

## BINA PURI HOLDINGS BHD

(Company No. 207184-X)  
(Incorporated in Malaysia)

### CONDENSED CONSOLIDATED BALANCE SHEET – 31 MARCH 2003

	As at financial period ended 31 March 2003 RM'000  (Unaudited)	As at preceding financial year ended 31 Dec 2002 RM'000  (Audited)
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	95,642	97,936
Investment in associated companies	1,472	1,411
Other investments	1,788	1,786
Land held for development	11,009	11,009
Expressway development expenditure	10,048	9,838
	119,959	121,980
<b>CURRENT ASSETS</b>		
Land under development	5,218	5,465
Gross amount due from customers	34,948	42,721
Inventories	4,016	4,056
Trade and other receivables	132,803	146,402
Current tax asset	3,389	3,302
Deposits	25,248	28,745
Cash and bank balances	35,706	32,194
	241,328	262,885
<b>CURRENT LIABILITIES</b>		
Gross amount due to customers	17,066	17,794
Contract income received in advance	11,856	13,144
Trade and other payables	96,785	110,748
Hire purchase and finance lease liabilities	4,477	4,650
Current tax liability	5,140	4,384
Bank borrowings	182,604	190,615
	317,928	341,335
<b>NET CURRENT LIABILITIES</b>	(76,600)	(78,450)
	43,359	43,530
<b>SHARE CAPITAL</b>	40,000	40,000
<b>RESERVES</b>		
Share premium	4,209	4,209
Capital reserve (non-distributable)	15,932	15,932
Merger reserve (non-distributable)	40	40
Accumulated loss	(43,618)	(45,012)
	(23,437)	(24,831)
	16,563	15,169
<b>MINORITY INTERESTS</b>	12,099	12,429
<b>LONG TERM BANK BORROWINGS</b>	453	965
<b>HIRE PURCHASE AND FINANCE LEASE LIABILITIES</b>	4,097	4,849
<b>DEFERRED TAX LIABILITY</b>	3,379	3,339
<b>DEFERRED CONTRACT REVENUE</b>	6,027	6,027
<b>RETIREMENT BENEFITS</b>	741	752
	43,359	43,530
<b>Net tangible assets per share (RM)</b>	0.4141	0.3792

(The condensed consolidated balance sheet should be read in conjunction with the annual financial report for year ended 31 Dec 2002)

**BINA PURI HOLDINGS BHD**

(Company No. 207184-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR PERIOD ENDED 31 MARCH 2003**

	Current Quarter 31 March 2003 RM'000	Current Quarter 31 March 2002 RM'000
Revenue	87,426	86,191
Cost of sales	<u>(75,999)</u>	<u>(73,201)</u>
Gross profit	11,427	12,990
Other operating income	1,469	885
Administrative and general expenses	<u>(7,846)</u>	<u>(10,026)</u>
Profit from operations	5,050	3,849
Share of profits less losses of associated companies	61	71
Investment income	101	50
Finance costs	<u>(2,489)</u>	<u>(2,410)</u>
Profit before tax	2,723	1,560
Taxation	<u>(1,659)</u>	<u>(657)</u>
Profit after tax	1,064	903
Minority interests	<u>330</u>	<u>557</u>
Net profit for the period	<u>1,394</u>	<u>1,460</u>
EPS – Basic (sen)	<u>3.49</u>	<u>3.65</u>
EPS – Diluted (sen)	<u>N/A</u>	<u>N/A</u>

(The condensed consolidated income statements should be read in conjunction with the annual financial report for year ended 31 Dec 2002)

**BINA PURI HOLDINGS BHD**

(Company No. 207184-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2003**

	Share Capital	Share Premium	Merger Reserve	Capital Reserve	Accumulated Loss	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 <sup>st</sup> January 2002	40,000	4,209	40	15,932	(51,412)	8,769
Movements during the year					6,400	6,400
Balance at 31 <sup>st</sup> December 2002	40,000	4,209	40	15,932	(45,012)	15,169
Movements during the period					1,394	1,394
Balance at 31 <sup>st</sup> March 2003	40,000	4,209	40	15,932	(43,618)	16,563

(The condensed consolidated statements of changes in equity should be read in conjunction with the annual financial report for year ended 31 Dec 2002)

