

As at 20 November 2003, B.I.G. Group's borrowings stood at RM36.122 million with an average interest rate of approximately 8% per annum. The repayment of borrowings ranging from RM7.5 million up to RM10.0 million is expected to result in an estimated interest savings ranging from RM0.55 million to RM0.733 million for the financial year ending 31 December 2004 based on Minimum Subscription Level and Full Subscription Level scenarios respectively (assuming that the Rights Issue with Warrants is completed on 31 January 2004).

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7. RISK FACTORS

Notwithstanding the prospects of the industries and the B.I.G. Group as described in Section 8 below, the business activities of the B.I.G. Group are exposed to various risks. Shareholders should carefully consider the following risk factors (which may not be exhaustive) in addition to the other information contained in the Abridged Prospectus, before making their decision on whether to accept the Rights Shares (with free detachable Warrants and corresponding Bonus Shares) pursuant to the Issues.

7.1 Issue Price and Market Price

The issue price of the Rights Shares has been fixed by the Board at RM1.00 per Rights Share with a first cash call of RM 0.63 per Rights Share based on a discount of RM0.15 or approximately 19.2% from the theoretical ex-all price of B.I.G Shares of RM0.78 computed based on the five (5)-days weighted average market price from 16 January 2003 to 22 January 2003 of RM1.32 per Share. Based on the last transacted price of B.I.G. Shares of RM4.44 per share on 12 December 2003, being the latest practicable date prior to the printing of this Abridged Prospectus, the first cash call of RM0.63 per Rights Share represents a discount of RM3.81 or approximately 604.76% therefrom.

There is no assurance that the market price of the Rights Shares upon or subsequent to its listing will trade at or above the issue price of RM1.00 per Share or the first cash call of RM0.63 per Rights Share. The market price of the Rights Shares upon listing on the KLSE is dependent on, *inter alia*, the stock market sentiments, interest rates, future performance of the Group and the industry in which the Group is operating.

The market price of the Warrants, in turn, will be dependent on, amongst others, the market price of B.I.G. Shares and the remaining exercise period of the Warrants. There can be no assurance that the Warrants will be "in-the-money" upon listing of the Warrants on the Second Board of the KLSE, i.e. the market price of B.I.G Shares trading above the exercise price of the Warrants of RM1.00 per share. The future market price of B.I.G. may trade either above or below the exercise price of the Warrants.

7.2 No Prior Market for the Warrants

Prior to the Rights Issue with Warrants, there has been no public market for the Warrants. There is no assurance that an active market can develop for the Warrants upon the listing and quotation of the Warrants on the KLSE, or if developed, that such a market can be sustained upon or subsequent to the listing of the Warrants.

7.3 Competition

To the best of the knowledge of the Directors of B.I.G., the Group is one of the bigger players in the industrial gases and ready-mixed concrete industries in Sarawak and Sabah respectively. The Group has only one competitor in Sarawak who is supplying similar industrial gas products. The barrier to the entry of the industrial gases industry is high as huge capital investment is needed for an air separation plant, cryogenic tanks and cylinders although the source of raw material, which is air supply, is free. The ready-mixed concrete and property businesses of the Group, which is predominantly based in Sabah and Sarawak, is also subject to competition from other competitors in the ready-mixed concrete and property sectors in Sabah and Sarawak.

In view of the competition, the Group is consistently striving to enhance the quality of its products and marketing services, broaden its products range, price its products competitively, implement cost cutting and productivity enhancing measures. The B.I.G. Group has recently ventured into the property development sector to diversify its earnings base. The existing ready-mixed concrete business of the Group will serve as a reliable supplier to the property development business which will complement each other's business. Being a new entrant into the industry, the B.I.G. Group faces greater competition from more established players in the property market in Sarawak.

Although the Group has taken steps to maintain its competitiveness, including implementing cost cutting measures and improving production efficiency there is no assurance that the Group will be able to maintain or improve its existing market share in the industrial gases, ready-mixed concrete and property development sectors in the future.

7.4 Dependency on Key Management

The continued success of the B.I.G. Group is, to a significant extent, dependent on the abilities and continued efforts of the Directors and senior management of the B.I.G. Group. Key personnel with strong background in the production of industrial gases, ready-mixed concrete and property development are valuable assets to the Group. The loss of any key members of the Board of Directors or senior management could affect the Group's ability to compete in the sectors in which the B.I.G. Group operates. The future success of the Group will also depend on the Group's ability to attract and retain skilled personnel. Every effort is presently made to groom the junior and middle level executives to ensure continuity of management team of the Group.

7.5 Political, Regulatory and Economic Risks

Like all other business concerns, changes in political, economic and regulatory conditions in Malaysia, more particularly, Sabah and Sarawak, and elsewhere could materially and adversely affect the financial and business prospects of the B.I.G. Group.

There is no assurance that future changes to the economic, political and regulatory conditions of Malaysia and the Group's markets will not have an adverse impact on the operation and financial prospects of the Group. Political and economic uncertainties include, but not limited to, risks of war, expropriation, nationalisation, renegotiation or nullification of the existing contracts and changes in taxation and currency exchange control regulations, Government's policies and legislations such as changes in interest rates, methods of taxation or introduction of new regulations.

