

BINA PURI HOLDINGS BHD

(Company No. 207184-X)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET – 31 MARCH 2005

	As at financial period ended 31 March 2005	As at preceding financial year ended 31 Dec 2004
	RM'000 (Unaudited)	RM'000 (Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	75,483	75,355
Investment in associated companies	2,427	2,431
Other investments	2,134	2,129
Land held for development	20,807	20,807
Expressway development expenditure	16,958	14,577
	<u>117,809</u>	<u>115,299</u>
CURRENT ASSETS		
Property development costs	4,622	4,841
Gross amount due from customers	52,224	49,438
Inventories	7,052	7,422
Trade and other receivables	141,262	136,334
Current tax asset	3,221	3,374
Deposits	14,011	17,042
Cash and bank balances	6,853	21,834
	<u>229,245</u>	<u>240,285</u>
CURRENT LIABILITIES		
Gross amount due to customers	9,335	15,506
Trade and other payables	125,181	136,362
Hire purchase and finance lease liabilities	2,567	2,792
Current tax liability	5,590	5,146
Bank borrowings	99,591	99,183
	<u>242,264</u>	<u>258,989</u>
NET CURRENT LIABILITIES	<u>(13,019)</u>	<u>(18,704)</u>
	<u>104,790</u>	<u>96,595</u>
SHARE CAPITAL	80,841	80,727
RESERVES		
Share premium	3,288	3,288
Capital reserve (non-distributable)	15,932	15,932
Merger reserve (non-distributable)	40	40
Accumulated loss	(35,779)	(37,031)
	<u>(16,519)</u>	<u>(17,771)</u>
	64,322	62,956
MINORITY INTERESTS	11,797	12,002
LONG TERM AND DEFERRED LIABILITIES		
Hire purchase and finance lease liabilities	1,983	1,954
Bank loans	24,430	17,251
Deferred tax liabilities	2,258	2,432
	<u>28,671</u>	<u>21,637</u>
	<u>104,790</u>	<u>96,595</u>
Net tangible assets per share (RM)	0.7957	0.7799

(The condensed consolidated balance sheet should be read in conjunction with the annual financial report for year ended 31 Dec 2004)

BINA PURI HOLDINGS BHD

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(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR PERIOD ENDED 31 MARCH 2005**

	Current Quarter 31 March 2005 RM'000	Corresponding Quarter 31 March 2004 RM'000
Revenue	88,938	108,729
Cost of sales	<u>(80,119)</u>	<u>(97,456)</u>
Gross profit	8,819	11,273
Other operating income	1,128	1,014
Administrative and general expenses	<u>(6,146)</u>	<u>(8,768)</u>
Profit from operations	3,801	3,519
Share of profits less losses of associated companies	10	149
Investment income	16	199
Finance costs	<u>(1,667)</u>	<u>(1,795)</u>
Profit before tax	2,160	2,072
Taxation	<u>(788)</u>	<u>(1,184)</u>
Profit after tax	1,372	888
Minority interests	<u>(120)</u>	<u>(71)</u>
Net profit for the period	<u>1,252</u>	<u>817</u>
EPS – Basic (sen)	1.55	1.02
EPS – Diluted (sen)	1.54	1.01

(The condensed consolidated income statements should be read in conjunction with the annual financial report for year ended 31 Dec 2004)

BINA PURI HOLDINGS BHD

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2005**

	Share Capital	Share Premium	----Non-distributable---- Merger Reserve	Capital Reserve	Unappropriated Profit/ (Accumulated Loss)	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 March 2005						
Balance at 1 Jan 2005	80,727	3,288	40	15,932	(37,031)	62,956
Net profit for the year					1,252	1,252
Issue of shares from exercise of share options	114					114
Balance at 31 March 2005	80,841	3,288	40	15,932	(35,779)	64,322
31 March 2004						
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

(The condensed consolidated statements of changes in equity should be read in conjunction with the annual financial report for year ended 31 Dec 2004)

