

**BINA PURI HOLDINGS BHD**(Company No. 207184-X)  
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED BALANCE SHEET – 31 MARCH 2004**

	As at financial period ended 31 March 2004	As at preceding financial year ended 31 Dec 2003
	RM'000 (Unaudited)	RM'000 (Audited)
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	87,770	88,375
Investment in associated companies	2,162	1,916
Other investments	2,216	1,889
Land held for development	10,540	11,019
Expressway development expenditure	12,590	10,982
	115,278	114,181
<b>CURRENT ASSETS</b>		
Land under development	1,390	-
Gross amount due from customers	42,794	38,271
Inventories	7,441	7,612
Trade and other receivables	131,150	124,548
Current tax asset	2,945	2,862
Deposits	14,756	25,754
Cash and bank balances	11,876	44,586
	212,352	243,633
<b>CURRENT LIABILITIES</b>		
Gross amount due to customers	29,078	23,507
Contract income received in advance	2,104	3,919
Trade and other payables	114,957	126,745
Hire purchase and finance lease liabilities	3,858	3,985
Current tax liability	6,135	6,666
Bank borrowings	89,901	111,705
	246,033	276,527
<b>NET CURRENT LIABILITIES</b>	(33,681)	(32,894)
	81,597	81,287
<b>SHARE CAPITAL</b>	80,090	80,000
<b>RESERVES</b>		
Share premium	3,288	3,288
Capital reserve (non-distributable)	15,932	15,932
Merger reserve (non-distributable)	40	40
Accumulated loss	(40,951)	(41,768)
	(21,691)	(22,508)
	58,399	57,492
<b>MINORITY INTERESTS</b>	12,472	12,400
<b>HIRE PURCHASE AND FINANCE LEASE LIABILITIES</b>	1,738	2,360
<b>DEFERRED TAX LIABILITY</b>	2,961	3,008
<b>DEFERRED CONTRACT REVENUE</b>	6,027	6,027
	81,597	81,287
<b>Net tangible assets per share (RM)</b>	0.7292	0.7187

(The condensed consolidated balance sheet should be read in conjunction with the annual financial report for year ended 31 Dec 2003)

**BINA PURI HOLDINGS BHD**

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

**CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR PERIOD ENDED 31 MARCH 2004**

	Current Quarter 31 March 2004 RM'000	Corresponding Quarter 31 March 2003 RM'000
Revenue	108,729	87,426
Cost of sales	<u>(97,456)</u>	<u>(75,999)</u>
Gross profit	11,273	11,427
Other operating income	1,014	1,469
Administrative and general expenses	<u>(8,768)</u>	<u>(7,846)</u>
Profit from operations	3,519	5,050
Share of profits less losses of associated companies	149	61
Investment income	199	101
Finance costs	<u>(1,795)</u>	<u>(2,489)</u>
Profit before tax	2,072	2,723
Taxation	<u>(1,184)</u>	<u>(1,659)</u>
Profit after tax	888	1,064
Minority interests	<u>(71)</u>	<u>330</u>
Net profit for the period	<u>817</u>	<u>1,394</u>
EPS – Basic (sen)	<u>1.02</u>	<u>3.49</u>
EPS – Diluted (sen)	<u>1.01</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 2003)

**BINA PURI HOLDINGS BHD**

(Company No. 207184-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2004**

	Share Capital	Share Premium	Non-distributable Merger Reserve	Capital Reserve	Accumulated Loss	Total
<b>31 March 2004</b>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 Jan 2004	80,000	3,288	40	15,932	(41,768)	57,492
Net profit for the year					817	817
Issue of shares from exercise of share options	90					90
Balance at 31 March 2004	80,090	3,288	40	15,932	(40,951)	58,399
<b>31 March 2003</b>						
Balance at 1 Jan 2003	40,000	4,209	40	15,932	(45,012)	15,169
Net profit for the year					1,394	1,394
Balance at 31 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 2003)