7.6 Business Risks

The performance of the ready-mixed concrete industry is highly dependent and correlated to the infrastructure, construction and property development sectors, while the industrial gases industry is mainly dependent on the shipbuilding, engineering, oil and gas, construction, timber, medical and electronics manufacturing industries. Any decline in the performance of these industries would adversely affect the Group's business and financial performance. As such, the Group is subject to certain risks inherent in these industries. These risks, among others, include the following:

(a) Market risk

Demand for the Group's products are dependent on the performance of the economic growth in both domestically oriented industries such as the construction industry and also export-based industries such as the electronics manufacturing industry. Thus, adverse movements in the global economy, particularly the U.S. economy and the Malaysian economy may have an adverse effect on these industries, which will have a negative flow-on effect on the Group's performance.

Factors such as government regulations, taxation, inflation, interest rates, exchange rates of foreign currencies will also have bearing on the Group's future performance. Changes in business conditions such as a deterioration in market conditions, rising costs of labour and raw materials, and an increase in competition will also have an impact on the Group's future performance.

(b) Substitute products

The threat of substitute products for industrial gases in the shipbuilding, engineering, and electronics industries, and hospitals is minimal, as there are virtually no

substitutes for most industrial gases. The only product with a practical substitute is dissolved acetylene gas, which can be replaced by liquid petroleum gas in certain applications. As all industrial gas manufacturers produce homogeneous products, these companies are required to remain competitive in respect of after sales service and productivity enhancement via cost cutting measures and investment in technologically advanced and automated production machinery in order to maintain or increase their market share.

(c) *Supply and prices of raw materials*

The Group sources raw materials for its ready-mixed concrete products from several suppliers. It has established good relationships with its suppliers and had not encountered any major incidences of shortage in supply of raw materials in the past. The Group has its own quarry operations to guarantee supply of stone aggregates which forms about 30% of raw materials used in the production of ready-mixed concrete.

The production of industrial gases, with the exception of acetylene, requires minimal raw materials as oxygen and nitrogen gases are freely available without any cost, from the environment. Acetylene gas is a result of a combination of carbon and hydrogen, manufactured by mixing calcium carbide with water. Electricity is also crucial in the production of industrial gas, thus prolonged disruptions in electricity supply and/or an increase in electricity tariff rates will have an adverse effect on the B.I.G. Group's financial performance. No assurance can be given that any significant changes to the supply and prices of such raw materials will not affect the future profitability of the Group.

(d) *Environmental Regulations*

As an industrial gas producer, the Group is subject to environmental regulations. Regular tests are conducted by the Department of the Environment to monitor the operations of the Group's plants to ensure that they meet the requirements of the authorities.

(e) *Susceptibility to Leakages and Explosions*

Industrial gas in compressed form is susceptible to leakage, which can cause explosions if handled improperly. In the unlikely event of such leakages, the production and/or distribution of the gases may be adversely affected whilst ratification works are being carried out. Although the B.I.G. Group has taken appropriate measures to mitigate such risk by taking insurance, safety and precautionary measures, no guarantee can be given that such an incident will not occur which may have an adverse impact on the future business of the B.I.G. Group.

However, no assurance can be given that any significant changes to the supply and prices of raw materials, substitute products, changes in business conditions, changes in environmental regulations and incidents which may have an adverse impact on the Group will not affect the future profitability of the Group.

7.7 Foreign Exchange Fluctuations

As the Group's businesses are predominantly transacted in local currency, it will not be directly exposed to any material fluctuations on foreign exchange. The industrial gases produced by the Group are utilised in the shipbuilding, engineering, oil and gas, construction, timber and medical sectors which are generally domestic-oriented, except for the electronics sector, which are export-oriented. There can be no assurance that any material foreign exchange fluctuations will not have an adverse impact on the business and financial position of the B.I.G. Group.

7.8 Collection of Trade Receivables

The Group has also taken various steps to minimise the incidence of any bad debts or credit risk by the application of credit approvals, credit limits and monitoring procedures. Credit risk is minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Receivables are monitored on an ongoing basis via the Group's management reporting procedures. The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

However, there can be no assurance that all trade receivables of the Group will be successfully collected as and when it falls due, and should such events occur, the cash flow requirements of the Group may be adversely affected.

7.9 Financial Risks

As in many other businesses, the Group has obtained bank borrowings and loan facilities to finance, *inter alia*, its day-to-day operations. Further, as with many agreements relating to the extension of such borrowings, there may be certain negative covenants, fixed assets charges and/or pledges imposed therein. Any failure by the Group to meet the timely repayment of such borrowings may result in a default of the same which could materially affect the operating and financing capabilities of the Group.

Further, in the event that the Group is unable to refinance or replace such defaulted loans, the same could result in a loss of the fixed asset charged under such defaulted loans. However, the Directors of B.I.G. do not anticipate any potential events of default likely to arise for the Group in the foreseeable future.

As at 20 November 2003, the B.I.G. Group has total borrowings of RM36.122 million. The Group expects to reduce its bank borrowings by up to RM10 million pursuant to the Rights Issue with Warrants (based on the Full Subscription Levels scenario). However, there can be no assurance that the Group will be able to meet all of its future debt obligations on a timely basis.

7.10 Economic Conditions and Cycles

The industrial gases and ready-mixed concrete industries are highly correlated to, amongst others, the manufacturing and construction industries respectively. Both the manufacturing and construction sectors are cyclical in nature and dependent on the state of the economic conditions of the world and Malaysia. Contrary to the economic conditions, the medical sector stands alone and the demand for such medical gases is expected to be less susceptible to changes in the economic conditions. There can be no assurance that the Group will be not be affected by any adverse economic conditions and economic cycles in the future.

