	1.04
10.	Hoon Nin	500,000	1.04

ANALYSIS OF SHAREHOLDINGS (CONT'D)
AS AT 29 SEPTEMBER 2017

**THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS
AS PER THE RECORD OF DEPOSITORS AS AT 29 SEPTEMBER 2017**

No.	Account Holders	No. of Shares	%
11.	HLB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ang Poh Eng</i>	435,800	0.91
12.	Liang Kun Chi @ Liong Kun Chi	411,500	0.86
13.	Lu Yeep Hing	364,000	0.76
14.	Maybank Nominees (Tempatan) Sdn Bhd <i>Nomura Singapore Limited for Lim Lian Hock (410242)</i>	319,300	0.66
15.	Abdul Halim Bin Othman	285,000	0.59
16.	Lai Thiam Poh	273,800	0.57
17.	HLIB Nominees (Tempatan) Sdn Bhd <i>Hong Leong Bank Bhd for Lam Ee Hiung</i>	260,000	0.54
18.	Ng Yu Tian	233,700	0.49
19.	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Leon Chin Yee (E-KPG)</i>	230,000	0.48
20.	JF Apex Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lee Chee Keong (STA 5)</i>	220,000	0.46
21.	Tan Teoh Eng	213,700	0.44
22.	See Meng Thyet	200,000	0.42
23.	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lee Tiam Joo (E-TSA)</i>	199,000	0.41
24.	Khor Ah Yeam	195,700	0.41
25.	TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Fauziahanim Binti Hj Jaffar</i>	183,100	0.38
26.	Tan Teck Peng	173,300	0.36
27.	Eng Ah Hong	167,000	0.35
28.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lau Hang Nguong</i>	162,900	0.34
29.	Ng Chee Hoe	161,000	0.33
30.	Lee Chee Keong	160,000	0.33

ANALYSIS OF SHAREHOLDINGS (CONT'D)
AS AT 29 SEPTEMBER 2017

LIST OF SUBSTANTIAL SHAREHOLDERS
AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 29 SEPTEMBER 2017

No.	Name of Shareholders	No. of Shares			
		Direct Interest	%	Deemed Interest	%
1.	Pristine Corporation Sdn Bhd	8,289,086 (i)	17.24	-	-
2.	Lee Sheng Fung	2,382,300 (iii)	4.95	8,289,086 (ii)	17.24
3.	Hoon Nin	2,226,300 (iv)	4.63	8,289,086 (ii)	17.24

Notes:

(i) Direct holding (8,289,032 shares) and holding through HDM Nominees (Tempatan) Sdn Bhd (54 shares).

(ii) Deemed interested by virtue of her substantial shareholdings in Pristine Corporation Sdn Bhd.

(iii) Direct holding (1,363,000 shares) and holding through TA Nominees (Tempatan) Sdn Bhd (1,019,300 shares).

(iv) Direct holding (500,000 shares) and holding through TA Nominees (Tempatan) Sdn Bhd (1,726,300 shares).

DIRECTORS' INTEREST
AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 29 SEPTEMBER 2017

No.	Name of Directors	No. of Shares			
		Direct Interest	%	Deemed Interest	%
1.	Tan Sri Dato' Sri Dr Lau Ban Tin	-	-	-	-
2.	Ms Choong Wye Lin	-	-	-	-
3.	Datuk Lee Chuen Wan	-	-	-	-
4.	Mr Thiang Kai Goh	-	-	-	-
5.	Mr Lau Chia En	-	-	-	-

