



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

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19 December 2003

The Board of Directors

Y. Bhg. Datuk Haji Mazelan Bin Bugo (*Independent Non-Executive Chairman*)
Wong Choon Seng (*Executive Director*)
Y. Bhg. Tan Sri Dato' Dr. Lau Ban Tin
Y. Bhg. Tan Sri Datuk Amar Chong Siew Fai
Y. H. Dato' Long Ahmad Zainal Abidin Bin Mohd Tahir
Yong Siew Kat
Y. Bhg. Dato' Haji Mohd Fauzi Bin Yusuf @ Mohd Yusof
Khairil Annas bin Jusoh

To : **The Shareholders of B.I.G. Industries Berhad**

Dear Sir/Madam,

- A. **RIGHTS ISSUE OF UP TO 19,218,000 NEW ORDINARY SHARES OF RM1.00 EACH IN B.I.G. ("RIGHTS SHARES") TOGETHER WITH UP TO 19,218,000 FREE DETACHABLE WARRANTS AT AN ISSUE PRICE OF RM1.00 PER RIGHTS SHARE, WHEREBY THE FIRST CASH CALL OF RM0.63 PER RIGHTS SHARE SHALL BE PAYABLE IN FULL IN CASH UPON APPLICATION AND THE SECOND CALL OF RM0.37 PER RIGHTS SHARE SHALL BE CAPITALISED FROM THE SHARE PREMIUM AND RETAINED PROFITS ACCOUNTS OF THE COMPANY, ON A RENOUNCEABLE BASIS OF ONE (1) RIGHTS SHARE WITH ONE (1) WARRANT FOR EVERY ONE (1) EXISTING ORDINARY SHARE HELD BY THE ENTITLED SHAREHOLDERS OF B.I.G. AT 5.00 P.M. ON 12 DECEMBER 2003 ("RIGHTS ISSUE WITH WARRANTS"); AND**
- B. **BONUS ISSUE OF UP TO 9,609,000 NEW ORDINARY SHARES OF RM1.00 EACH IN B.I.G. ("BONUS SHARES") ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY TWO (2) RIGHTS SHARES SUBSCRIBED BY THE ENTITLED SHAREHOLDERS OF B.I.G. AND/OR THEIR RENOUNCEES UNDER THE RIGHTS ISSUE WITH WARRANTS ("BONUS ISSUE").**

1. INTRODUCTION

On behalf of B.I.G., PM Securities had on 11 July 2002 announced, *inter alia*, the following proposals:

- (i) renounceable two-call rights issue of up to 19,218,000 new ordinary shares of RM1.00 each in B.I.G. together with up to 19,218,000 free detachable Warrants on the basis of one (1) new ordinary share with one (1) free Warrant for every one (1) existing ordinary share held, at an indicative issue price of RM1.00 per Rights Share, whereby the first call shall be in the form of a cash payment and the second call shall be capitalised from the retained profits and share premium reserves of the Company; and
- (ii) bonus issue of up to 9,609,000 new ordinary shares of RM1.00 each in B.I.G. on the basis of one (1) Bonus Share for every two (2) Rights Shares subscribed by the existing shareholders of B.I.G. and/or their renounees pursuant to the Rights Issue with Warrants.

Further, on 29 August 2002, PM Securities announced on behalf of the Board of Directors of B.I.G. that the Board had resolved to impose minimum subscription levels in respect of the Rights Issue with Warrants and Bonus Issue, in the event of an under-subscription of the Rights Issue with Warrants. Under the Minimum Subscription Levels scenario, a minimum of 13,855,000 Rights Shares with 13,855,000 Warrants shall be issued under the Rights Issue with Warrants and a corresponding minimum number of 6,927,500 Bonus Shares shall be issued under the Bonus Issue. Based on the Minimum Subscription Levels, the existing issued and paid-up capital of the Company would be increased from RM19,218,000 comprising 19,218,000 Shares to RM40,000,500 comprising 40,000,500 Shares in B.I.G. after the Issues, thus meeting the minimum issued and paid-up share capital of RM40.0 million as required by the SC.

The SC had, vide its letter dated 3 December 2002, approved, *inter alia*, the Rights Issue with Warrants and taken note of the Bonus Issue. The SC had imposed, *inter alia*, the following conditions:-

	Conditions imposed by SC	Status of compliance
(a)	The conditions imposed by the SC in respect of the utilisation of proceeds arising from the Rights Issue with Warrants are as follows:-	
	i) SC's approval is required for any changes to the original utilisation of proceeds if the said changes involve utilisation other than for the core business activities of B.I.G.;	To be complied with by B.I.G., if applicable.
	ii) Approval of the shareholders of B.I.G. is required to be obtained for any changes to the utilisation of proceeds as mentioned above or if the deviation is 25% or more from the original utilisation of proceeds arising from the Rights Issue with Warrants. Should the deviation be less than 25%, appropriate disclosure should be made to the shareholders of B.I.G.;	To be complied with by B.I.G., if applicable.
	iii) Any extension of time for the utilisation of proceeds from that determined by B.I.G. for the utilisation of proceeds must be approved by a clear resolution by the Board of Directors of B.I.G. and should be fully disclosed to the KLSE; and	To be complied with by B.I.G., if applicable.
	iv) Appropriate disclosure of the status of utilisation of proceeds is required to be made in the Quarterly Report and Annual Report of B.I.G. until the said proceeds are fully utilised.	To be complied with by B.I.G.
(b)	In relation to the Rights Issue with Warrants, the cash call of the rights issue price shall be fixed at a discount of not more than 20% from the theoretical ex-all price based on the weighted average market price of B.I.G. shares for the five (5) consecutive days prior to the price-fixing date.	Complied. The price of the Rights Shares had been fixed on 23 January 2003 at RM1.00 per Rights Share whereby the first cash call of RM0.63 per Rights Share had been fixed based on a discount of RM0.15 or approximately 19.2% from the theoretical ex-all price of RM0.78 based on the five (5)-day weighted average market price of B.I.G. Shares from 16 January 2003 to 22 January 2003 of RM1.32 per Share.

