

BINA PURI HOLDINGS BHD

(Company No. 207184-X)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET – 30 JUNE 2005

	As at financial period ended 30 June 2005	As at preceding financial year ended 31 Dec 2004
	RM'000 (Unaudited)	RM'000 (Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	72,367	75,355
Associated companies	1,941	2,431
Other investments	2,135	2,129
Land held for property development	20,807	20,807
Expressway development expenditure	17,880	14,577
	115,130	115,299
CURRENT ASSETS		
Property development costs	4,326	4,841
Gross amount due from customers	54,668	49,438
Inventories	7,005	7,422
Trade and other receivables	184,941	136,334
Tax recoverable	3,015	3,374
Fixed and time deposits	15,639	17,042
Cash and bank balances	10,157	21,834
	279,751	240,285
CURRENT LIABILITIES		
Gross amount due to customers	7,737	15,506
Trade and other payables	133,346	136,362
Hire purchase liabilities	2,189	2,792
Tax payable	5,846	5,146
Bank borrowings	104,328	99,183
	253,446	258,989
NET CURRENT ASSETS/(LIABILITIES)	26,305	(18,704)
	141,435	96,595
SHARE CAPITAL	80,922	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	(34,483)	(37,031)
	(15,223)	(17,771)
	65,699	62,956
MINORITY INTERESTS	11,934	12,002
LONG TERM AND DEFERRED LIABILITIES		
Hire purchase and finance lease liabilities	1,729	1,954
Bank term loans	60,777	17,251
Deferred tax liabilities	1,296	2,432
	63,802	21,637
	141,435	96,595
Net tangible assets per share (RM)	0.8119	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

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

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR PERIOD ENDED 30 JUNE 2005**

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30 June 2005 RM'000	30 June 2004 RM'000	30 June 2005 RM'000	30 June 2004 RM'000
Revenue	107,407	79,508	196,345	188,237
Cost of sales	(97,816)	(71,114)	(177,935)	(168,570)
Gross profit	9,591	8,394	18,410	19,667
Other operating income	1,233	2,597	2,361	3,611
Administrative and general expenses	(6,240)	(8,694)	(12,386)	(17,462)
Profit from operations	4,584	2,297	8,385	5,816
Share of profits less losses of associated companies	(383)	(22)	(373)	127
Investment income	12	(46)	28	153
Finance costs	(1,819)	(1,378)	(3,486)	(3,173)
Profit before tax	2,394	851	4,554	2,923
Taxation	(861)	(286)	(1,649)	(1,470)
Profit after tax	1,533	565	2,905	1,453
Minority interests	(237)	286	(357)	215
Net profit for the period	1,296	851	2,548	1,668
EPS – Basic (sen)	1.60	1.06	3.15	2.08
EPS – Diluted (sen)	1.60	1.04	3.14	2.06

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

BINA PURI HOLDINGS BHD

(Company No. 207184-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2005**

	Share Capital	Share Premium	---Non-distributable---		Unappropriated Profit/ (Accumulated Loss)	Total
			Merger Reserve	Capital Reserve		
30 JUNE 2005	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 Jan 2005	80,727	3,288	40	15,932	(37,031)	62,956
Net profit for the period					2,548	2,548
Issue of shares from exercise of share options	195					195
Balance at 30 June 2005	80,922	3,288	40	15,932	(34,483)	65,699
	Share Capital	Share Premium	---Non-distributable---		Unappropriated Profit/ (Accumulated Loss)	Total
			Merger Reserve	Capital Reserve		
30 JUNE 2004	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 period					1,668	1,668
Issue of shares from exercise of share options	536					536
Balance at 30 June 2004	80,536	3,288	40	15,932	(40,100)	59,696

(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 PERIOD ENDED 30 JUNE 2005**