LIST OF PROPERTIES HELD BY THE GROUP

AS AT 30 JUNE 2017

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	Production Plant and Office Building	32 years & 23 years	3,310	09.03.2044	292,785	10.03.1984
2. Lot 1830 Block 4 Miri Concession Land District, Piasau Industrial Estate Jalan Kilang, Miri	Refilling Plant and Office Building	25 years & 20 years	2,448	20.02.2052	1,192,048	31.12.1992
3. Lot 2225, Section 66 Kuching Town Land District, Pending Industrial Estate Kuching	Production Plant, Refilling Plants, Store/Warehouse and Office Building	21 years & 18 years	12,141	07.01.2053	1,405,766	28.04.1994
4. Lot 35, Block 13 Senggi Poak Land District, Paku, Bau	Vacant Land	N/A	24,270	31.12.2039	31,693	08.09.1997
5. Lot 564, Block 16 Seduan Land District Upper Lanang Industrial Estate Lorong Then Kung Suk 5, Sibul	Refilling Plant and Office Building	24 years	1,966	20.06.2038	465,576	14.05.1992
6. Lot 463, Block 1 Seduan Land District Sungai Trusan, Sibul	Vacant Land	N/A	23,580	20.09.2076	84,212	22.06.2006
7. Lot 977, Block 26 Kemena Land District Kidurong Light Industrial Estate Kidurong Road, Bintulu	Production Plant, Refilling Plant and Office Building	26 years & 16 years	7,719	31.03.2051	1,054,505	01.04.1991
8. Lot 2072, Block 26 Kemena Land District Kidurong Industrial Area, Bintulu	Vacant Land	N/A	12,243	14.08.2072	592,540	15.08.2012
9. CL205359495 CL205359486 Kg. Durian Tunjong F. T. Labuan	Refilling Plant and Office Building	17 years	808 1,045	28.06.2919	546,346	30.07.1997
10. PL 046290082 NT043205778* NT043205787* NT043205796* Kampung Melalin Off km 31, Jalan Tuaran, Kota Kinabalu	Land held for development (under development)	N/A	2,030 4,320 10,570 10,210	Perpetuity Perpetuity Perpetuity Perpetuity	868,506	1998 1997 1997 1997

LIST OF PROPERTIES HELD BY THE GROUP (CONT'D)
AS AT 30 JUNE 2017

Location	Description	Approximate Age of Building	Land Area (Sq.m)	Tenure	Net Book Value (RM)	Date of Acquisition	
11. FR044012115**	Quarry Site	N/A	42,729	Perpetuity	1,586,404	1996	
FR044012124**	Quarry Site		40,064	Perpetuity		1996	
NT043131540**	Quarry Site		19,830	Perpetuity		1996	
FR044012651**	Crushing Plant		53,419	Perpetuity		1996	
NT044012633**	Quarry Site		27,316	Perpetuity		147,861	1998
FR044012044***	Quarry Site		29,846	Perpetuity		113,245	1997
FR044015161***	Vacant		12,141	Perpetuity		67,919	1999
FR044012697****	Quarry Site		4,047	Perpetuity	134,845	2001	
Telipok, Kota Kinabalu							
12. Lot PLO 72(B/S) Jalan Keluli 12 81700 Pasir Gudang Johor	Refilling Plant and Office Building	67 years	6,685	31.05.2069	750,521	01.06.2009	
13. Plot T-10 Lumut Port Industrial Park Jalan Kampung Aceh 32000 Setiawam Perak Darul Ridzuan	Refilling Plant and Office Building	96 years	4,898	09.07.2105	589,113	17.01.2008	
14. Bukit Cerakah Mukim Bukit Raja Negeri Selangor	Land held for development (under development)	N/A	54,635	2099	5,341,369	2004	
15. Lot 283 Block 7 Senggi-Poak Land District - Sebrang Siniawan, Bau	Vacant Land	N/A	36,270	31.12.2026	180,319	19.07.2011	
16. Unit No. 8G, Tingkat 7 Blok 2, Pusat Perniagaan Worldwide, Jalan Tinju 13/50, Seksyen 13 40675 Shah Alam Selangor Darul Ehsan	Office Lot, Parcel No. C1-7-22	22 years	103	14.07.2094	186,846	29.08.2007	

Notes:

- * Lands hold in trust by Ms. Vellena John Tellon and subleased to Uni-Mix Sdn. Bhd.
- ** Lands hold in trust by Ms. Vellena John Tellon and subleased to Hypervictory Sdn. Bhd.
- *** Lands hold in trust by Ms. Vellena John Tellon and subleased to Hypervictory Sdn. Bhd.
- **** Lands hold in trust by Kalakau @ Kalakan Bin Untol @ Entol and subleased to Hypervictory Sdn. Bhd.