	Conditions imposed by SC	Status of compliance
(c)	In relation to the Bonus Issue, the Board of Directors of B.I.G. is required to submit a declaration to the SC that the Bonus Issue is undertaken for the interest of the Company and is not intended to prejudice or oppress any shareholders.	Complied. The Board of B.I.G. had vide a letter dated 2 December 2003 confirmed to the SC that the Bonus Issue is undertaken in the interest of the Company and is not intended to prejudice or oppress any existing shareholders of the Company.
(d)	B.I.G. is required to amend its Articles of Association via a special resolution at the Company's general meeting to facilitate the Bonus Issue and disclose in the circular to the shareholders of B.I.G. the reasons for the amendments made as well as the detailed implications to the shareholders of B.I.G.	Complied. Article 185 of the Articles of Association of B.I.G. had been effected via a special resolution passed by the shareholders of B.I.G. at the EGM of the Company held on 16 June 2003. Disclosure on the reasons for the amendments made to Article 185 of the Articles of Association of the Company and the detailed implications to the shareholders was made in Section 7 of the Circular to the Shareholders of B.I.G. dated 23 May 2003.
(e)	PM Securities/ B.I.G. is required to include the legal opinion from Messrs Tay & Partners relating to the Bonus Issue in the circular to shareholders and Abridged Prospectus.	Complied. The legal opinion from Messrs Tay & Partners relating to the Bonus Issue has been included in the Circular to Shareholders of B.I.G. dated 23 May 2003 and this Abridged Prospectus.
(f)	PM Securities/ B.I.G. must fully comply with the relevant requirements as provided under the Policies and Guidelines on Issues/ Offer of Securities of the SC relating to the aforementioned proposals.	To be complied with, where applicable.

On behalf of B.I.G., PM Securities had on 23 January 2003, announced that the issue price of the Proposed Rights Issue with Warrants had been fixed at RM1.00 per Rights Share, whereby the first call of RM0.63 per Rights Share shall be payable in full by cash upon application, while the second call of RM0.37 per Rights Share will be capitalised from the share premium and retained profits accounts of the Company. The first cash call of RM0.63 per Rights Share had been fixed based on a discount of RM0.15 or approximately 19.2% from the theoretical ex-all price of RM0.78 based on the five (5)-day weighted average market price of B.I.G. Shares from 16 January 2003 to 22 January 2003 of RM1.32 per Share.

The Board had also on 23 January 2003 decided to fix the exercise price of the Warrants to be issued together with the Rights Shares under the Rights Issue with Warrants at RM1.00 per Share. The exercise price of RM1.00 per Share, which is equivalent to the par value of B.I.G. Shares, represents a premium of RM0.22 or 28.2% over the theoretical ex-all price of RM0.78 per Share after the Issues computed based on five (5)-day weighted average market price of B.I.G. Shares from 16 January 2003 to 22 January 2003 of RM1.32 per Share.

At the EGM of the Company held on 16 June 2003, the shareholders of B.I.G. had approved, *inter alia*, the Issues. A certified true extract of the ordinary resolutions approving the Issues at the aforesaid EGM is attached in Appendix I of this Abridged Prospectus.

Approval in-principle from the KLSE was obtained on 30 July 2003 for, *inter alia*, the listing of and quotation for all the Rights Shares, Bonus Shares, Warrants and new shares arising from the exercise of the Warrants on the KLSE. The Warrants will be admitted to the Official List of KLSE and listing and quotation of the Rights Shares, Bonus Shares and Warrants will commence after, amongst others, the receipt of confirmation from MCD that the CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to the successful applicants.

On 18 November 2003, PM Securities had on behalf of the Board of B.I.G. announced that the Company had on 18 November 2003 received five (5) separate written undertakings from five (5) shareholders of the Company to subscribe and procure subscription for a total of 13,855,000 Rights Shares with 13,855,000 Warrants. In view that the aggregate undertakings by the aforementioned shareholders of B.I.G. to subscribe for a total of 13,855,000 Rights Shares with 13,855,000 Warrants is equivalent to the Minimum Subscription Level of the Rights Issue with Warrants, no underwriting will be required for the Rights Issue with Warrants. The details of the aforesaid undertakings are set out in Section 11 herein.

The SC and the KLSE shall not be liable for any non-disclosure on the part of the Company and take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liabilities whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Abridged Prospectus. Shareholders/investors should rely on their own evaluation to assess the merits and risks of the investment. In considering the investment, shareholders/investors who are in any doubt as to the action to be taken should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. Quotation for the Rights Shares, Bonus Shares and Warrants is in no way reflective of the merits of the said securities or the Company and its subsidiaries.

No person is authorised to give any information or to make any representation not contained herein in connection with the Issues and if given or made, such information or representation must not be relied upon as having been authorised by the Company or PM Securities in connection with the Issues.

If you are in any doubt about this Abridged Prospectus or the Issues, you should consult your stockbroker, bank manager, solicitors, accountant or other professional adviser immediately.

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2. DETAILS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Introduction

The Rights Issue with Warrants entails the issuance of up to 19,218,000 new Shares in B.I.G. together with up to 19,218,000 free detachable Warrants on a renounceable basis of one (1) Rights Share with one (1) Warrant for every one (1) existing Share held as at 5.00 p.m. on the Entitlement Date, at the issue price of RM1.00 per Rights Share. The issue price for the Rights Shares shall be payable in two (2) calls, whereby the first call of RM0.63 per Rights Share shall be in the form of a cash payment upon application and the second call of RM0.37 per Rights Share shall be capitalised from the share premium and retained profits accounts of the Company. The audited share premium account and retained profits account of B.I.G. as at 31 December 2002 stood at approximately RM1.891 million and RM16.746 million respectively.

The Rights Issue with Warrants would involve the Minimum Subscription Levels whereby the Minimum Rights Shares with the Minimum Warrants and the Minimum Bonus Shares may be issued in the event of an under-subscription of the Rights Issue with Warrants. The Minimum Subscription Levels have been determined after taking into consideration the minimum funding requirements of the B.I.G. Group and the objective of the Company to meet the minimum issued and paid-up share capital of RM40.0 million as required by the SC.

Based on the Minimum Subscription Levels scenario, the enlarged issued and paid-up share capital of the Company after the Rights Issue with Warrants and Bonus Issue would be RM40,000,500 comprising 40,000,500 Shares, thus meeting the minimum issued and paid-up share capital of RM40.0 million as required by the SC.

Pursuant to the imposition of Minimum Subscription Levels, the Company had secured irrevocable undertakings from five (5) shareholders of the Company to subscribe for, in aggregate, up to 13,855,000 Rights Shares with 13,855,000 Warrants. In view that the aggregate undertakings by the aforementioned shareholders of B.I.G. to subscribe for a total of 13,855,000 Rights Shares with 13,855,000 Warrants is equivalent to the Minimum Subscription Level of the Rights Issue with Warrants, no underwriting will be required for the Rights Issue with Warrants. Further details on the shareholders undertakings are set out in Section 11 of this Abridged Prospectus.

