

BINA PURI HOLDINGS BHD(Company No. 207184-X)
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED BALANCE SHEET – 30 SEPTEMBER 2003**

	As at financial period ended 30 Sep 2003	As at preceding financial year ended 31 Dec 2002
	RM'000 (Unaudited)	RM'000 (Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	91,583	97,936
Investment in associated companies	2,046	1,411
Other investments	1,691	1,786
Land held for development	11,009	11,009
Expressway development expenditure	10,680	9,838
	117,009	121,980
CURRENT ASSETS		
Land under development	4,698	5,465
Gross amount due from customers	49,662	42,721
Inventories	3,369	4,056
Trade and other receivables	141,082	146,402
Current tax asset	3,334	3,302
Deposits	24,828	28,745
Cash and bank balances	33,818	32,194
	260,791	262,885
CURRENT LIABILITIES		
Gross amount due to customers	19,970	17,794
Contract income received in advance	5,473	13,144
Trade and other payables	125,854	110,748
Hire purchase and finance lease liabilities	4,517	4,650
Current tax liability	7,982	4,384
Bank borrowings	146,695	190,615
	310,491	341,335
NET CURRENT LIABILITIES	(49,700)	(78,450)
	67,309	43,530
SHARE CAPITAL	40,000	40,000
RESERVES		
Share premium	4,209	4,209
Capital reserve (non-distributable)	15,932	15,932
Merger reserve (non-distributable)	40	40
Accumulated loss	(43,049)	(45,012)
	(22,868)	(24,831)
	17,132	15,169
SHARE APPLICATION MONIES	24,695	
MINORITY INTERESTS	12,090	12,429
LONG TERM BANK BORROWINGS	201	965
HIRE PURCHASE AND FINANCE LEASE LIABILITIES	3,194	4,849
DEFERRED TAX LIABILITY	3,294	3,339
DEFERRED CONTRACT REVENUE	6,027	6,027
RETIREMENT BENEFITS	676	752
	67,309	43,530
Net tangible assets per share (RM)	0.4283	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 30 SEPTEMBER 2003**

	Individual Period		Cumulative Period	
	Current Year Quarter 30 Sep 2003 RM'000	Preceding Year Corresponding Quarter 30 Sep 2002 RM'000	Current Year To Date 30 Sep 2003 RM'000	Preceding Year Corresponding Period 30 Sep 2002 RM'000
Revenue	115,436	124,921	321,489	337,895
Cost of sales	(102,561)	(109,628)	(284,274)	(292,345)
Gross profit	12,875	15,293	37,215	45,550
Other operating income	925	937	3,502	3,052
Administrative and general expenses	(9,775)	(11,525)	(26,100)	(33,765)
Profit from operations	4,025	4,705	14,617	14,837
Share of profits less losses of associated companies	302	367	398	425
Investment income	143	516	476	659
Finance costs	(2,287)	(2,287)	(7,356)	(7,874)
Profit before tax	2,183	3,301	8,135	8,047
Taxation	(1,922)	(775)	(5,648)	(2,460)
Profit after tax	261	2,526	2,487	5,587
Minority interests	(22)	(156)	340	542
Net profit for the period	239	2,370	2,827	6,129
EPS – Basic (sen)	0.60	5.93	7.07	15.32
EPS – Diluted (sen)	N/A	N/A	N/A	N/A

(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 30 SEPTEMBER 2003**

	Share Capital RM'000	Share Premium RM'000	Non-distributable Merger Reserve RM'000	Capital Reserve RM'000	Accumulated Loss RM'000	Total RM'000
30th Sep 2003						
Balance at 1 st January 2003	40,000	4,209	40	15,932	(45,012)	15,169
Net profit for the period					2,827	2,827
Dividend paid					(864)	(864)
Balance at 30 th September 2003	40,000	4,209	40	15,932	(43,049)	17,132
30th Sep 2002						
Balance at 1 st January 2002	40,000	4,209	40	15,932	(51,412)	8,769
Net profit for the period					6,129	6,129
Balance at 30 th September 2002	40,000	4,209	40	15,932	(45,283)	14,898