GROUP CORPORATE DIRECTORY

B.I.G. INDUSTRIES BERHAD**HEAD OFFICE & FACTORY**

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

CORPORATE OFFICE

19D, 4th Floor, Block 2
Worldwide Business Centre
Jalan Tinju 13/50, Section 13
40675 Shah Alam
Selangor Darul Ehsan
Tel : 03-5512 9999
Fax : 03-5512 9282

B.I.G. INDUSTRIAL GAS SDN. BHD.**KUCHING BRANCH**

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

SIBU BRANCH

19, Lorong Then Kung Suk 5
Lot 564, Block 16
Upper Lanang Road
C.D.T. 36, 96008 Sibu
Tel : 084-212 313
Fax : 084-214 953

BINTULU BRANCH

Lot 977, Block 26
Tanjung Kidurong
P.O. Box 1106
97008 Bintulu, Sarawak
Tel : 086-252 430
Fax : 086-252 558

MIRI BRANCH

Lot 759, Block 4
Piasau Industrial Estate
C.D.T. 102, 98009 Miri, Sarawak
Tel : 085-653 995
Fax : 085-654 841

LABUAN BRANCH

Lot 112-3
Court Light Industrial Park
Jalan Pohon Batu
P.O. Box 81566
87025 F T Labuan
Tel : 087-465 818
Fax : 087-465 597

SANDAKAN BRANCH

Lot 3A, Ka Shing Industrial Centre
Mile 7, Labuk Road
90000 Sandakan, Sabah
Tel : 089-672 531 / 089-672 534
Fax : 089-672 537

LUMUT BRANCH

Plot T-10
Lumut Port Industrial Park
Jalan Kampung Aceh
32000 Setiawan
Perak Darul Ridzuan
Tel : 05-691 5300
Fax : 05-691 2300

PASIR GUDANG BRANCH

Lot PLO 72, Jalan Keluli 12
Pasir Gudang Industrial Area
81700 Pasir Gudang
Johor Darul Takzim
Tel : 07-255 4052 / 07-255 4037
Fax : 07-255 4095

UNI-MIX SDN. BHD.

Lot 5, 6, 7, 2nd Floor
Wisma KKM, Inanam, Jalan Tuaran
88822 Kota Kinabalu, Sabah
Tel : 088-437 422
Fax : 088-437 430

UNI-MIX CONCRETE PRODUCTS SDN. BHD.

Lot 5, 6, 7, 2nd Floor
Wisma KKM, Inanam
Jalan Tuaran
88822 Kota Kinabalu, Sabah
Tel : 088-437 422
Fax : 088-437 430

HYPERVICTORY SDN. BHD.

Lot 5, 6, 7, 2nd Floor
Wisma KKM, Inanam, Jalan Tuaran
88822 Kota Kinabalu, Sabah
Tel : 088-437 422
Fax : 088-437 430

KINALAJU SUPPLY SDN. BHD.

Lot 5, 6, 7, 2nd Floor
Wisma KKM, Inanam, Jalan Tuaran
88822 Kota Kinabalu, Sabah
Tel : 088-437 422
Fax : 088-437 430

ALPHA BILLION SDN. BHD.

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

B.I.G. MARKETING SDN. BHD.

19-D, 4th Floor, Block 2
Worldwide Business Centre
Jalan Tinju 13/50, Section 13
40675 Shah Alam
Selangor Darul Ehsan
Tel : 03-5512 9999
Fax : 03-5512 9282

PUNCAK LUYANG SDN. BHD.

30D, 4th Floor, Block 2
Worldwide Business Centre
Jalan Tinju 13/50, Section 13
40675 Shah Alam
Selangor Darul Ehsan
Tel : 03-5512 9999
Fax : 03-5512 9282

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POSTAGE
STAMP

The Company Secretary
B.I.G. INDUSTRIES BERHAD (195285-D)
Lot 2225, Section 66, Jalan Dermaga
Pending Industrial Estate
93450 Kuching, Sarawak

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