In accordance with the terms of the Rights Issue with Warrants as approved by the SC and the shareholders of the Company and subject to the terms and conditions of this Abridged Prospectus and the RSF, the Company has provisionally allotted up to 19,218,000 Rights Shares with 19,218,000 free detachable Warrants at the issue price of RM1.00 per Rights Share for subscription by the Entitled Shareholders on the basis of one (1) Rights Share with one (1) free detachable Warrants for every one (1) existing Share held at 5.00 p.m. on the Entitlement Date.

If you are a registered shareholder of the Company on the Entitlement Date, you will find enclosed with this Abridged Prospectus, a Notice and a RSF in respect of the number of Rights Shares which you are entitled to subscribe under the terms of the Rights Issue with Warrants.

Although the Rights Issue with Warrants is renounceable in full or in part, as a package, the Rights Shares and the Warrants are not separately renounceable. Accordingly, shareholders can only renounce or subscribe for their entitlements to the Rights Shares with the attached Warrants in full or in part. The Warrants will only be detached from the Rights Shares immediately upon issuance.

Shareholders of B.I.G. should note that the entitlements to the Rights Shares and Warrants and the entitlements to the Bonus Shares are not separately renounceable. If a shareholder opts to renounce his entitlement to the Rights Shares, in full or in part, he will not be entitled to the Warrants, which are attached to the Rights Shares and the corresponding Bonus Shares to be issued pursuant to the Bonus Issue.

The entitlement to the Bonus Shares will be provisionally allotted to the Entitled Shareholders but the Bonus Shares will only be ultimately issued to the final subscribers for the Rights Shares. Accordingly, the Entitled Shareholders who renounce their entitlements to the Rights Shares provisionally allotted to them under the Rights Issue with Warrants will simultaneously relinquish their entitlements to the Bonus Shares to be issued pursuant to the Bonus Issue as well as the Warrants which are attached to the Rights Shares.

Example

As an example, a shareholder who owns 4,000 B.I.G. shares will be entitled to subscribe for 4,000 Rights Shares with 4,000 free detachable Warrants. In order to subscribe to his entitlements in full, the said shareholder would need to pay RM2,520 (4,000 Rights Shares at RM0.63 per Rights Share) only. In return, he would receive 4,000 Rights Shares, 4,000 Warrants and 2,000 Bonus Shares.

However, assuming the shareholder opts to renounce his Rights Shares entitlement in full, i.e. the shareholder renounces all his entitlement of 4,000 Rights Shares, the said shareholder will not be allotted any Warrants or Bonus Shares, as he did not subscribe for the Rights Shares. Instead, the Warrants and Bonus Shares will be allotted to the renouncee(s) who subscribed for the Rights Shares.

Assuming the shareholder renounces 2,000 Rights Shares entitlements, and subscribes for the remaining 2,000 Rights Shares, the shareholder would have to pay RM1,260 (2,000 Rights Shares at RM0.63 per Rights Share). In return, he will be allotted 2,000 Rights Shares, 2,000 Warrants and 1,000 Bonus Shares.

In determining the entitlements of the Entitled Shareholders to the Rights Issue with Warrants, any fractional entitlements shall be disregarded. The aggregate of such fractional entitlements of the Rights Shares and Warrants shall be dealt with in such manner as the Board in its absolute discretion think expedient and in the interest of the Company.

The Rights Issue with Warrants is expected to raise funds required by the Group to repay part of the Group's borrowings, as additional working capital of the Group and to defray the expenses relating to the Corporate Exercises.

As the B.I.G. Shares are prescribed securities, the Rights Shares and Warrants will be credited directly into the respective CDS accounts of the successful applicants of the Rights Shares and no physical share or warrant certificate will be issued. However, notices of allotment will be despatched to the successful applicants of the Rights Shares.

In line with the implementation of the new standard board lot and the consequential amendments to the Listing Requirements of the KLSE which has been fully implemented on 26 May 2003 for all securities listed on the KLSE, the Rights Shares and Warrants will be issued and traded in the standard board lot of 100 units.

Please refer to Section 3 of this Abridged Prospectus for further details on the Bonus Issue.

2.2 Basis for Determining the Issue Price of Rights Shares and Exercise Price of Warrants

The issue price of the Rights Shares has been fixed at RM1.00 per Rights Share, of which the first call of RM0.63 per Rights Share shall be payable in full by cash upon application, while the second call of RM0.37 per Rights Share will be capitalised from the share premium and retained profits accounts of B.I.G. The first cash call of RM0.63 per Rights Share has been fixed based on a discount of RM0.15 or approximately 19.2% from the theoretical ex-all price of RM0.78 after the Issues based on the five (5)-day weighted average market price of B.I.G. Shares from 16 January 2003 to 22 January 2003 (being the five market days immediately prior to the price-fixing date) of RM1.32 per Share.

2.3 Ranking of the Rights Shares

The Rights Shares to be issued pursuant to the Rights Issue with Warrants shall, upon allotment, issuance and full payment, rank pari passu in all respects with the then existing Shares of the Company, except that they shall not be entitled to any dividends or other distributions, the entitlement date of which is before the allotment date of the Rights Shares. The Bonus Shares to be issued pursuant to the Bonus Issue shall be issued to the final subscribers of the Rights Shares on the basis of one (1) Bonus Share for every two (2) Rights Shares subscribed.

2.4 Principal Terms of the Warrants

The subscribers of the Rights Shares will be entitled to the Warrants on the basis of one (1) Warrant for every one (1) Rights Share subscribed under the Rights Issue with Warrants. The Warrants shall only be issued to the Entitled Shareholders and/or their renounees who subscribe for the Rights Shares. Should the Entitled Shareholders renounce their entitlements to the Rights Shares, they will not be entitled to the Warrants.

Although the Rights Issue with Warrants is renounceable in full or in part, as a package, the Rights Shares and the Warrants are not separately renounceable. Accordingly, shareholders can only renounce or subscribe for their entitlements to the Rights Shares with the attached Warrants in full or in part. The Warrants will only be detached from the Rights Shares immediately upon issuance.