**BINA PURI HOLDINGS BHD**

(Company No. 207184-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31 MARCH 2004**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Current Quarter 31 March 2004 RM'000</b>	<b>Corresponding Quarter 31 March 2003 RM'000</b>
Net profit before tax	2,072	2,723
<i>Adjustments for:</i>		
Non-cash items	3,361	2,093
Non-operating items	1,624	2,388
Operating profit before changes in working capital	<u>7,057</u>	<u>7,204</u>
Changes in gross amount due from / to customers	720	8,068
Changes in inventories	173	40
Changes in receivables	(8,029)	13,589
Changes in payables	(13,640)	(15,503)
Cash flows from operating activities	<u>(13,719)</u>	<u>13,398</u>
Tax paid	(1,843)	(950)
Net cash flows from operating activities	<u>(15,562)</u>	<u>12,448</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Equity investments	(467)	-
Other investments	8,239	3,071
	<u>7,772</u>	<u>3,071</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank borrowings	(23,419)	(14,706)
Interest paid	(2,102)	(2,281)
Issuance of shares	90	-
Repayments of hire purchase and finance lease liabilities	(1,106)	(1,205)
	<u>(26,537)</u>	<u>(18,192)</u>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<u>(34,327)</u>	<u>(2,673)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	28,346	9,954
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>(5,981)</u>	<u>7,281</u>

(The condensed consolidated cash flow statements should be read in conjunction with the annual financial report for year ended 31 Dec 03)

## **Bina Puri Holdings Bhd**

(Company No. 207184-X)

(Incorporated in Malaysia)

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

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

These consolidated interim financial statements are prepared in accordance with MASB 26: “Interim Financial Reporting” and Bursa Malaysia Securities Berhad Listing Requirements, and should be read in conjunction with the Group’s financial statements for the year ended 31 December 2003.

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 2003 contain audit qualifications, which are summarized as follows:

- (i) The auditors were unable to ascertain the recoverability of trade receivables totaling RM4,384,000 and non-trade receivables totaling RM950,000 included as part of “Receivables, deposits and prepayments” on the consolidated balance sheet.

Of the amount of the trade receivables qualified by the auditors, the Group has provided RM1,000,000 as doubtful debts in the consolidated financial statements for the 1<sup>st</sup> quarter ended 31 March 2004. Barring unforeseen circumstances, the Directors are of the opinion that the remaining trade receivables are recoverable.

- (ii) The auditors were unable to reasonably estimate the outcome of projects that have been deferred and the recoverability of the costs incurred as follows: -
  - a) The cost incurred on the construction contract totaling RM7,354,000 included as part of “Gross amount due from customers” on the consolidated balance sheet
  - b) The cost incurred on a highway concession totaling RM3,263,000 included as part of “Expressway development expenditure” on the consolidated balance sheet

- c) The carrying value totaling RM15,487,000 of a piece of leasehold land alienated by a state government to a subsidiary pursuant to a privatization and development agreement included as part of “Property, plant and equipment” on the consolidated balance sheet

Barring unforeseen circumstances, the Directors are of the opinion that the cost incurred on the construction contract and highway concession of RM10,617,000 and the carrying amount of the leasehold land of RM15,487,000 are recoverable upon commencement of the projects.

**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 was no material changes in estimates of the amounts reported in prior interim period of the current financial period or in prior financial years.

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

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current financial period except for the issuance of 90,700 new ordinary shares of RM1 each, pursuant to the exercise of the Employees’ Share Option Scheme.

**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 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

<b>31 March 2004</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	86,574	271	1,691	-	20,193	-	108,729
Inter-segment sales	-	-	-	-	1,974	(1,974)	-
	-----	-----	-----	-----	-----	-----	-----
Total revenue	86,574	271	1,691	-	22,167	(1,974)	108,729
	=====	=====	=====	=====	=====	=====	=====
<b>RESULTS</b>							
Segment operating profit/(loss)	3,809	29	(119)	(389)	259	(70)	3,519
Investment income							199
Finance costs							(1,795)
Share of associated companies' profits less losses							149
							-----
Profit before taxation							2,072
							=====

**31 March 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
<b>REVENUE</b>							
External sales	72,996	387	1,089	-	12,954	-	87,426
Inter-segment sales	-	-	-	-	5,466	(5,466)	-
<b>Total revenue</b>	<b>72,996</b>	<b>387</b>	<b>1,089</b>	<b>-</b>	<b>18,420</b>	<b>(5,466)</b>	<b>87,426</b>
<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							61
<b>Profit before taxation</b>							<b>2,723</b>

(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 2004 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 2004.

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

The changes in contingent liabilities since 31 Dec 2003 were as follows:

	<b>31 Dec 03</b>	<b>Changes</b>	<b>18 May 04</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
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	884	(162)	722
Hire purchase facilities utilized by associated companies	270	(103)	167
Guarantees given in favour of the Government of Malaysia for financial assistance under the Industry Research and Development Grant Scheme to a subsidiary company	1,003		1,003
Guarantees given for employees' housing loans	500		500
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	6,003	(265)	5,738
	=====	=====	=====

## **B : Additional notes to MSEB listing requirements**

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

During the 1<sup>st</sup> quarter ended 31 March 2004, the Group achieved a revenue of RM108.729 million and profit before tax of RM2.072 million as compared to the previous corresponding period of RM87.426 million and RM2.723 million respectively.