BINA PURI HOLDINGS BHD

(Company No. 207184-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2005**

	Current year To date 31 March 2005 RM'000	Preceding year corresponding period 31 March 2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax	2,160	2,072
<i>Adjustments for:</i>		
Non-cash items	1,779	3,361
Non-operating items	1,655	1,624
Operating profit before changes in working capital	5,594	7,057
Changes in gross amount due from / to customers	(8,737)	720
Changes in inventories	370	173
Changes in receivables	(5,049)	(8,029)
Changes in payables	(11,421)	(13,640)
Cash flows from operating activities	(19,243)	(13,719)
Development expenditure	(2,381)	-
Tax paid	(352)	(1,843)
Net cash flows from operating activities	(21,976)	(15,562)
CASH FLOWS FROM INVESTING ACTIVITIES		
Equity investments	824	(467)
Other investments	(2,931)	8,239
	(2,107)	7,772
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	773	(23,419)
Interest paid	(1,460)	(2,102)
Issuance of shares	114	90
Dividend paid to minority interests	(325)	-
Repayments of hire purchase and finance lease liabilities	(814)	(1,106)
	(1,712)	(26,537)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(25,795)	(34,327)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	3,527	28,346
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(22,268)	(5,981)

(The condensed consolidated cash flow statements should be read in conjunction with the annual financial report for year ended 31 Dec 04)

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 FRS 134: “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 2004.

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 2004 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 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 113,800 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 period.

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) Quarry and ready mix concrete - quarry operator and producer of ready mix concrete
- (v) Glassware manufacturing – ceased operation

31 March 2005	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	69,323	4,742	4,277	-	10,596	-	88,938
Inter-segment sales	96	-	89	-	5,067	(5,252)	-
	-----	-----	-----	-----	-----	-----	-----
Total revenue	69,419	4,742	4,366	-	15,663	(5,252)	88,938
	=====	=====	=====	=====	=====	=====	=====
RESULTS							
Segment operating profit/(loss)	3,174	258	266	(339)	442	-	3,801
Investment income							16
Finance costs							(1,667)
Share of associated companies' profits less losses							10

Profit before taxation							2,160
							=====

31 March 2004	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	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
	=====	=====	=====	=====	=====	=====	=====
RESULTS							
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
							=====

(b) Secondary reporting – geographical segment

No secondary reporting geographical segment is presented as the Group 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 April 2005 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 2005 except for the acquisition of 100% equity interest in Darjat Juara Sdn Bhd at a cash consideration of RM2.

A12. Changes in contingent liabilities or contingent assets

The changes in contingent liabilities since 31 December 2004 were as follows:

	31 Dec 04	Changes	18 May 05
	RM'000	RM'000	RM'000
Guarantees given to secure hire purchase credit facility of associated companies	397	(90)	307
Guarantees given to an associated company to purchase shoplot	99	141	240
Guarantees given in favour of the Government of Malaysia for financial assistance under the Industry Research and Development Grant Scheme to a subsidiary company	219	186	405
Guarantees given for employees' housing loans	37	-	37
	-----	-----	-----
	752	237	989
	=====	=====	=====

B : Additional notes to Bursa Malaysia Securities Berhad listing requirements

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

For the financial period ended 31 March 2005, the Group achieved a revenue of RM88.938 million and profit before tax of RM2.160 million as compared to the previous corresponding period of RM108.729 million and RM2.072 million respectively.

The construction division achieved a revenue of RM69.419 million and profit before tax of RM1.707 million as compared to the previous corresponding period of RM86.574 million and RM2.432 million respectively. The decrease in profit was mainly due to delay in start-up of certain projects.

The quarry and ready mix concrete division recorded a revenue of RM15.663 million and profit before tax of RM0.308 million as compared to the previous corresponding period of RM22.167 million and RM0.329 million respectively.

The polyol division achieved a revenue of RM4.366 million and profit before tax of RM0.255 million as compared to the previous corresponding period of RM1.691 million and loss before tax of RM0.128 million respectively. The performance of this division had improved significantly as compared to the previous corresponding period. The results would be better if not for the increase in its main raw material price.