The principal terms of the Warrants are set out below:

Form and Denomination	:	The Warrants, will be issued with the Rights Shares and immediately detached upon issuance and will be separately traded. The Warrants will be issued in registered form and constituted by the Deed Poll.
Number of Warrants	:	Up to 19,218,000 Warrants to be issued in conjunction with the Rights Issue with Warrants to the Entitled Shareholders of B.I.G. and/or their renounees on the basis of one (1) Warrant attached to one (1) Rights Share subscribed.
Exercise Price	:	The exercise price of the Warrants is RM1.00 per Share (which represents a premium of RM0.22 or 28.2% over the theoretical ex-all price of RM0.78 per Share after the Issues based on five (5)-day weighted average market price of B.I.G. shares from 16 January 2003 to 22 January 2003 of RM1.32 per Share). The Exercise Price is subject to adjustments in accordance with the provisions of the Deed Poll.
Exercise Period	:	The Warrants may be exercised at any time within a period of five (5) years including and commencing from the issue date of the Warrants. Warrants not exercised during the Exercise Period will thereafter lapse and become void.
Exercise Rights	:	Each Warrant entitles the registered holder during the Exercise Period to subscribe for one (1) new Share in the share capital of the Company at the Exercise Price.
Deed Poll	:	The Warrants are constituted by the Deed Poll executed by B.I.G.
Board Lot	:	For purpose of trading on the KLSE, a board lot of Warrants will be 100 Warrants. Accordingly, each board lot of Warrants, carries the right to subscribe for 100 new B.I.G. Shares.

- Status of New Ordinary Shares to be Issued Pursuant to the Exercise of Warrants : All the new Shares to be issued upon exercise of the Warrants shall, on allotment and issue, rank pari passu in all respects with the then existing Shares of the Company except that they shall not be entitled to any dividends, that may be declared prior to the date of allotment and the issue of the new B.I.G. Shares, nor shall they be entitled to any distributions or entitlements for which the record date is prior to the exercise date of the Warrants.
- Listing : Approval in-principle of KLSE had been obtained on 30 July 2003 for the admission of the Warrants to the Official List of the Second Board of the KLSE and for the listing of and quotation for the Warrants and the new Shares to be issued arising from the exercise of the Warrants.
- Modifications : All or any of the rights attached to the Warrants (other than the Exercise Price or the formula for the adjustment of the Exercise Price or the number of Warrants or other than as specifically provided in the conditions set out in the Second Schedule of the Deed Poll) may be altered or abrogated by B.I.G. and the sanction of a Special Resolution passed at a meeting of the Warranholders shall be necessary and sufficient to effect such alteration or abrogation. Any of such modification shall however be subject to the approval of the relevant authorities, if required.
- Notwithstanding the abovementioned condition, B.I.G., after consultation with an approved adviser, may without the consent of the Warranholders but in accordance with the terms of the Deed Poll effect:-
- (i) any modification to the Warrants or the Deed Poll which, in the opinion of B.I.G., is not materially prejudicial to the interests to the Warranholders; or
 - (ii) any modification of the Warrants or the Deed Poll which, in the opinion of B.I.G., is to correct a manifest error or to comply with the rules of MCD, the Central Depositories Act, the Listing Requirements of KLSE or provisions of Malaysian law (in respect of which each Warranholder shall sign any document or do any act which B.I.G. reasonably require for the purpose of complying with such rules or laws).
- Arrangement for the adjustments to the Exercise Price and number of Warrants in the event of alteration to the share capital of the Company : The Exercise Price and the number of Warrants in issue will from time to time be adjusted, calculated or determined by the directors of the Company in consultation with an adviser approved by the SC in accordance with the terms of the Deed Poll.
- Warranholders' rights to participate in any distribution and/or offer of further securities in the Company : The Warranholders are not entitled to participate in any distribution and/or offer of further securities in the Company until and unless such holders exercise the Exercise Rights of the Warrants into new B.I.G. Shares.

Please refer to Appendix VIII for detailed terms and conditions of the Warrants.

2.5 Last Day and Time for Acceptance and Payment

The last day and time for the acceptance and payment for the Rights Issue with Warrants is 16 January 2004 at 5.00 p.m. or such later date and time as the Board in their absolute discretion may decide, which will then be duly announced, if applicable.

3. DETAILS OF THE BONUS ISSUE

3.1 Introduction

The Bonus Issue involves the issuance of up to 9,609,000 new Shares in B.I.G. on the basis of one (1) Bonus Share for every two (2) Rights Shares subscribed by the shareholders of the Company and/or their renounees who had successfully subscribed for and have been allotted the Rights Shares pursuant the Rights Issue with Warrants.

Under the Minimum Subscription Levels scenario, in the event of an under-subscription of the Rights Issue with Warrants, the corresponding minimum number of Bonus Shares to be issued under the Bonus Issue on the basis of one (1) Bonus Share for every two (2) Rights Shares subscribed shall be 6,927,500 Bonus Shares.

The Bonus Issue will be effected by way of capitalising up to RM9.609 million from the audited retained profits account of the Company which stood at RM16.746 million as at 31 December 2002.

The entitlement to the Bonus Shares will be provisionally allotted to the Entitled Shareholders but the Bonus Shares will only be ultimately issued to the final subscribers for the Rights Shares. Accordingly, the Entitled Shareholders who renounce their entitlements to the Rights Shares provisionally allotted to them under the Rights Issue with Warrants will simultaneously relinquish their entitlements to the Bonus Shares to be issued pursuant to the Bonus Issue (as well as the Warrants which are attached to the Rights Shares).

The Bonus Issue is expected to enhance the attractiveness of the Rights Issue with Warrants as the final subscribers for the Rights Shares would be entitled to receive one (1) Bonus Share for every two (2) Rights Shares subscribed, by reducing the effective cost of subscription of the Rights Shares.

Pursuant to a legal opinion dated 27 August 2002, Messrs Tay & Partners, had opined the following:-

- (i) based on the reasons given in the said legal opinion, they are inclined to the view that the Bonus Issue is a legal and valid transaction which would not constitute an oppression on the minority and is not limited by the statutory provision of Section 181 of the Act;
- (ii) there is nothing in the case law and the Act to suggest that the Bonus Issue is illegal; and
- (iii) the judicial view prevalent in all the case law examined allows for the Bonus Issue provided that the rationale is to benefit the Company as a whole.