7.11 Security & System Risks

The B.I.G. Group's business is, to a certain extent, susceptible to security and system risks as part of its operational systems for the industrial gas production are dependent on computer systems of the automated machinery. The B.I.G. Group has taken all reasonable steps to reduce these risks, such as conducting frequent maintenance checks on the system, having accessible back-ups in the event the system fails, establishing proper security access control and undertaking programmes for the continuous training and upgrading of the skills of relevant staff.

7.12 Influence by Substantial Shareholders and Directors

Following the Issues, the substantial shareholders and certain Directors of the Company as set out in Sections 3 and 4 of Appendix II of this Abridged Prospectus could potentially increase their respective shareholdings in B.I.G. assuming the other shareholders of the Company do not subscribe for their entitlements under the Rights Issue with Warrants.

As a result, the votes of the said substantial shareholders and Directors of B.I.G. may further increase and impact the outcome of matters requiring the votes of the Company's shareholders at general meetings, unless they are required to abstain from voting in accordance with the relevant guidelines, rules, regulations and listing requirements issued by the relevant authorities.

7.13 Operational Risks and Adequacy of Insurance Coverage

The Group faces certain operational risks, which include, but not limited to, fire outbreaks, unforeseen breakdown of plant and machinery and disruption of electricity and water supply, which may adversely affect the Group's business operations. The Group has taken precautionary measures to minimise the occurrence of such risks through installation of sprinkler systems and fire extinguishers, conducting frequent maintenance checks on the operational system and storing adequate water supply. In the past years, the Group has not experienced any major disruption of electricity and water supply or any major breakdown of plant and machinery, which had materially affected its operations.

The Group has taken the necessary measures to ensure that all its assets are adequately covered by insurance. However, where landed properties are concerned, only the buildings have been insured. Although the Group has taken the necessary measures to ensure that all its assets, excluding land, are adequately covered by insurance, there can be no assurance that the insurance coverage would be adequate for the replacement cost of the assets or any consequential loss arising therefrom.

7.14 Forward Looking Statements

Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of future results. Other statements which are forward looking in nature are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance and achievements expressed or implied in such forward looking statements. The inclusion of a forward looking statement in this Abridged Prospectus should not be regarded as a representation or warranty by the Company or its advisers that the plans and objectives of the Group will be achieved.

Although the B.I.G. Group seeks to minimise the above risks, no assurance can be given that any change to these factors will not have a material adverse effect on the Group's businesses.

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8. INDUSTRY REVIEW AND FUTURE PROSPECTS

8.1 Malaysian Economy : Review and Outlook

After experiencing sluggish growth in 2001, the Malaysian economy rebounded strongly in 2002. Higher growth in 2002 bolstered optimism for a stronger economic performance in 2003 in anticipation of an improved world economic outlook. The prospect for a global economic recovery was, however, affected by recent geopolitical developments, in particular the war in Iraq, sporadic incidences of militancy and outbreak of the Severe Acute Respiratory Syndrome ("SAR"). During the second quarter of 2003, consumer and business sentiments in regional economies were particularly affected by the anxiety of a probable prolonged and widespread SARS epidemic that curtailed transport and tourism-related activities besides trade and investment flows.

Against this adverse global environment and concerns of further weakening of the already sluggish global economy, the Government has put in place a package of broad-based pro-growth measures in May 2003. The Package of New Strategies, apart from providing immediate relief for the SARS-affected sectors, was to address structural and organisational issues towards sustaining economic growth in the medium and longer term. The strategic measures introduced boosted confidence necessary to stimulate domestic consumption and investment. In addition, the short war in Iraq and the quick containment of SARS provided the much-needed relief for the economy to ride over the difficult times and remain on track to a firmer growth trajectory.

Malaysia's sound economic fundamentals and expansionary fiscal and accommodative monetary policies, supplemented by the Government's proactive stimulus package, have helped to sustain high growth in the real gross domestic product ("GDP"). After expanding 4.5% in the first half and with prospects of sustained growth in the second half, the economy is set to achieve its targeted growth of 4.5% this year, higher than the 4.1% achieved in 2002.

The economy is expected to be driven by stronger domestic demand reinforced by a modest pick-up in external demand in the second half of the year. Exports will continue to be buoyed by global economic recovery and the upturn in electronics, especially in information technology-related products and equipment. On the domestic front, on account of favourable export earnings and high commodity prices, positive wealth effect from better stock market performance as well as rising consumer confidence. All sectors registered positive growth with manufacturing and services driving the economy.

Global economic growth for the second half of 2003 is projected to be gradual but firm. This is supported by the more positive economic data on Japan, the euro area and in particular, the US. In the US, low interest rates coupled with the extra cash in the hands of consumers made possible from tax cuts contributed towards the sustainable vibrancy in housing construction and growing strength in retail sales, while industrial production rose on account of revival in the high-tech sector and auto production. In Japan, positive results of corporate restructuring were reflected in improvement in corporate profits and a gradual upturn in business fixed investment. Meanwhile, in the euro area, pick-up in personal computer replacements led to higher investment and strengthening consumption. Growth in major economies will also be supported by better performance in Asia as the impact of SARS fades out. With stronger export growth benefiting from pent-up demand pushing up consumption and the positive impact of stimulus packages introduced by many countries in the region, the pace is expected to gain momentum. The momentum from growth in the second half of this year is expected to be sustainable into 2004, when world growth is expected to reach 4.1% (2003: 3.2%).