The construction division achieved a revenue of RM86.574 million and profit before tax of RM2.432 million as compared to the previous corresponding period of RM72.996 million and RM4.483 million respectively. Despite the increase in revenue of RM13.578 million, the construction division recorded a lower profit. This was mainly due to allowance for doubtful debts of RM1 million. Lower profit margin generated from certain projects also affected the performance of the division.

The quarry and ready mix concrete division recorded a revenue of RM22.167 million and profit before tax of RM0.329 million as compared to the previous corresponding period of RM18.420 million and loss before tax of RM0.687 million respectively. The improved performance for this division was mainly due to profit contribution from the associated company namely, SLM Gabungan Sdn Bhd of RM0.215 million. In addition, the reactivation of the quarry operation of KM Quarry Sdn Bhd also contributed to the better performance of this division.

The polyol division recorded a revenue of RM1.691million and incurred a loss of RM0.128 million for the 1<sup>st</sup> quarter ended 31 March 2004 as compared to the previous corresponding period of RM1.089 million and RM0.342 million loss respectively. The results would be better if not for the increase in raw material price, ie; MDI.

### **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 RM108.729 million as compared to the preceding quarter of RM110.075 million, a marginal decrease of 1.2%  
The Group recorded a profit before tax of RM2.072 million for the 1<sup>st</sup> quarter ended 31 March 2004 as compared to the preceding quarter of RM2.149 million, a marginal decrease of 3.6%.

### **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 31 March 2004 RM'000
Malaysian taxation based on the results for the period	
- Current	1,229
- Deferred	(48)
	-----
	1,181
	-----
Group's share of taxation of associated companies	3
	-----
	1,184
	=====

The Group's effective taxation rate for the year 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 2004
- (b) Total investments in quoted securities as at 31 March were as follows:

	As at 31 March 2004 RM'000
(i) At cost	216.2
(ii) At carrying value / book value	216.2
(iii) At market value	223.0

**B8. Status of corporate proposals**

There were no pending corporate proposals.

**B9. Group borrowings and debt securities**

The group borrowings as at 31 March 2004 are as follows:

	<b>Total outstanding</b>	<b>Repayable within next 12 months</b>	<b>Repayable after next 12 months</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(a) <b>Long term loan</b>			
- Secured	6,942	6,942	-
- Unsecured	-	-	-
	-----	-----	-----
Total	6,942	6,942	-
	-----	-----	-----
(b) <b>Short term loan</b>			
- Secured	13,395	13,395	-
- Unsecured	69,564	69,564	-
	-----	-----	-----
Total	82,959	82,959	-
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(c) <b>Total borrowings</b>	89,901	89,901	-
	=====	=====	=====

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 31 March 2004.

**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 against the said decision is fixed for rehearing on 30 September 2004. 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 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. On 9 December 2003, the court dismissed BPSB’s application for the declaration with cost. BPSB’s solicitors filed a notice of appeal to the court of appeal. 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 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. Currently the 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 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 the request of both parties the Arbitrator agreed to suspend the proceedings and currently the matter is pending amicable settlement.

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.

- (6) Selesa Timur Sdn Bhd (“Plaintiff”) brought an action against BPCSB for the sum of RM351,147.66 for non payment of contract claims. BPCSB has in turn filed a counter claim against the Plaintiff and have served further and better particulars to the Plaintiff. The case is pending Plaintiff’s reply to defence and defence to BPCSB’s counterclaim. At this juncture, BPCSB’s solicitors are unable to provide an opinion as to the outcome of this suit with certainty.

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

**B12. Dividend**

No dividend has been declared for this financial quarter.

**B13. Earnings per share**

	Current Quarter 31 March 04	Corresponding Quarter 31 March 03
<i>(a) Basic earnings per share</i>		
Net profit for the year (RM’000)	817	1,394
Weighted average number of ordinary shares in issue (’000)	80,003	40,000
Basic earnings per share (sen)	1.02	3.49
<i>(b) Diluted earnings per share</i>		
Net profit for the year (RM’000)	817	N/A
Weighted average number of ordinary shares in issue (’000)	80,003	N/A
Adjustment for share option (’000)	329	N/A
Weighted average number of ordinary shares for diluted earnings per share (’000)	80,332	N/A
Diluted earnings per share (sen)	1.01	N/A

**By Order of the Board**

**Toh Gaik Bee**  
**Group Company Secretary**

**25 May 2004**