In determining the entitlements of the Entitled Shareholders to the Bonus Shares, any fractional entitlements shall be disregarded. The aggregate of such fractional entitlements of Bonus Shares, shall be dealt with in such manner as the Board in its absolute discretion think expedient and in the interest of the Company.

As the B.I.G. Shares are prescribed securities, the Bonus Shares will be credited directly into the respective CDS accounts of the final subscribers of the Rights Shares and no physical share certificates will be issued. However, notices of allotment will be despatched to them.

The Bonus Shares will be issued and traded in the standard board lot of 100 units in compliance with the implementation of the new standard board lot by the KLSE.

3.2 Ranking of the Bonus Shares

The Bonus Shares to be issued pursuant to the Bonus Issue shall, upon allotment and issuance rank *pari passu* in all respects with the then existing Shares of the Company, except that they shall not be entitled to any dividends and/or other distributions, the entitlement date of which is before the allotment date of the Bonus Shares. The Bonus Shares shall not be entitled to the Rights Shares.

3.3 Amendments to the Articles of Association

In order to facilitate the Bonus Issue, the Company had on 16 June 2003 effected certain amendments to Article 185 of the Articles of Association of the Company to facilitate the Bonus Issue. The amendment to Article 185 of the Articles of Association of the Company had been approved by the shareholders of B.I.G. via a Special Resolution passed at the EGM of the Company held on 16 June 2003. Details of the said amendments are set out in the Circular to the Shareholders of B.I.G. dated 23 May 2003.

The implication of the amendment to Article 185 is that the Company is able to issue the Bonus Shares not only to Entitled Shareholders who have subscribe for the Rights Shares with Warrants under the Rights Issue with Warrants, but also to their renounees who are presently not shareholders of the Company. Accordingly, persons other than the Entitled Shareholders of the Company may be entitled to the Bonus Shares to be capitalized from the retained profits account of the Company should they subscribe for the Rights Shares as a renounee.

4. DETAILS OF ANY OTHER INTENDED CORPORATE EXERCISES WHICH HAVE BEEN APPROVED

4.1 ESOS

The Board of Directors of B.I.G. had proposed an employees share option scheme for the Eligible Employees of the B.I.G. Group involving up to 10% of the enlarged issued and paid-up share capital of B.I.G. at any point in time after the completion of the Rights Issue with Warrants and Bonus Issue. The ESOS had been approved by the SC on 3 December 2002 and the shareholders of the Company at the EGM held on 16 June 2003. The ESOS is expected to be implemented after the completion of the Rights Issue with Warrants and Bonus Issue.

4.2 Private Placement

The Board of Directors of the Company had proposed a private placement of up to 4,804,000 new ordinary shares of RM1.00 each in B.I.G. representing not more than 10% of the enlarged issued and paid-up share capital of the Company after the Rights Issue with Warrants and Bonus Issue.

The Private Placement had been approved by the SC on 3 December 2002 and the shareholders of the Company at the EGM held on 16 June 2003. The Private Placement is expected to be implemented within six (6) months after the completion of the Rights Issue with Warrants and Bonus Issue.

Further details of the ESOS and Private Placement are set out in the Circular to Shareholders issued by the Company on 23 May 2003.

5. INSTRUCTIONS FOR ACCEPTANCE/APPLICATION

If you are an Entitled Shareholder of the Company on the Entitlement Date, your CDS account will be duly credited with the number of Rights Shares provisionally allotted to you (with free detachable Warrants and corresponding Bonus Shares) for which you are entitled to subscribe under the terms of the Issues. You will find enclosed with this Abridged Prospectus, a Notice notifying you of the crediting of such provisional allotment of the Rights Shares (with free detachable Warrants and corresponding Bonus Shares) into your CDS account and a RSF to enable you to subscribe for such Rights Shares (with free detachable Warrants and the corresponding Bonus Shares).

Apart from the first cash call of RM0.63 per Rights Share, no payment shall be required for the Warrants and Bonus Shares to be issued to the successful subscribers for the Rights Shares.

(i) RSF

FULL INSTRUCTIONS FOR THE ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES (WITH FREE DETACHABLE WARRANTS AND CORRESPONDING BONUS SHARES) PROVISIONALLY ALLOTTED TO YOU AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO DISPOSE OF/TRANSFER YOUR RIGHTS ENTITLEMENTS TO ALL OR ANY OF THE RIGHTS SHARES (WITH DETACHABLE WARRANTS AND CORRESPONDING BONUS SHARES) ARE SET OUT IN THE RSF. YOU ARE ADVISED TO READ THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY.

The RSF together with the Notes and Instructions contained therein, issued pursuant to the Rights Issue with Warrants together with this Abridged Prospectus are deemed to form an integral part of this Abridged Prospectus.

The provisional allotment of the Rights Shares (with free detachable Warrants and corresponding Bonus Shares) pursuant to the Issues is a prescribed security pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, all dealings in the provisional allotment of the Rights Shares (with free detachable Warrants and corresponding Bonus Shares) will be by book entry through CDS accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of MCD.

One (1) RSF can only be used for acceptance of the Rights Shares (with free detachable Warrants and corresponding Bonus Shares) provisionally allotted standing to the credit of only one (1) CDS account belonging to an Entitled Shareholder or his renounee(s) (if applicable). The Rights Shares (with free detachable Warrants and corresponding Bonus Shares) subscribed by the Entitled Shareholders and/or their renounees shall only be credited into the respective CDS accounts as stated on the duly completed RSF.

(ii) Acceptance For Application

Any application for the Rights Shares (with free detachable Warrants and corresponding Bonus Shares) must be made on the RSF and completed in accordance with the Notes and Instructions contained therein. RSF submitted which do not strictly conform to the terms of this Abridged Prospectus and the Notes and Instructions contained in the RSF or are illegible may not be accepted by the Company at the absolute discretion of the Board.

Entitled Shareholders and/or their renounees (if applicable) who lose, misplace or for any other reason require another copy of the RSF, may obtain additional copies from their stockbrokers, KLSE website at <http://www.klse.com.my>, the Registrar of the Company or from the Registered Office of the Company.

Fractions of Rights Shares, Warrants and Bonus Shares arising from the Issues shall be dealt with by the Directors as they may deem fit. However, applicants should take note that a trading board lot of the Rights Shares (with free detachable Warrants and corresponding Bonus Shares) comprise 100 Shares each.