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

For the 1st quarter under review, the Group recorded a revenue of RM88.938 million as compared to the preceding quarter of RM123.442 million, a decrease of 27.9%. This was primarily because of lower billings due to festive seasons in the beginning of the year.

The Group recorded a profit before tax of RM2.160 million for the 1st quarter ended 31 March 2005 as compared to the preceding quarter of RM2.107 million, an increase of 2.5%.

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 has successfully secured several new projects. The current value of contract work in progress is approximately RM600 million, which is 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

	31 March 2005 RM'000	31 March 2004 RM'000
Malaysian taxation based on the results for the period		
- Current	912	1,229
- Deferred	(174)	(48)
	-----	-----
	738	1,181
Underestimation of tax in prior years	36	-
	-----	-----
	774	1,181
Group's share of taxation of associated companies	14	3
	-----	-----
	788	1,184
	-----	-----

The Group's effective taxation rate for the period was high compared to the statutory rate mainly because of the inavailability of the group relief for losses incurred by certain subsidiaries and certain expenses had been disallowed in arriving at the taxable 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 2005
- (b) Total investments in quoted securities as at 31 March 2005 were as follows:

	RM'000
(i) At cost	216.2
(ii) At carrying value / book value	216.2
(iii) At market value	127.1

B8. Status of corporate proposals

There were no pending corporate proposals.

B9. Group borrowings and debt securities

The group borrowings as at 31 March 2005 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	4,560	1,144	3,416
- Unsecured	-	-	-
	-----	-----	-----
Total	4,560	1,144	3,416
	-----	-----	-----
(b) Short term loan			
- Secured	44,771	23,757	21,014
- Unsecured	74,690	74,690	-
	-----	-----	-----
Total	119,461	98,447	21,014
	-----	-----	-----
(c) Total borrowings	124,021	99,591	24,430
	=====	=====	=====

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 2005.

B11. Changes in material litigation

The Group is involved in the following litigations:

- (1) A writ action was filed on 17 September, 1999 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. On 30 September 2004, the Judge in Chambers dismissed Kimpoint's appeal against the refusal of the Registrar to order summary judgement in favour of Kimpoint. The case is due for pre-trial case management. 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, 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 claim is for the sum of RM775,961.17 and general damages to be assessed by the Court. On 19 April, 2004 a pre-trial case management was held and the trial date fixed on 30 August, 2006. The directors are advised that BPCSB has a fairly good chance of defending this suit.
- (3) On 9 December 2003, the court dismissed, Bina Puri Sdn Bhd ("BPSB") application for a declaration that BPSB is not a party to arbitration proceedings commenced by EP Engineering Sdn Bhd ("EP") against BPSB and Kris Heavy. The appeal is pending hearing date to be fixed by the court. On 28 February, 2005, the arbitration

proceeding was proceeded upon by EP for the sum of RM17,002,760, general damages, interest and cost against BPSB and Kris Heavy. The proceeding continues from 3 October 2005 to 14 October 2005, 14 November, 2005 to 18 November, 2005 and from 28 November to 2 December, 2005. 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 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. Trial date fixed by the court on 10 December, 2007. The directors are advised that the Plaintiffs have a fair chance of success in the suit.
- (5) 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 of RM94,569 against the Plaintiff. The case is pending service of notice to attend pre-trial case management. 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

	31 March 2005	31 March 2004
<i>a Basic earnings per share</i>		
Net profit for the year (RM'000)	1,252	817
Weighted average number of ordinary shares in issue ('000)	80,773	80,003
Basic earnings per share (sen)	1.55	1.02
<i>Diluted earnings per share</i>		
Net profit for the year (RM'000)	1,252	817
Weighted average number of ordinary shares in issue ('000)	80,773	80,003
Adjustment for share option ('000)	483	329
Weighted average number of ordinary shares for diluted earnings per share ('000)	81,256	80,332
Diluted earnings per share (sen)	1.54	1.01

By Order of the Board

Toh Gaik Bee
Group Company Secretary

26th May 2005