	Current year To date 30 June 2005 RM'000	Preceding year corresponding period 30 June 2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax	4,554	2,923
<i>Adjustments for:</i>		
Non-cash items	5,398	6,495
Non-operating items	3,239	2,905
Operating profit before changes in working capital	13,191	12,323
Changes in gross amount due from / to customers	(12,483)	(3,750)
Changes in inventories	417	(83)
Changes in receivables	(48,554)	2,033
Changes in payables	(3,537)	(22,176)
Cash flows from operating activities	(50,966)	(11,653)
Development expenditure	(3,304)	-
Tax paid	(1,710)	(2,478)
Net cash flows from operating activities	(55,980)	(14,131)
CASH FLOWS FROM INVESTING ACTIVITIES		
Equity investments	(4)	(1,227)
Other investments	(3,773)	9,963
	(3,777)	8,736
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	41,985	(26,627)
Interest paid	(2,765)	(3,633)
Issuance of shares	194	536
Dividend paid to minority interests	(425)	-
Repayments of hire purchase liabilities	(1,595)	(2,299)
	37,394	(32,023)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(22,363)	(37,418)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	3,527	28,346
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(18,836)	(9,072)

(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 Listing Requirements of Bursa Malaysia Securities Berhad, 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 194,400 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

30 June 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	161,983	5,050	8,267	-	21,045	-	196,345
Inter-segment sales	166	-	367	-	9,902	(10,435)	-
	-----	-----	-----	-----	-----	-----	-----
Total revenue	162,149	5,050	8,634	-	30,947	(10,435)	196,345
	=====	=====	=====	=====	=====	=====	=====
RESULTS							
Segment operating profit/(loss)	6,670	703	311	(579)	1,280	-	8,385
Investment income							28
Finance costs							(3,486)
Share of associated companies' profits less losses							(373)

Profit before taxation							4,554
							=====

30 June 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	142,457	1,265	4,008	-	40,507	-	188,237
Inter-segment sales	-	-	-	-	6,173	(6,173)	-
	-----	-----	-----	-----	-----	-----	-----
Total revenue	142,457	1,265	4,008	-	46,680	(6,173)	188,237
	=====	=====	=====	=====	=====	=====	=====
RESULTS							
Segment operating profit/(loss)	6,997	206	(22)	(794)	(448)	(123)	5,816
Investment income							153
Finance costs							(3,173)
Share of associated companies' profits less losses							127

Profit before taxation							2,923
							=====

(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 July 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 30 June 2005 except for :-

- 1) Acquisition of 100% equity interest in Darjat Juara Sdn Bhd at a cash consideration of RM2.
- 2) Disposal of 100% equity interest in Bumi Pipeline Services Sdn Bhd (formerly known as Bina Puri HG CPB Sdn Bhd) for a cash consideration of RM100,000

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 Aug 05
	RM'000	RM'000	RM'000
Guarantees given to secure hire purchase credit liability of associated companies	397	(31)	366
Guarantees given to an associated company to purchase shoplot	99	(10)	89
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	(1)	36
	-----	-----	-----
	752	144	896
	=====	=====	=====

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 30 June 2005, the Group achieved a revenue of RM196.345 million and profit before tax of RM4.554 million as compared to the previous corresponding period of RM188.237 million and RM2.923 million respectively.

The construction division achieved a revenue of RM162.149 million and profit before tax of RM3.481 million as compared to the previous corresponding period of RM142.457 million and RM4.106 million respectively. Despite the increase in revenue of RM19.692 million, the construction division recorded a lower profit. This was mainly due to lower profit margin generated from certain projects.

The quarry and ready mix concrete division recorded a revenue of RM30.947 million and profit before tax of RM0.679 million as compared to the previous corresponding period of RM46.680 million and loss before tax of RM0.193 million respectively. The performance of this division had improved significantly as compared to the previous corresponding period.

The polyol division achieved a revenue of RM8.634 million as compared to previous corresponding period of RM4.008 million, an increase of 115%. As a result of the increase in revenue, the Polyol division achieved profit before tax of RM0.285 million as compared to loss before tax of RM50,960 in the previous corresponding period, a turnaround of 670%.