(iii) Procedure for Full Acceptance

If you wish to accept the Rights Shares (with free detachable Warrants and corresponding Bonus Shares) provisionally allotted to you in full, please complete Part I of the RSF by specifying the number of Rights Shares for which you wish to apply and Part III of the RSF, in accordance with the Notes and Instructions contained in the RSF.

Each completed RSF, together with the appropriate remittance, must be despatched by ORDINARY POST or DELIVERED BY HAND to the Company's Registrar at the following address:

Signet Share Registration Services Sdn Bhd
11th Floor, Tower Block
Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur

so as to arrive **not later than 5.00 p.m. on 16 January 2004** or such extended date and time as may be determined and announced by the Board.

One copy of the RSF may only be used for acceptance of provisionally allotted Rights Shares (with free detachable Warrants and corresponding Bonus Shares) standing to the credit of one (1) CDS account belonging to an Entitled Shareholder. An Entitled Shareholder is not allowed to instruct the aforesaid new securities to be credited into any securities account other than the CDS account stated in the RSF.

No acknowledgement of receipt of the RSF or application monies in respect of the Rights Shares (with free detachable Warrants and corresponding Bonus Shares) will be made by the Company or the Company's Registrar, Signet Share Registration Services Sdn Bhd. However, notices of allotment will be issued and forwarded by ordinary post to the successful applicants at their own risk to the addresses as shown on the RSF within fifteen (15) Market Days from the last date of acceptance and payment for the Rights Shares.

Remittance for the payment for the Rights Shares must be made in Ringgit Malaysia by Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia and should be made payable to "**BIG RIGHTS ISSUE A/C**" for the FULL payment of the Rights Shares. The payment must be made in the exact amount. Any excess or insufficient payment may be rejected by the Company at the absolute discretion of the Directors. The Banker's Draft, Cashier's Order, Money Order or Postal Order should be crossed "**A/C PAYEE ONLY**" and should also be endorsed on the reverse side with your name and address in block letters and your **CDS Account Number**. Cheques or any other mode of payments are not acceptable.

If acceptance of and payment for the Rights Shares are not received by the Registrar of the Company, Signet Share Registration Services Sdn Bhd, 11th Floor Tower Block, Kompleks Antarabangsa, Jalan Sultan Ismail, 50250 Kuala Lumpur **by 5.00 p.m. on 16 January 2004**, being the last day and time for acceptance and payment, or such extended date and time as may be determined and announced by the Board, the said provisional allotment to you will be deemed to have been declined and will be cancelled and such Rights Shares (with free detachable Warrants and corresponding Bonus Shares) not taken up will be allotted to applicants for Excess Rights Shares (with free detachable Warrants and corresponding Bonus Shares).

(iv) Procedure for Part Acceptance

Entitled Shareholders and/or their renounees (if applicable) are entitled to accept part of their total entitlements to the Rights Shares (with free detachable Warrants and corresponding Bonus Shares).

Entitled Shareholders and/or their renounees (if applicable) have to complete Part I of the RSF by specifying the number of the Rights Shares, which the Entitled Shareholders and/or their renounees (if applicable) are accepting and Part III of the RSF and deliver the duly completed RSF together with the appropriate remittance to the Registrar of the Company, in the manner as set out in Section 5(iii) above.

THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEES (IF APPLICABLE) ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN AND AS CONTAINED IN THIS ABRIDGED PROSPECTUS.

The portion of the provisional allotment of the Rights Shares (with free detachable Warrants and corresponding Bonus Shares) that has not been accepted will be allotted to any other persons allowed under any law, regulations or rules to accept the transfer of the provisional allotment of Rights Shares (with free detachable Warrants and corresponding Bonus Shares) and the balance will be allotted to applicants for the Excess Rights Shares (with free detachable Warrants and corresponding Bonus Shares), if any.

(v) Procedure for Sale/Transfer of the Provisional Allotment of Rights Shares (with free detachable Warrants)

As the provisional allotment of the Rights Shares (with free detachable Warrants and corresponding Bonus Shares) are a prescribed securities, the Entitled Shareholders who wish to sell or transfer all or part of their provisional allotment of the Rights Shares (with free detachable Warrants and corresponding Bonus Shares) to more than one (1) person, may do so immediately without first having to request for a split of the provisional allotment of the Rights Shares (with free detachable Warrants and corresponding Bonus Shares) standing to the credit of their CDS accounts.

In order to sell all or part of the provisional allotment of the Rights Shares (with free detachable Warrants and corresponding Bonus Shares), you may sell such provisional allotment of Rights Shares (with free detachable Warrants and corresponding Bonus Shares) on the open market of KLSE, or transfer such provisional allotment of Rights Shares (with free detachable Warrants and corresponding Bonus Shares) to such persons as may be allowed pursuant to the Rules of MCD.

In selling all or part of the provisional allotment of the Rights Shares (with free detachable Warrants and corresponding Bonus Shares), Entitled Shareholders need not deliver any document, including the RSF, to the stockbroker. However, the Entitled Shareholders must ensure that they have sufficient provisional allotment of Rights Shares (with free detachable Warrants and corresponding Bonus Shares) standing to the credit of their respective CDS accounts that are available for settlement of the sale/transfer.

If the Entitled Shareholders have sold or transferred (in accordance with the Rules of MCD) only part of the provisional allotment of Rights Shares (with free detachable Warrants and corresponding Bonus Shares), the Entitled Shareholders may still accept the balance of the provisionally allotment of Rights Shares (with free detachable Warrants and corresponding Bonus Shares) by completing Parts I and III of the RSF and thereafter submit the same together with the appropriate remittance to the Company's Registrar in accordance with the instructions as set out in Section 5(iv) above.

The purchaser(s)/ transferee(s)/ renounee(s) of the provisional allotment of Rights Shares (with free detachable Warrants and corresponding Bonus Shares) may obtain a copy of the RSF for the acceptance of their rights entitlements from their respective stockbrokers, the Registrar of the Company or from the Registered Office of the Company, the addresses of

which are set out in the Corporate Directory of this Abridged Prospectus. Copies of this Abridged Prospectus and RSF are also available on KLSE website at <http://www.klse.com.my>.