**BINA PURI HOLDINGS BHD**  
 (Company No. 207184-X)  
 (Incorporated in Malaysia)  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 MARCH 2003**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	RM'000
Net profit before tax	2,723
<i>Adjustments for:</i>	
Non-cash items	2,093
Non-operating items	<u>2,388</u>
Operating profit before changes in working capital	7,204
Changes in gross amount due from / to customers	8,068
Changes in inventories	40
Changes in receivables	13,589
Changes in payables	<u>(15,476)</u>
Cash flows from operating activities	13,425
Retirement benefits paid	(27)
Tax paid	<u>(950)</u>
Net cash flows from operating activities	<u>12,448</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Equity investments	-
Other investments	<u>3,071</u>
	<u>3,071</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Bank borrowings	(14,706)
Interest paid	(2,281)
Repayments of hire purchase and finance lease liabilities	<u>(1,205)</u>
	<u>(18,192)</u>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	(2,673)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<u>14,973</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>12,300</u>

(The condensed consolidated cash flow statements should be read in conjunction with the annual financial report for year ended 31 Dec 02)

## **Bina Puri Holdings Bhd**

(Company No. 207184-X)  
(Incorporated in Malaysia)

### **A : Notes to interim financial reports**

#### **A1. Accounting policies**

This consolidated interim financial statements are prepared in accordance with MASB 26: “Interim Financial Reporting” and Kuala Lumpur Stock Exchange Listing Requirements, and should be read in conjunction with the Group’s financial statements for the year ended 31 December 2002.

The financial statements of the Group have been prepared using the same accounting policies, method of computation and basis of consolidation as those used in the preparation of the most recent annual financial statements.

#### **A2. Audit qualification**

The financial statements of the Group for the year ended 31 December 2002 were not subject to any audit qualification.

#### **A3. Seasonal or cyclical factors**

The business operations of the Group are not significantly affected by seasonal or cyclical factors.

#### **A4. Exceptional items**

There were no exceptional items for the financial period under review.

#### **A5. Changes in estimates**

There were no material changes in estimates of the amounts reported in prior interim period of the current financial year or in prior financial years.

#### **A6. Issuances and repayments of debt and equity securities**

There were no issuance and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period ended 31 March 2003.

#### **A7. Dividend paid**

No dividend has been paid since the end of the previous financial year.

**A8. SEGMENTAL ANALYSIS**

(a) Primary reporting format - business segment

The Group's operations comprise the following business segments:

- (i) Construction - contractor of earthworks, building and construction
- (ii) Property development - property developer
- (iii) Polyol manufacturing - manufacturer of polyol
- (iv) Glassware manufacturing - ceased operations
- (v) Quarry and ready mix concrete - quarry operator and producer of ready mix concrete

<b>31 March 2003</b>	Construction	Property development	Polyol manufacturing	Glassware manufacturing	Quarry and ready mix concrete	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>							
External sales	72,996	387	1,089	-	12,954	-	87,426
Inter-segment sales	-	-	-	-	5,466	(5,466)	-
	-----	-----	-----	-----	-----	-----	-----
Total revenue	72,996	387	1,089	-	18,420	(5,466)	87,426
	=====	=====	=====	=====	=====	=====	=====
<b>RESULTS</b>							
Segment operating profit/(loss)	6,416	15	(335)	(508)	(570)	32	5,050
Investment income							101
Finance costs							(2,489)
Share of associated companies' profits less losses	9				52		61
							-----
Profit before taxation							2,723
							=====

<b>31 March 2002</b>	Construction	Property development	Polyol manufacturing	Glassware manufacturing	Quarry and ready mix concrete	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>							
External sales	75,728	90	517	-	9,856	-	86,191
Inter-segment sales	-	-	-	-	531	(531)	-
<b>Total revenue</b>	<u>75,728</u>	<u>90</u>	<u>517</u>	<u>-</u>	<u>10,387</u>	<u>(531)</u>	<u>86,191</u>
<b>RESULTS</b>							
Segment operating profit/(loss)	5,624	(5)	(393)	(422)	(993)	38	3,849
Investment income							50
Finance costs							(2,409)
Share of associated companies' profits less losses	23				48		71
<b>Profit before taxation</b>							<u>1,561</u>

(b) Secondary reporting – geographical segment

The Company operates mainly in Malaysia.

**A9. Valuations of property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation. The valuations of property, plant and equipment have been brought forward without any amendments from the previous annual financial statements.

**A10. Events subsequent to the end of the period**

In the opinion of the directors, there has not arisen in the interval between 1<sup>st</sup> April 2003 and the date of the announcement any item, transaction or event of a material and unusual nature likely to affect substantially the result of the Group.

**A11. Changes in the composition of the Group**

There were no changes in the composition of the Group for the current financial period ended 31 March 2003.