(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 30 SEPTEMBER 2003**

	Current Year To Date 30 Sep 2003 RM'000	Preceding Year Corresponding Period 30 Sep 2002 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax	8,135	8,047
<i>Adjustments for:</i>		
Non-cash items	6,587	17,862
Non-operating items	6,944	9,291
Operating profit before changes in working capital	21,666	35,200
Changes in gross amount due from / to customers	671	(18,583)
Changes in inventories	687	(1,173)
Changes in receivables	5,365	38,226
Changes in payables	7,011	(8,655)
Cash flows from operating activities	35,400	45,015
Retirement benefits paid	(64)	-
Tax paid	(2,063)	(4,020)
Net cash flows from operating activities	33,273	40,995
CASH FLOWS FROM INVESTING ACTIVITIES		
Equity investments	(553)	(352)
Other investments	2,818	(7,689)
	2,265	(8,041)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	(46,758)	(8,147)
Interest paid	(9,313)	(11,947)
Share application monies	24,695	-
Dividend paid	(864)	-
Repayments of hire purchase and finance lease liabilities	(3,745)	(3,898)
	(35,985)	(23,992)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(447)	8,962
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	14,973	(27,597)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	14,526	(18,635)

(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 30 September 2003.

A7. Dividend paid

An interim dividend of 3% less tax at 28% amounting to RM864,000 in respect of the financial year ending 31 Dec 2003 has been declared and paid on 18 July 2003.

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 road 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

30 September 2003	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
REVENUE							
External sales	268,555	1,868	3,636	-	47,430	-	321,489
Inter-segment sales	-	-	-	-	22,901	(22,901)	-
	-----	-----	-----	-----	-----	-----	-----
Total revenue	268,555	1,868	3,636	-	70,331	(22,901)	321,489
	=====	=====	=====	=====	=====	=====	=====
RESULTS							
Segment operating profit/(loss)	17,362	83	(721)	(1,699)	(672)	264	14,617
Investment income							476
Finance costs							(7,356)
Share of associated companies' profits							
less losses	16				382		398

Profit before taxation							8,135
							=====

30 September 2002	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
REVENUE							
External sales	297,508	328	2,707	-	37,352	-	337,895
Inter-segment sales	758	-	-	-	6,900	(7,658)	-
	-----	-----	-----	-----	-----	-----	-----
Total revenue	298,266	328	2,707	-	44,252	(7,658)	337,895
	=====	=====	=====	=====	=====	=====	=====
RESULTS							
Segment operating profit/(loss)	18,091	(33)	(802)	(1,506)	(1,519)	606	14,837
Investment income							659
Finance costs							(7,874)
Share of associated companies' profits less losses	57				368		425

Profit before taxation							8,047
							=====

(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 1st October 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 under review, except for acquisition of 300,000 ordinary shares of RM1.00 each representing 40% equity participation in Rock Processors (Melaka) Sdn Bhd by Sungai Long Industries Sdn Bhd.

A12. Changes in contingent liabilities or contingent assets

The changes in contingent liabilities since 31 Dec 2002 were as follows:

	31 Dec 02	Changes	13 Nov 03
	RM'000	RM'000	RM'000
Guarantees given on behalf of associated company's performance bonds	3,346	-	3,346
Guarantees given to secure hire purchase credit facility of associated companies	-	922	922
Hire purchase facilities utilized by associated companies	-	873	873
Guarantees given for employees' housing loans	500		500
Guarantees given in favour of supplier of goods for credit terms granted to associated company	500	(500)	-
	-----	-----	-----
	4,346	1,295	5,641
	=====	=====	=====

B : Additional notes to KLSE listing requirements

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

During the period ended 30 September 2003, the construction division achieved a revenue of RM268.555 million and profit before tax of RM12.038million as compared to the previous corresponding period of RM298.266 million and RM12.613 million respectively. This was primarily due to the delay in start-up of certain projects.

The quarry and ready mix concrete division recorded a revenue of RM70.331 million and a loss before tax of RM0.826 million as compared to the previous corresponding period of RM44.252 million and RM1.625 million respectively. The decrease in losses of this division was mainly due to profit contribution from Sungai Long Bricks Sdn Bhd of RM0.6 million for the current period as compared to RM59,000 in the previous corresponding period. The performance of the division was affected by the increase in raw material price, i.e. bitumen and diesel.

The polyol division recorded a revenue of RM3.636 million and incurred a loss of RM0.763million for the period ended 30 September 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 3rd quarter under review, the Group recorded a revenue of RM115.436 million as compared to the preceding quarter of RM118.627 million, a decrease of 2.69%.
 The Group recorded a profit before tax of RM2.183 million for the 3rd quarter ended 30 September 2003 as compared to the preceding quarter of RM3.229 million, a decrease of 32.4%.
 This was primarily due to the delay in start-up of certain projects and completion of certain projects during the quarter ended 30 September 2003.