(vi) Procedure for Excess Rights Shares Application

If you wish to apply for additional Rights Shares (with free detachable Warrants and corresponding Bonus Shares) in excess of your entitlement, you can do so by completing Part II of the RSF (in addition to completing Parts I and III of the RSF) and forwarding it with a separate remittance for the full amount payable for the Excess Rights Shares (with free detachable Warrants and corresponding Bonus Shares) applied for to the Registrar of the Company, Signet Share Registration Services Sdn Bhd, 11th Floor Tower Block, Kompleks Antarabangsa, Jalan Sultan Ismail, 50250 Kuala Lumpur so as to arrive **not later than 5.00 p.m. on 16 January 2004** or such extended date and time as may be determined and announced by the Board.

Payment for the Excess Rights Shares (with free detachable Warrants and corresponding Bonus Shares) applied for should be made in the same manner described above except that the Banker's Draft, Cashier's Order, Money Order or Postal Order should be made payable to "**BIG EXCESS APPLICATION A/C**". The Banker's Draft, Cashier's Order, Money Order or Postal Order should be crossed "**A/C PAYEE ONLY**" and should also be endorsed on the reverse side with your name and address in block letters and your **CDS Account Number**. Cheques or any other mode of payments are not acceptable. The payment must be made in the exact amount. Any excess or insufficient payment may be rejected by the Company at the absolute discretion of the Directors.

No acknowledgement of receipt of the RSF or application monies in respect of the Excess Rights Shares (with free detachable Warrants and corresponding Bonus Shares) will be made by the Company or the Company's Registrar, Signet Share Registration Services Sdn Bhd. However, notices of allotment will be issued and forwarded by ordinary post to the successful applicants at their own risk to the address as shown on the RSF within fifteen (15) Market Days from the last date of acceptance and payment for the Excess Rights Shares (with free detachable Warrants and corresponding Bonus Shares).

The Directors reserve the right to allot the balance of the Rights Shares (with free detachable Warrants and corresponding Bonus Shares) not taken up by the Entitled Shareholders and/or their renounees (if applicable) as the case may be, to the applicants for the Excess Rights Shares (with free detachable Warrants and corresponding Bonus Shares) on a fair and equitable basis. Where the Rights Shares (with free detachable Warrants and corresponding Bonus Shares) are allotted to the applicants of the Excess Rights Shares (with free detachable Warrants and corresponding Bonus Shares), the rounding-up of odd lots would be the main criteria for the allotment of such Rights Shares (with free detachable Warrants and corresponding Bonus Shares) and allotment would be made in a fair, equitable and non-discriminatory manner.

In respect of unsuccessful or partially successful Excess Rights Shares with Warrants applications, the surplus monies will be refunded in full without interest within fifteen (15) Market Days from the last date of acceptance and payment of the Excess Rights Shares (with free detachable Warrants and corresponding Bonus Shares) to the Entitled Shareholders and/or their renounees by Ordinary Post at the address shown on the RSF at their own risk.

(vii) Application and Acceptance

The Board reserves the right not to accept any application or to accept in part only any application for the Rights Shares (with free detachable Warrants and corresponding Bonus Shares) or application for the Excess Rights Shares (with free detachable Warrants and corresponding Bonus Shares).

Entitled Shareholders and/or their renounees (if applicable) should note that all RSF and remittances so lodged with the Company's Registrar, Signet Share Registration Services Sdn Bhd shall be irrevocable and shall not be withdrawn.

Where an application is not accepted or is accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest and shall be despatched to the Entitled Shareholders and/or their renounees (if applicable) at their own risk by Ordinary Post to the addresses as shown on the RSF within fifteen (15) Market Days from the last date of acceptance and payment for the Rights Shares (with free detachable Warrants and corresponding Bonus Shares).

Applications shall not be deemed to have been accepted by reason of the remittance being presented for payment.

The last day and time for the acceptance and payment for the Rights Shares (with free detachable Warrants and corresponding Bonus Shares) is at **5.00 p.m. on 16 January 2004** or such later date and time as the Board (as the case may be) in their absolute discretion may decide and which will then be duly announced and/or subject to any announcement by the KLSE or its closure. The notice of such extension must be made not less than two (2) Market Days before the relevant closing date for the application.

(viii) Form of Issuance

KLSE has already prescribed the securities of B.I.G. listed on the Second Board of KLSE to be deposited with MCD. Accordingly, the Rights Shares, Warrants and Bonus Shares are prescribed securities and as such the Securities Industry (Central Depositories) Act, 1991, Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of MCD shall apply in respect of the dealings in the said securities.

Failure to comply with these specific instructions or inaccuracy in the CDS account number may result in your application being rejected. You must have a CDS account in order to subscribe for the Rights Shares with Warrants and be entitled to the Bonus Shares.

No physical share certificates and warrants certificates will be issued to the Entitled Shareholders and/or their renounees (if applicable) under the Issues and the Rights Shares, Warrants and Bonus Shares shall be credited into their respective CDS accounts as shown on the RSF within fifteen (15) Market Days from the last date of acceptance and payment for the Rights Shares (with free detachable Warrants and corresponding Bonus Shares) and Excess Rights Shares (with free detachable Warrants and corresponding Bonus Shares).

Where the RSF is issued to the Entitled Shareholders in respect of the relevant Rights Shares (with free detachable Warrants and corresponding Bonus Shares) deposited with MCD which are standing to the credit in their CDS accounts, the acceptance of the Rights Shares with Warrants by such persons shall mean consent to receiving such Rights Shares, Warrants and Bonus Shares as prescribed securities which will be credited directly into their respective CDS accounts.

Any person who purchases/receives the Rights Shares (with free detachable Warrants and corresponding Bonus Shares) as a renounee from an Entitled Shareholder or from the open market shall state his CDS account number in the space as provided in Part I of the RSF, whereupon the Rights Shares, Warrants and Bonus Shares will be credited directly as prescribed securities into his CDS account.

All Excess Rights Shares (with free detachable Warrants and corresponding Bonus Shares), if allotted, shall be credited directly into the CDS Accounts of the successful applicants of the Excess Rights Shares (with free detachable Warrants and corresponding Bonus Shares).

(ix) Laws of Foreign Jurisdictions

This Abridged Prospectus, together with the Notice and RSF have not been (and will not be) made to comply with the laws of any foreign jurisdiction, and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation of (or with or by any regulatory authorities or other relevant bodies of) any foreign jurisdiction, and the Issues will not be made or offered in any other jurisdiction or country other than Malaysia.

A foreign Entitled Shareholder and/or his renounee(s) (if applicable) may only accept all or any part of the Rights Shares (with free detachable Warrants and corresponding Bonus Shares) to the extent that it would be lawful to do so, and the Company, PM Securities and their Directors and officers would not, in connection with the Issues, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholder and/or his renounee(s) are or may be subject. The foreign Entitled Shareholder and/or his renounee(s) shall be solely responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject.