On a less optimistic note, downside risks remain for the outlook for 2004. Geopolitical tensions and sporadic militant acts will continue to pose security risks and impact on worldwide travel and the hospitality industry. Though the US had in early May 2003 declared an end to the major conflict in Iraq, the longer-than-expected reconstruction of the country as evidenced by the on-going pockets of resistance, is also a cause of concern. A delayed or faltering recovery in the US could also cloud the present optimism and derail the much-anticipated recovery in the rest of the world.

(Source: Economic Report 2003/2004)

(a) Manufacturing Sector

Malaysia's manufacturing sector is all geared up for better times ahead, as output strengthened further starting February 2003 on the back of higher growth of domestic-oriented industries and better performance of export-oriented industries. Domestic-oriented industries recorded double digit growth, spurred by higher consumption in food and beverages, and continuing demand for products of construction-related industries, particularly non-metallic minerals such as cement and concrete as well as higher growth of fabricated metal products in the second quarter of 2003. With the increased activities of the manufacturing sector, demand for natural gases surged upward, and contributed to higher growth of the domestic-oriented industries, in particular the industrial gases sub-sector. The export-oriented industries also performed better in 2003 and recorded a moderate growth during the first six months of 2003, due to a rebound in rubber products and textile industries, particularly the apparel industry.

Overall, output of the manufacturing sector expanded by 7.8% in the first six months of 2003 (January-June 2002: 1.4%). The better-than-anticipated growth was the result of higher production of 7.9% in the second quarter 2003 (second quarter 2002: 6.5%). Total value of finished products and goods-in-process was about 53% or less than one month stock of the RM27,694.8 million sales made in June. The lean stocks, together with broad-based growth in both domestic as well as external demand, is expected to improve capacity utilisation of the sector to more than 80% this year.

(Source : Economic Report 2003/2004)

(b) Industrial Gases Sector

The industrial gases sector is part of the chemical and chemical products industry, itself a sub-sector of the manufacturing industry. This industry derives demand for its output from the oil and gas industry, electronics and electrical industry, food and beverages industry and automobile and construction-related sectors. This accounts for its performance being closely related to the performance of the manufacturing sector. Industrial gases are also used in hospitals and the petrochemical industry.

The chemical and chemical products industry had benefited from the spill-over effects of the rebound in the electrical and electronics sector and recorded a strong output growth of 15.1% in the first six months of 2003, with export constituting more than 70% of the output.

Malaysia's quest for developing heavy industries along with the development of the electrical and electronics sector had resulted in the nation's involvement with industries related to oil and gas, iron and metal as well as transportation and its related equipment. The industrial gases sector was able to sustain growth at 34.7%, in the first half of 2003, due to demand from the manufacturing sector.

(Source : Economic Report 2003/2004)

(c) Construction Sector

Underpinned by continued demand in selected segments of the property market and higher expected budgetary allocation for public infrastructure projects, value added in the construction sector is envisaged to grow by 2.5% in 2003. The sustained performance is partly on account of renewed interest in residential housing, in particular affordable houses, and supported by incentives given under the Package and lower interest rates. Total public expenditure on infrastructure is expected to pick up in the second half of the year and help sustain construction activities in the public sector.

(Source : Economic Report 2003/2004)

(d) Ready-mixed Concrete Sector

Overall, construction-related industries recorded a firmer growth of 13.2% in the first half of 2003 (January-June 2002 : 5.5%), while the iron and steel as well as non-metallic mineral industry continued to perform better due to the continuing implementation of several public roads and low-cost houses. These industries also continue to benefit from the on-going implementation of the Package of New Strategies and other efforts to stimulate residential housing and public infrastructure projects. The cement and ready-mixed concrete industry recorded higher growth of 20.6% and 15.6% respectively. With external demand anticipated to grow by more than 14% this year and the positive effect of the implementation of large socio-economic infrastructure projects, such as the hospital *cum* apartment of Lembaga Tabung Haji in Kuala Lumpur, Petronas Hospital, Kajang Sungai Ramal Ring Road and the new Johore-Singapore bridge, the cement and concrete industry is expected to improve further, increasing capacity utilisation of the industry above 65%.

(Source : Economic Report 2003/2004)

8.2 Industry Outlook and Prospects

The economic outlook for 2004 is envisaged to be favourable. Real GDP growth is expected to gain momentum and register a higher rate of 5.5% to 6% in 2004. Growth is expected to be emanated from higher exports on account of continuing improvement in world economic prospects while domestic demand will continue to be driven by pro-growth fiscal and monetary measure. Whilst all sectors are forecast to register higher growth, services and manufacturing will continue to lead GDP growth, contributing 3.1 and 2.2 percentage points, respectively.

External developments and strengthening domestic economy point to stronger growth in manufacturing sector. Growth in export-oriented industries, in particular the electronics industry, is envisaged to gain strength following higher inter-regional trade, particularly between ASEAN and East Asia. Efforts to promote domestic consumption as well as advancements into higher value-added products will further boost growth of domestic-oriented industries. Taking cognisance of the on-going development processes, the overall value added of the manufacturing sector is expected to register a stronger growth of 7.2%.