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

For the 2nd quarter under review, the Group recorded a revenue of RM107.407 million as compared to the preceding quarter of RM88.938 million, an increase of 20.8%. This was primarily because of higher billings in 2nd quarter 2005.

The Group recorded a profit before tax of RM2.394 million for the 2nd quarter ended 30 June 2005 as compared to the preceding quarter of RM2.160 million, an increase of 10.8%.

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 RM1 billion, 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

	Cumulative Quarter 30 June 2005 RM'000	Cumulative Quarter 30 June 2004 RM'000
Malaysian taxation based on the results for the period		
- Current	1,200	1,749
- Deferred	(260)	(181)
	-----	-----
	940	1,568
Under/(over) estimation of tax in prior years	691	(102)
	-----	-----
	1,631	1,466
Group's share of taxation of associated companies	18	4
	-----	-----
	1,649	1,470
	-----	-----

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 30 June 2005

(b) Total investments in quoted securities as at 30 June 2005 were as follows:

	RM'000
(i) At cost	216.2
(ii) At carrying value / book value	216.2
(iii) At market value	113.2

B8. Status of corporate proposals

There were no pending corporate proposals.

B9. Group borrowings and debt securities

The group borrowings as at 30 June 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	4,447	1,106	3,341
- Unsecured	-	-	-
	-----	-----	-----
Total	4,447	1,106	3,341
	-----	-----	-----
(b) Short term loan			
- Secured	77,522	20,086	57,436
- Unsecured	83,136	83,136	-
	-----	-----	-----
Total	160,658	103,222	57,436
	-----	-----	-----
(c) Total borrowings	165,105	104,328	60,777
	=====	=====	=====

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 June 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 Company's solicitor have been instructed to filed an application for security for costs. At the hearing held on 25 July, 2005 Court granted our application for security for cost. Kimpoint to put in security for costs amounting to RM100,000 within 45 days from the date of the order. Failing which the case will be dismissed with costs.
- (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.
- (6) KM Quarry Sdn Bhd (“KMQ”) brought an action against Ho Hup Construction Company Bhd (HHCCB) in the High Court Melaka, Vide Civil Suit No: 22-3-2005 on 10 January, 2005. The claim is for a sum of RM3,233,474.37 being the outstanding sum due and payable to KMQ for the supply and laying of pavement works under a project known as “Cadangan Membina Jalanraya Durian Tunggal-Paya Rumpit-Sungai Udang, Melaka”.

KMQ filed an application for summary judgement on 4 March, 2005 and the same was fixed for hearing on 22 April, 2005. Subsequently on 22 April, 2005, the High Court issued directions for the parties to file and serve their written submissions and the matter is fixed for decision on 22 July, 2005. At the date of the hearing, the court granted our application for summary judgement and on 1 August, 2005 HHCCB filed their notice of appeal.

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

B12. Dividend

The Directors approved an interim dividend of 3% less income tax at 28% for the financial year ending 31 December 2005 payable on 29 September 2005.

B13. Earnings per share

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30 June 2005	30 June 2004	30 June 2005	30 June 2004
a Basic earnings per share				
Net profit for the year (RM'000)	1,296	851	2,548	1,668
Weighted average number of ordinary shares in issue ('000)	80,900	80,431	80,837	80,217
Basic earnings per share (sen)	1.60	1.06	3.15	2.08
b Diluted earnings per share				
Net profit for the year (RM'000)	1,296	851	2,548	1,668
Weighted average number of ordinary shares in issue ('000)	80,900	80,431	80,837	80,217
Adjustment for share option ('000)	305	1,751	389	946
Weighted average number of ordinary shares for diluted earnings per share ('000)	81,205	82,182	81,226	81,163
Diluted earnings per share (sen)	1.60	1.04	3.14	2.06

By Order of the Board

Toh Gaik Bee
Group Company Secretary

29th August 2005