The Company, PM Securities and their Directors and officers shall not accept any responsibility or liability in the event that any acceptance made by any foreign Entitled Shareholder and/or his renounee(s), is or shall become unlawful, unenforceable, voidable or void in any such jurisdictions.

Accordingly, the documents relating to the Issues will be sent to the foreign Entitled Shareholders who do not have a registered address in Malaysia for information only. Such foreign Entitled Shareholders who wish to apply for the Rights Shares with Warrants should inform their respective stockbrokers to effect the change of address. Alternatively, such foreign holders could establish a Malaysian address for services and for the acceptance of the Rights Shares, Warrants and Bonus Shares to be made in Malaysia by notifying in writing to the Company's Registrar, Signet Share Registration Services Sdn Bhd.

Alternatively, such foreign holders may collect the Abridged Prospectus including the accompanying RSF from the Registrar of the Company, in which event the Registrar of the Company shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the documents relating to the Issues.

The foreign Entitled Shareholders and/or their renounees (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and B.I.G. shall be entitled to be fully indemnified and held harmless by such foreign applicants for any issue, transfer or other taxes or duties as such person may be required to pay. They will have no claims whatsoever against the Company and/or PM Securities in respect of their rights or entitlements under the Issues.

Such foreign applicants should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Shares, Warrants and Bonus Shares.

By signing the form accompanying this Abridged Prospectus, the RSF, the Entitled Shareholders and/or their renounees (if applicable) are deemed to have represented, acknowledged, warranted and declared in favour of (and which representations, acknowledgements, warranties, and declarations will be relied upon by) the Company and PM Securities that:

- (a) the Company would not, by acting on the acceptance and renunciation in connection with the Issues, be in breach of the laws of any jurisdiction to which the Entitled Shareholders and/or their renounees (if applicable) are, or may be subject;
- (b) they have complied with the laws to which they are or may be subject in connection with the acceptance and renunciation of the Rights Shares (with free detachable Warrants and corresponding Bonus Shares);

- (c) they are not nominees or agents of a person(s) in respect of whom the Company would by acting on the acceptance and renunciation, be in breach of the laws of any jurisdiction to which the person is or may be subject;
- (d) they are aware that the Rights Shares, Warrants and Bonus Shares can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws;
- (e) they have received a copy of this Abridged Prospectus and have access to such financial and other information and have been afforded the opportunity to ask questions to the representatives of the Company and receive answers thereto as they deem necessary in connection with the Issues and their decisions to subscribe for the Rights Shares (with free detachable Warrants and corresponding Bonus Shares);
- (f) they have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits of their decision, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares (with free detachable Warrants and corresponding Bonus Shares); and;
- (g) they are accepting the Rights Shares (with free detachable Warrants and corresponding Bonus Shares) for their own account and on their own free will.

Persons receiving this Abridged Prospectus, the Notice and RSF (including without limitation custodians, nominees and trustees) must not, in connection with the offers distribute or send it into any jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, the Notice and RSF are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant jurisdiction in connection therewith.

Any person who does forward this Abridged Prospectus, the Notice and RSF to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and the Company reserves the right to reject a purported acceptance of the Rights Shares (with free detachable Warrants and corresponding Bonus Shares) from any such application by a foreign Entitled Shareholder and/or his renounce(s) in any jurisdiction other than Malaysia.

The Company reserves the right, in its absolute discretion, to treat any acceptance as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements.

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6. PURPOSE OF THE RIGHTS ISSUE WITH WARRANTS AND UTILISATION OF PROCEEDS

6.1 Rationale for the Rights Issue with Warrants

The rationale of the Rights Issue with Warrants is as follows:

- (i) to raise funds for the B.I.G. Group to reduce bank borrowings, as additional working capital and to finance the expenses relating to the Corporate Exercises; and
- (ii) to facilitate the compliance with SC's requirements to attain the minimum issued and paid-up share capital of RM40.0 million.

The Warrants to be issued together with the Rights Shares shall serve as an incentive for the Entitled Shareholders and/or their renounees to subscribe for their entitlements under the Rights Issue with Warrants.

In order to provide further incentive for the Entitled Shareholders and/or their renounees to subscribe for the entitlements under the Rights Issue with Warrants, the Entitled Shareholders and/or their renounees will also be entitled to be issued and allotted the Bonus Shares pursuant to the Bonus Issue on the basis of one (1) Bonus Share for every two (2) Rights Shares subscribed under the Right Issue with Warrants.

6.2 Utilisation of Proceeds from the Rights Issue with Warrants

Based on the issue price of RM1.00 per Rights Share and first cash call payment of RM0.63 per Rights Share, the gross proceeds arising from the Rights Issue with Warrants are expected to be between RM8,728,650 (based on Minimum Subscription Levels scenario) to RM12,107,340 (based on Full Subscription Levels scenario) The gross proceeds are proposed to be utilised in the following manner:

Allocation of Proceeds	Minimum Subscription Levels RM	Full Subscription Levels RM
Repayment of bank borrowings	7,500,000	10,000,000
General working capital for the B.I.G. Group	228,650	1,107,340
Estimated expenses relating to the Corporate Exercises	1,000,000	1,000,000
Total	8,728,650	12,107,340

The final repayment of bank borrowings of the B.I.G. Group is dependent on the actual amount of gross proceeds raised from the Rights Issue with Warrants, which in turn is dependent on the actual subscription level for the Rights Issue with Warrants. Any difference between the actual gross proceeds raised as compared to the above allocation of proceeds shall be adjusted to the repayment of bank borrowings of the B.I.G. Group and the general working capital for the B.I.G. Group, as deemed appropriate by the Board, subject to a minimum repayment of bank borrowings of RM7.5 million and a maximum repayment of bank borrowings RM10.0 million.

The proceeds from the Rights Issue with Warrants allocated for working capital purposes will be utilised to fund the general working capital requirements of the Group. Approximately RM1.0 million of the gross proceeds raised from the Rights Issue with Warrants will be used to defray expenses relating to the Corporate Exercises (excluding the Private Placement) such as professional fees, printing costs and media advertising expenses. The Company expects to fully utilise the proceeds from the Rights Issue with Warrants within six (6) months from the date of listing of the Rights Shares and Warrants on the KLSE.