The construction sector will continue to be supported by the property sub-sector, driven by measures and incentives introduced under the Package to stimulate construction and sales of residential properties, in particular affordable houses. On-going public and privatised infrastructure projects as well as off-shore fabrication works in the oil and gas industry will further boost the growth of the sector. The construction is therefore, projected to register a slightly stronger growth of 2.6%.

(Source : Economic Report 2003/2004)

Based on the above, the growth of the industrial gases and ready-mixed concrete sectors are expected to continue to grow in 2004 in tandem with the expected growth of the manufacturing and construction sectors.

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8.3 Future Plans and Prospects of the Group

The expected recovery of the global economy and favourable outlook for the industrial gases and ready-mixed concrete industries in 2004 should augur well for the business of the B.I.G. Group.

The industrial gases division of the B.I.G. Group is expected to benefit from major projects in Sarawak such as the construction of the Bakun Dam, the Malaysia LNG 3, the Borneo Pulp and Paper Mill and shut down services for the oil and gas industry and offshore activities. The Group is poised to enter the Sabah market with the contracts recently secured to supply Nitrous Oxide to government hospitals in Sabah.

The B.I.G. Group's ready-mixed concrete division is also confident of securing a major share of the supply of its ready-mixed concrete to the on-going infrastructure projects in Sabah which include the health, education, defence and works ministries. The Group is currently involved in the major infrastructure projects in Kota Kinabalu, Sabah and has secured two major medium cost apartment projects whilst negotiating for a major water treatment plant project and other infrastructure projects.

The Group has also diversified into the property development activities on a smaller scale by undertaking a residential property development project in Demak Laut Industrial Estate, Kuching, Sarawak. The size of land area is about 16 acres and the expected completion date is by the middle of 2005. Phase I of the project consists of 2 blocks of 5 storey medium cost apartments which is about 70% completed and 100% sold. In view of the encouraging development in this area, the Group is also looking at other similar property development projects in Sarawak and Sabah. Such property development activities are expected to enhance the earnings base of the Group.

Apart from raising additional working capital for the Group, the Rights Issue with Warrants is also expected to raise up to RM10 million to be utilised to reduce the Group's debt obligations which would in turn result in interest savings and improve the earnings of the Group. In order to maintain competitive, the B.I.G. Group will continue strive to improve its productivity and efficiency to create greater value for the shareholders of the Company.

With the expected completion of the Issues in January 2004, the Board envisages that the Group will have a stronger financial position to continue to expand its businesses and capitalise on the new business opportunities in tandem with the anticipated growth of the Malaysian economy.

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9. FINANCIAL EFFECTS OF THE ISSUES

9.1 Share Capital

The changes in the issued and paid-up share capital of the Company as a result of the Issues are as follows:-

(a) Minimum Subscription Levels Scenario

	No. Of Shares	RM
Existing share capital as at 20 November 2003	19,218,000	19,218,000
To be issued pursuant to:		
Rights Issue with Warrants	13,855,000	13,855,000
Bonus Issue	6,927,500	6,927,500
	<u>40,000,500</u>	<u>40,000,500</u>
Assuming all the Warrants are exercised	13,855,000	13,855,000
Enlarged share capital	<u>53,855,500</u>	<u>53,855,500</u>

(b) Full Subscription Levels Scenario

	No. Of Shares	RM
Existing share capital as at 20 November 2003	19,218,000	19,218,000
To be issued pursuant to:		
Rights Issue with Warrants	19,218,000	19,218,000
Bonus Issue	9,609,000	9,609,000
	<u>48,045,000</u>	<u>48,045,000</u>
Assuming all the Warrants are exercised	19,218,000	19,218,000
Enlarged share capital	<u>67,263,000</u>	<u>67,263,000</u>

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9.2 NTA and Gearing

The effects of the Issues on the NTA and gearing of the B.I.G. Group are as follows:-

(a) Minimum Subscription Levels Scenario

	I	II	III	
	Audited as at 31.12.02 RM	After Rights Issue with Warrants ¹ RM	After I and Bonus Issue RM	
			After II and Assuming Full Exercise of Warrants ² RM	
Share capital	19,218,000	33,073,000	40,000,500	53,855,500
Reserve on consolidation	2,495,422	2,495,422	2,495,422	2,495,422
Share premium	1,891,113	150,000	150,000	150,000
Retained profits	16,123,768	11,738,531	4,811,031	4,811,031
Shareholders' funds	39,728,303	47,456,953	47,456,953	61,311,953
Less: Intangibles	(1,137,403)	(1,137,403)	(1,137,403)	(1,137,403)
NTA	38,590,900	46,319,550	46,319,550	60,174,550
No. of shares	19,218,000	33,073,000	40,000,500	53,855,500
NTA per Share (RM)	2.01	1.40	1.16	1.12
Bank borrowings (RM)	32,002,051	24,502,051	24,502,051	24,502,051
Gearing ratio (times)	0.81	0.52	0.52	0.40