**A12. Changes in contingent liabilities or contingent assets**

Contingent liabilities of the Group are as follows:

	<b>23 May 03</b>	<b>31 Dec 02</b>
	<b>RM'000</b>	<b>RM'000</b>
Guarantees given in favour of supplier of goods for credit terms granted to associated company	500	500
Guarantees given on behalf of associated company's performance bonds	3,346	3,346
Guarantees given for employees' housing loans	500	500
	-----	-----
	4,346	4,346
	=====	=====

**B : Additional notes to KLSE listing requirements**

**B1. Review of performance of the company and its principal subsidiaries**

During the 1<sup>st</sup> quarter ended 31 March 2003, the construction division achieved a revenue of RM72.996 million and profit before tax of RM4.483 million as compared to the previous corresponding period of RM75.728 million and RM3.840 million respectively. Despite the decrease in revenue of RM2.732 million, the construction division achieved a marginal increase in profit before tax of RM0.643 million. The performance of the construction division remains satisfactory.

The quarry and ready mix concrete division recorded a revenue of RM18.420 million and a loss before tax of RM0.687 million as compared to the previous corresponding period of RM10.387 million and RM1.234 million respectively. The performance of the division was affected by the increase in raw material price, i.e. bitumen and diesel and also the delay in start-up of certain projects.

The polyol division recorded a revenue of RM1.089 million and incurred a loss of RM0.342 million for the period ended 31 March 2003. The increase in raw material price, i.e. MDI and the intense competition from the multinational and local competitors had adversely affected the performance of this division.

**B2. Material changes in the quarterly results as compared with the immediate preceding quarter**

For the 1<sup>st</sup> quarter under review, the Group recorded a revenue of RM87.426 million as compared to the preceding quarter of RM120.555 million, a decrease of 27.5%.

The Group recorded a profit before tax of RM2.723 million for the 1<sup>st</sup> quarter ended 31 March 2003 as compared to the preceding quarter of RM3.475 million, a decrease of 21.6%.

This was primarily because of lower billings due to festive seasons in the beginning of the year.

**B3. Prospects for the current financial year**

The prospect of Malaysia's future growth is optimistic despite a slower global economic recovery. Economic growth was strengthened by an overall positive export performance, which paves a positive path for the Group.

In a move to further fortify the team spirit, the Group will continue to concentrate on and enhance its main core businesses. Despite the tough challenges within the highly competitive marketplace, the



Group still have substantial amount of book order which are expected to provide a steady stream of revenue for the Group over the next few years.

The Group will continue to carry out critical review of its various core businesses to improve operational efficiencies especially in the areas of credit, cost control and cash flow management.

**B4. Profit forecast or profit guarantee**

- (a) **Variance of actual profit from forecast profit**  
Not applicable
- (b) **Shortfall in the profit guarantee**  
Not applicable

**B5. Taxation**

	RM'000
Malaysian taxation based on the results for the period	
- Current	1,619
- Deferred	40
	-----
	1,659
	=====

The Group's effective taxation rate for the period was high compared to the statutory rate mainly because of the inavailability of group relief for losses incurred by certain subsidiaries and certain expenses had been disallowed in arriving at the chargeable income.

**B6. Profit on sale of unquoted investments and / or properties**

There were no sales of unquoted investments and / or properties during the financial period under review.

**B7. Quoted securities**

- (a) There were no acquisitions of quoted securities for the financial period ended 31 March 2003.
- (b) There were no disposals of quoted securities for the financial period ended 31 March 2003.
- (c) Investments in quoted shares as at end of the reporting period:

	RM'000
(i) At cost	63.2
(ii) At carrying value / book value	63.2
(iii) At market value	42.3

**B8. Status of corporate proposals**

Corporate proposals announced on 29 August 2002 but not yet completed are as follows:

- a. Proposed renounceable rights issue of 40,000,000 new shares ("Rights Shares") at an indicative issue price of RM1.00 (the final price will be determined at a later date) on the basis one (1) Rights Share of every one (1) existing Share held a date to be determined by the Board of Directors of BPHB ("Proposed Rights Issue"); and
- b. Proposed employees' share option scheme of up to ten percent (10%) of the issued and paid-up share capital of the Company ("Proposed ESOS").

The proposals are not inter-conditional upon each other.

The Proposed Rights Issue and Proposed ESOS have been approved by the Securities Commission vide its letter dated 28<sup>th</sup> January 2003.