B3. Prospects for the current financial year
 The Group will continue to concentrate on and enhance its main core businesses. Despite the tough challenges within the highly competitive industry, 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

	Current Year Quarter 30 Sept 2003 RM'000	Current Year To Date 30 Sept 2003 RM'000
Malaysian taxation based on the results for the period		
- Current	1,692	5,630
- Deferred	175	(45)
	-----	-----
	1,867	5,585
Group's share of taxation of associated companies	55	63
	-----	-----
	1,922	5,648
	=====	=====

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 properties except for the disposal of unquoted shares which provided sale proceeds of RM550,000, and was equivalent to the cost and carrying amount of the unquoted investments. This resulted in no profit or loss recognised on the disposal.

B7. Quoted securities
 (a) Total purchases and disposals of quoted securities for the period under review were as follows:-

	Current Year Quarter 30 Sep 2003 RM'000	Current Year To Date 30 Sep2003 RM'000
Purchase consideration	-	306
Sale proceeds	215	215
Profit or loss on disposal	62	62

(b) Total investments in quoted securities as at 30 September 2003 were as follows:

	As at 30 Sep 2003 RM'000
(i) At cost	216.2
(ii) At carrying value / book value	216.2
(iii) At market value	292.7

B8. Status of corporate proposals

- (i) The Company has completed its renounceable rights issue of 40,000,000 new ordinary shares of RM1.00 each (“Share”) (“Rights Shares”) at an issue price of RM1.00 per Rights Share on the basis one (1) Rights Share of every one (1) existing Share held in Bina Puri as at 25 August 2003 (“Rights Share”). The Rights Shares have been listed on the Kuala Lumpur Stock Exchange on 20 October 2003.

The employees’ share option scheme (“ESOS”) was approved by the Securities Commission on 28 January 2003 and the shareholders vide its Extraordinary General Meeting held on 30 June 2003. The ESOS has yet to be implemented.

The Rights Issue and ESOS are not inter-conditional upon each other.

- (ii) The utilization of proceeds from rights issue as at 13 November 2003 are as follows:

	Proposed RM'000	Utilized RM'000
Repayment of bank borrowings	31,200	31,200
Working capital	7,800	7,800
Proposal expenses	1,000	594
	----- 40,000 -----	----- 39,594 -----

B9. Group borrowings and debt securities

The group borrowings as at 30 September 2003 are as follows:

	Total outstanding RM'000	Repayable within next 12 months RM'000	Repayable after next 12 months RM'000
(a) Long term loan			
- Secured	9,239	9,038	201
- Unsecured	-	-	-
Total	----- 9,239 -----	----- 9,038 -----	----- 201 -----
(b) Short term loan			
- Secured	29,577	29,577	-
- Unsecured	108,080	108,080	-
Total	----- 137,657 -----	----- 137,657 -----	----- - -----
(c) Total borrowings	----- 146,896 =====	----- 146,695 =====	----- 201 =====

All of the above borrowings are denominated in Ringgit Malaysia.

B10. Off balance sheet financial instruments

There were no material financial instruments with off balance sheet risk during the current financial period ended 30 September 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. Kimpoint’s appeal to the judge in chambers on its summary judgement was part heard on 21 November 2002 and the continued hearing date is yet to be fixed by the court.
- (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 work done in respect of the construction of a school building. Sribuan’s suit based on fraud, misrepresentation and breach of duty of care or undertaking to pay Sribuan. Their claim is for 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 is currently pending trial. The directors are advised 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. On 28 October 2003 the judge direct the parties to prepare for oral submission which is fixed on 17 November 2003. The directors are advised 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 order for summons for direction was obtained on 7 October 2002. Currently parties are in the process of exchanging documents and are awaiting a trial date to be fixed by the court. The directors are advised that the Plaintiffs have a fair chance of success in the suit.
- (5) EP had on 8 August 1998 issued a Notice of Arbitration 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 counter claimed 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. Pursuant to exchange of submission, further dispute arises and the arbitrator directed the parties to make further submission to resolve the disputed matters arising out of the submissions made on 20th June 2003 and 4th. August, 2003. On 17th. November, 2003, upon request of both parties the Arbitrator agreed to suspend the proceedings until 10th. December, 2003.

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

For the financial year ending 31 Dec 2003, an interim dividend of 3% less tax at 28% amounting to RM864,000 has been declared and paid on 18 July 2003 (2002 : nil).

B13. Earnings per share

1. Basic earnings per share
The earnings per share is calculated by dividing the Group profit for the period of RM2827 million by the 40,000,000 ordinary share in issue during the financial period ended 30 September 2003.
2. Diluted earnings per share
Not applicable.

By Order of the Board

Toh Gaik Bee
Group Company Secretary

20 November 2003