(b) Full Subscription Levels Scenario

	I	II	III	
	Audited as at 31.12.02 RM	After Rights Issue with Warrants ¹ RM	After I and Bonus Issue RM	
			After II and Assuming Full Exercise of Warrants ² RM	
Share capital	19,218,000	38,436,000	48,045,000	67,263,000
Reserve on consolidation	2,495,422	2,495,422	2,495,422	2,495,422
Share premium	1,891,113	150,000	150,000	150,000
Retained profits/ Accumulated losses	16,123,768	9,754,221	145,221	145,221
Shareholders' funds	39,728,303	50,835,643	50,835,643	70,053,643
Less: Intangibles	(1,137,403)	(1,137,403)	(1,137,403)	(1,137,403)
NTA	38,590,900	49,698,240	49,698,240	68,916,240
No. of Shares	19,218,000	38,436,000	48,045,000	67,263,000
NTA per share (RM)	2.01	1.29	1.03	1.02
Bank borrowings (RM)	32,002,051	22,002,051	22,002,051	22,002,051
Gearing ratio (times)	0.81	0.43	0.43	0.31

Notes:

- (1) *Based on the rights issue price of RM1.00, whereby the first cash call payment is RM0.63 per Rights Share, the second call of RM0.37 is capitalised from the share premium and retained profits accounts and the estimated expenses of RM1,000,000 in relation to the Corporate Exercises (excluding the Private Placement) are netted off against the share premium reserve account.*
- (2) *The exercise price of the Warrants is RM1.00 per Share and the exercise proceeds are assumed to be utilised as working capital of the Group.*

9.3 Earnings

The Issues are not expected to have any effects on the earnings of the Group for the financial year ended 31 December 2003 as the Issues are anticipated to be completed in January 2004.

For the financial year ending 31 December 2004, the Rights Issue with Warrants is expected to result in interest savings of RM0.55 million up to RM0.733 million arising from the repayment of bank borrowings based on the Minimum Subscription Levels and Full Subscription Levels scenarios. However, the EPS of the Group for the financial year ending 31 December 2004 is expected to be diluted as a result of the increase in the Company's issued and paid-up share capital after the Issues. The EPS of the Group will also be diluted as and when the Warrants are exercised.

Nevertheless, the aforementioned expected interest savings for the financial year ending 31 December 2004 would result in an improvement in the EPS of the Company by approximately 1.37 sen and 1.53 sen, based on the Minimum Subscription Levels and Full Subscription Levels scenarios respectively.

9.4 Dividends

The Company did not declare any dividends for the financial year ended 31 December 2002. The Issues are not expected to have any effect on the rate of dividend as the Board is not expected to declare any dividends for the financial year ending 31 December 2003.

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9.5 Substantial Shareholders

The proforma effects of the Issues on the shareholdings of the substantial shareholders of the Company in B.I.G. as at 20 November 2003 are as follows:-

(a) Minimum Subscription Levels Scenario

(Assuming that only certain shareholders of B.I.G. who have provided their Undertakings and Additional Undertakings as per Section 11 of this Abridged Prospectus subscribe for their Entitled Rights Shares and Excess Rights Shares as per their Undertakings and Additional Undertakings and that none of the other Entitled Shareholders and/or their renounees subscribe for their Rights Shares)

Shareholders	As at 20 November 2003				(I) After Rights Issue with Warrants			
	No. of Shares		No. of Shares		No. of Shares		No. of Shares	
	Direct	%	Indirect	%	Direct	%	Indirect	%
Pristine	3,034,286	15.79	-	-	9,368,572	28.33	-	-
Y.H. Dato' Long Ahmad Zainal Abidin Bin Mohd Tahir	-	-	⁽¹⁾ 3,034,286	15.79	-	-	⁽¹⁾ 9,368,572	28.33
Y. Bhg. Tan Sri Dato' Dr Lau Ban Tin	-	-	⁽¹⁾ 3,034,286	15.79	-	-	⁽¹⁾ 9,368,572	28.33
Ratus Alam Sdn Bhd	1,093,826	5.69	-	-	1,093,826	3.31	-	-
Zainuddin Bin Yakkop	922,006	4.80	⁽²⁾ 1,093,826	5.69	922,006	2.79	⁽²⁾ 1,093,826	3.31
Fauziahanim Binti Hj. Jaffar	-	-	⁽²⁾ 1,093,826	5.69	-	-	⁽²⁾ 1,093,826	3.31
Har Mei Yee	1,250,700	6.51	-	-	⁽³⁾ 2,043,700	6.18	-	-
Har Weng	1,661,644	8.65	-	-	3,248,488	9.82	-	-
Ch'ng Pheng Ting	1,201,900	6.25	-	-	1,201,900	3.63	-	-
Teng Dark Kwong	1,351,200	7.03	-	-	1,351,200	4.09	-	-

(Cont'd)

Shareholders	(II) After I and Bonus Issue				(III) After II and upon full exercise of the Warrants			
	No. of Shares		No. of Shares		No. of Shares		No. of Shares	
	Direct	%	Indirect	%	Direct	%	Indirect	%
Pristine	12,535,715	31.34	-	-	18,870,001	35.04	-	-
Y.H. Dato' Long Ahmad Zainal Abidin Bin Mohd Tahir	-	-	⁽¹⁾ 12,535,715	31.34	-	-	⁽¹⁾ 18,870,001	35.04
Y. Bhg. Tan Sri Dato' Dr Lau Ban Tin	-	-	⁽¹⁾ 12,535,715	31.34	-	-	⁽¹⁾ 18,870,001	35.04
Ratus Alam Sdn Bhd	1,093,826	2.73	-	-	1,093,826	2.03	-	-
Zainuddin Bin Yakkop	922,006	2.30	⁽²⁾ 1,093,826	2.73	922,006	1.71	⁽²⁾ 1,093,826	2.03
Fauziahanim Binti Hj. Jaffar	-	-	⁽²⁾ 1,093,826	2.73	-	-	⁽²⁾ 1,093,826	2.03
Har Mei Yee	2,440,200	6.10	-	-	3,233,200	6.00	-	-
Har Weng	4,041,910	10.10	-	-	5,628,754	10.45	-	-
Ch'ng Pheng Ting	1,201,900	3.00	-	-	1,201,900	2.23	-	-
Teng Dark Kwong	1,351,200	3.38	-	-	1,351,200	2.51	-	-