**B9. Group borrowings and debt securities**

The group borrowings as at 31 March 2003 are as follows:

	Currency	Total outstanding	Repayable within next 12 months	Repayable after next 12 months
(a) <b>Long term loan</b>				
- Secured	RM'000	9,712	9,259	453
- Unsecured	RM'000	-	-	-
Total	RM'000	9,712	9,259	453
(b) <b>Short term loan</b>				
- Secured	RM'000	55,623	55,623	-
- Unsecured	RM'000	117,722	117,722	-
Total		173,345	173,345	-
(c) <b>Total borrowings</b>	RM'000	183,057	182,604	453

**B10. Off balance sheet financial instruments**

There were no material financial instruments with off balance sheet risk during the current financial period ended 31 March 2003.

**B11. Changes in material litigation**

The Group is involved in the following litigations:

- (1) A writ action was filed against the Company in the Shah Alam High Court by Kimpoint Sdn Bhd ("Kimpoint") for a sum of RM8,773,437.50 purportedly owed under a contract. The Company has in turn filed a counter claim against Kimpoint for the return of a sum of RM1,226,562.50. Kimpoint has filed an appeal to the Judge in Chambers against the refusal of the Registrar to order summary judgement in favour of Kimpoint. This suit is scheduled to resume hearing of the aforementioned appeal. At this juncture the Company's solicitors are unable to provide an opinion as to the outcome of this suit with certainty.
- (2) On 10 July 2002, a subsidiary company, namely, Bina Puri Construction Sdn Bhd ("BPCSB") filed its defence against a suit initiated by Sribuan Jaya Sdn Bhd ("Sribuan") in the High Court for workdone in respect of the construction of a school building. Sribuan's suit is based on fraud, misrepresentation and breach of duty of care or undertaking to pay Sribuan and claims from BPCSB inter alia the sum of RM775,961.17 and general damages to be assessed by the Court.  
On 13 February 2003, Sribuan obtained the order for summons for directions and the suit in pending trial. The directors are of the opinion that BPCSB has a fairly good chance of defending this suit.
- (3) On 27 October 2000, an originating summons was filed in the Kuala Lumpur High Court by a subsidiary company, namely, Bina Puri Sdn Bhd ("BPSB") against EP Engineering Sdn Bhd ("EP") and Kris Heavy Engineering & Construction Sdn Bhd ("Kris Heavy") seeking an injunction/declaration that BPSB is not a party to arbitration proceedings commenced by EP against BPSB and Kris Heavy. In the arbitration proceedings, which have been stayed pending the disposal of the hearing of the originating summons which is fixed for continued hearing, EP claimed for RM17,002,760, general damages, interest and cost against BPSB and Kris Heavy. The directors are of the opinion that BPSB has an even chance of success.

- (4) On 26 February 1999, a subsidiary company, namely BPSB, together with a third party, namely, DPBS Holdings Sdn Bhd (collectively "the Plaintiffs") filed a writ of summons in the High Court against KKIP Sdn Bhd ("KKIP") for the payment of a sum of RM514,407.02 under a progress claim for work done. The Plaintiffs, meanwhile, stopped work due to non-payment. KKIP has in turn counter-claimed against the Plaintiffs for wrongful termination and loss and damages for defective work of an unspecified sum. This suit is currently fixed for hearing of summons for directions. The directors are of the opinion that the Plaintiffs have a fair chance of success in the suit.
- (5) EP had on 8 August 1998 issued a Notice of Arbitrate to BPSB claiming the sum of RM4,439,036.48 or such amount as may be found due by the Arbitrator, general damages, interest and costs in relation to the carrying out of Domestic Water Supply and External Fire Water works for the Kuala Lumpur International Airport Project ("the Works"). BPSB has counterclaimed against EP for the sum of RM912,093.40, general damages, interest and costs for failure to complete the Works.

The Arbitrator has issued an Interim Award on the issue of liability for the claim and counterclaim. He has dismissed the counterclaim and requested further clarification on the issue.

At this juncture, the amount of the ultimate liability under the interim award is not ascertainable, but the directors are of the view that it should not exceed the amount already recognised in the financial statements.

Save for the above, there was no material litigation that might adversely and materially affect the position of the Group.

**B12. Dividend**

The directors now declare an interim dividend of 3% less tax at 28% amounting to RM864,000 in respect of the current financial year ( 2002 : nil ).

**13. Earnings per share**

1. Basic earnings per share  
The earnings per share is calculated by dividing the Group profit for the period of RM1.394 million by the 40,000,000 ordinary share in issue during the financial period ended 31 March 2003.
2. Diluted earnings per share  
Not applicable.

**By Order of the Board**

**Toh Gaik Bee**  
Group Company Secretary

29 May 2003