Notes:

- (1) Deemed interest by virtue of their substantial shareholdings in Pristine pursuant to Section 6A of the Act.
- (2) Deemed interest by virtue of their substantial shareholdings in Ratus Alam Sdn Bhd pursuant to Section 6A of the Act.
- (3) Out of the 1,250,700 Entitled Rights Shares based on her shareholdings in B.I.G. as at 14 November 2003, Har Mei Yee has, vide her undertaking letter dated 18 November 2003 undertaken to subscribe for 793,000 of her Entitled Rights Shares based on the Minimum Subscription Levels scenario.

(b) Full Subscription Levels Scenario

(Assuming all of the Entitled Shareholders of B.I.G. subscribe for their Entitled Rights Shares in full)

Shareholders	As at 20 November 2003				(I) After Rights Issue with Warrants			
	No. of Shares		No. of Shares		No. of Shares		No. of Shares	
	Direct	%	Indirect	%	Direct	%	Indirect	%
Pristine	3,034,286	15.79	-	-	6,068,572	15.79	-	-
Y.H. Dato' Long Ahmad Zainal Abidin Bin Mohd Tahir	-	-	⁽¹⁾ 3,034,286	15.79	-	-	⁽¹⁾ 6,068,572	15.79
Y. Bhg. Tan Sri Dato' Dr Lau Ban Tin	-	-	⁽¹⁾ 3,034,286	15.79	-	-	⁽¹⁾ 6,068,572	15.79
Ratus Alam Sdn Bhd	1,093,826	5.69	-	-	2,187,652	5.69	-	-
Zainuddin Bin Yakkop	922,006	4.80	⁽²⁾ 1,093,826	5.69	1,844,012	4.80	⁽²⁾ 2,187,652	5.69
Fauziahanim Binti Hj. Jaffar	-	-	⁽²⁾ 1,093,826	5.69	-	-	⁽²⁾ 2,187,652	5.69
Har Mei Yee	1,250,700	6.51	-	-	2,501,400	6.51	-	-
Har Weng	1,661,644	8.65	-	-	3,323,288	8.65	-	-
Ch'ng Pheng Ting	1,201,900	6.25	-	-	2,403,800	6.25	-	-
Teng Dark Kwong	1,351,200	7.03	-	-	2,702,400	7.03	-	-

(Cont'd)

Shareholders	(II) After I and Bonus Issue				(III) After II and upon full exercise of the Warrants			
	No. of Shares		No. of Shares		No. of Shares		No. of Shares	
	Direct	%	Indirect	%	Direct	%	Indirect	%
Pristine	7,585,715	15.79	-	-	10,620,001	15.79	-	-
Y.H. Dato' Long Ahmad Zainal Abidin Bin Mohd Tahir	-	-	⁽¹⁾ 7,585,715	15.79	-	-	⁽¹⁾ 10,620,001	15.79
Y. Bhg. Tan Sri Dato' Dr Lau Ban Tin	-	-	⁽¹⁾ 7,585,715	15.79	-	-	⁽¹⁾ 10,620,001	15.79
Ratus Alam Sdn Bhd	2,734,565	5.69	-	-	3,828,391	5.69	-	-
Zainuddin Bin Yakkop	2,305,015	4.80	⁽²⁾ 2,734,565	5.69	3,227,021	4.80	⁽²⁾ 3,828,391	5.69
Fauziahanim Binti Hj. Jaffar	-	-	⁽²⁾ 2,734,565	5.69	-	-	⁽²⁾ 3,828,391	5.69
Har Mei Yee	3,126,750	6.51	-	-	4,377,450	6.51	-	-
Har Weng	4,154,110	8.65	-	-	5,815,754	8.65	-	-
Ch'ng Pheng Ting	3,004,750	6.25	-	-	4,206,650	6.25	-	-
Teng Dark Kwong	3,378,000	7.03	-	-	4,729,200	7.03	-	-

Notes:

- (1) Deemed interested by virtue of their substantial shareholdings in Pristine pursuant to Section 6A of the Act.
- (2) Deemed interested by virtue of their substantial shareholdings in Ratus Alam Sdn Bhd pursuant to Section 6A of the Act.

10. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

(i) Working Capital

The Board of B.I.G. is of the opinion that, barring any unforeseen circumstances and after taking into account the Group's present cashflow position, the banking and loan facilities available to the Group and the gross proceeds to be raised from the Rights Issue with Warrants and Private Placement, the Group will have sufficient working capital for a period of twelve (12) months from the date of this Abridged Prospectus to meet its present liabilities as and when they fall due.

(ii) Borrowings

The total borrowings of the B.I.G. Group as at 20 November 2003 (all of which are interest bearing) are as follows:

	RM'000
<u>Short term</u>	
- Bank borrowings	30,295
- Hire purchase/ lease creditors	126
Sub-total	<u>30,421</u>
<u>Long term</u>	
- Bank borrowings	4,889
- Hire purchase/ lease creditors	812
Sub-total	<u>5,701</u>
Total	<u><u>36,122</u></u>

As at 20 November 2003, the B.I.G. Group does not have any foreign-currency denominated borrowings.

There has not been any default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings of the B.I.G. Group in which the Board is aware of throughout the financial year ended 31 December 2002 and the nine (9) months period ended 30 September 2003.

(iii) Contingent Liabilities

As at 5 December 2003, the Company had provided corporate guarantees amounting to RM31.122 million to various financial institutions in respect of credit facilities granted to its subsidiary companies.

Save as disclosed above, there are no material contingent liabilities, which may have become enforceable, which in the opinion of the Directors of B.I.G., will or may substantially affect the ability of the Group to meet its obligations as and when they fall due.

(iv) Material Commitments for Capital Expenditure

As at 20 November 2003, the Group has capital commitments in respect of property, plant and equipment as follows:-

	RM'000
Approved and contracted for	4,347
Approved but not contracted for	-
Total	<u><u>4,347</u></u>

The above capital commitments shall be financed by the Group's internally generated funds and/or borrowings. Save as disclosed above, there are no other material commitments, which in the opinion of the Directors of B.I.G., will or may substantially affect the ability of the Group to meet its obligations as and when they fall due.

11. SHAREHOLDERS' UNDERTAKINGS

The Company had on 18 November 2003 received five (5) separate written undertakings from five (5) shareholders of the Company to subscribe and/or procure subscription for a total of 13,855,000 Rights Shares with 13,855,000 free detachable Warrants. Pursuant to the said undertaking letters, the aforementioned shareholders of B.I.G. had in aggregate undertaken to subscribe and/or procure subscription for 6,105,293 Rights Shares ("Undertakings") and further undertaken to subscribe and/or procure subscription for an additional 7,749,707 Excess Rights Shares ("Additional Undertakings").

Details of the aforementioned shareholders' entitlements to the Rights Shares (with free detachable Warrants and corresponding Bonus Shares) based on their shareholdings in B.I.G. as at 14 November 2003 and their respective Undertakings and Additional Undertakings as per their undertaking letters dated 18 November 2003 are as follows:

Shareholders	Direct Shareholdings as at 14.11.03	%	Entitlements to Rights Shares based on shareholdings as at 14.11.03	% of total Rights Shares	Entitlements to Warrants attached thereto	Corresponding Entitlements to Bonus Shares
Pristine	3,034,286	15.79	3,034,286	15.79	3,034,286	1,517,143
Har Weng	1,548,844	8.06	1,548,844	8.06	1,548,844	774,422
Har Mei Yee	1,250,700	6.51	⁽¹⁾ 1,250,700	6.51	1,250,700	625,350
Ch'ng Ping Lan	341,300	1.78	341,300	1.78	341,300	170,650
Firmbind Sdn Bhd	387,863	2.02	387,863	2.02	387,863	193,931
Total	6,562,993	34.15	6,562,993	34.15	6,562,993	3,281,496

(Cont'd)

Shareholders	Undertakings for Entitled Rights Shares	Additional Undertakings for Excess Rights Shares	Total Rights Shares undertaken pursuant to the Undertakings and Additional Undertakings	% of total Rights Shares	Total Warrants Attached Thereto	Corresponding Bonus Shares to Be Issued
Pristine	3,034,286	3,300,000	6,334,286	19.15	6,334,286	3,167,143
Har Weng	1,548,844	38,000	1,586,844	4.80	1,586,844	793,422
Har Mei Yee	793,000	-	⁽¹⁾ 793,000	2.40	793,000	396,500
Ch'ng Ping Lan	341,300	452,000	793,300	2.40	793,300	396,650
Firmbind Sdn Bhd	387,863	3,959,707	4,347,570	13.15	4,347,570	2,173,785
Total	6,105,293	7,749,707	13,855,000	41.90	13,855,000	6,927,500

Note:

- (1) Out of the 1,250,700 Entitled Rights Shares based on her shareholdings in B.I.G. as at 14 November 2003, Har Mei Yee has, vide her undertaking letter dated 18 November 2003 undertaken to subscribe for 793,000 of her Entitled Rights Shares.

In view of the aggregate Undertakings and Additional Undertakings from the aforementioned shareholders of B.I.G. to subscribe for a total of 13,855,000 Rights Shares with 13,855,000 free detachable Warrants which are equivalent to the Minimum Subscription Level for the Rights Issue with Warrants, no underwriting will be required for the Rights Issue with Warrants.

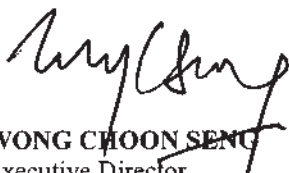
12. TERMS AND CONDITIONS

The offer of the Rights Shares with Warrants and Bonus Shares pursuant to the Issues is governed by the terms and conditions set out herein and in the Notes and Instructions as contained in the RSF.

13. FURTHER INFORMATION

Shareholders are requested to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board
B.I.G. INDUSTRIES BERHAD


WONG CHOON SENG
Executive Director

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