

BINA PURI HOLDINGS BHD

(Company No. 207184-X)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET – 31 DECEMBER 2005

	As at financial year ended 31 Dec 2005	As at preceding financial year ended 31 Dec 2004
	RM'000 (Unaudited)	RM'000 (Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	66,657	75,355
Associated companies	2,214	2,431
Other investments	1,506	2,129
Land held for property development	10,258	20,807
Expressway development expenditure	18,624	14,577
Deferred tax asset	2,000	-
Trade receivable	113,492	-
	214,751	115,299
CURRENT ASSETS		
Property development costs	2,761	4,841
Gross amount due from customers	74,641	49,438
Inventories	6,878	7,422
Trade and other receivables	167,010	136,334
Tax recoverable	2,887	3,374
Fixed and time deposits	14,416	17,042
Cash and bank balances	12,246	21,834
	280,839	240,285
CURRENT LIABILITIES		
Gross amount due to customers	1,085	15,506
Trade and other payables	175,815	136,362
Hire purchase liabilities	2,194	2,792
Tax payable	5,480	5,146
Bank borrowings	127,369	99,183
	311,943	258,989
NET CURRENT LIABILITIES	(31,104)	(18,704)
	183,647	96,595
SHARE CAPITAL	80,924	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	(34,624)	(37,031)
	(15,364)	(17,771)
	65,560	62,956
MINORITY INTERESTS	10,616	12,002
NON-CURRENT AND DEFERRED LIABILITIES		
Hire purchase and finance lease liabilities	3,261	1,954
Bank term loans	103,007	17,251
Deferred tax liabilities	1,203	2,432
	107,471	21,637
	183,647	96,595
Net assets per share (RM)	0.9413	0.9285

(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 YEAR ENDED 31 DECEMBER 2005**

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Year
	31 Dec 2005 RM'000	31 Dec 2004 RM'000	31 Dec 2005 RM'000	31 Dec 2004 RM'000
Revenue	142,243	123,441	456,211	409,188
Cost of sales	(133,339)	(112,162)	(419,568)	(366,751)
Gross profit	8,904	11,279	36,643	42,437
Other operating income	2,240	6,220	5,646	11,045
Administrative and general expenses	(9,484)	(13,588)	(28,447)	(42,451)
Profit from operations	1,660	3,911	13,842	11,031
Share of profits less losses of associated companies	-	(117)	(621)	248
Investment income	300	(170)	365	442
Finance costs	(2,994)	(1,520)	(8,709)	(6,270)
Profit before tax	(1,034)	2,104	4,877	5,451
Taxation	195	(379)	(1,683)	(612)
Profit after tax	(839)	1,725	3,194	4,839
Minority interests	886	(286)	961	(102)
Net profit for the period	47	1,439	4,155	4,737
EPS – Basic (sen)	0.06	1.78	5.14	5.89
EPS – Diluted (sen)	0.06	1.77	5.16	5.80

(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 YEAR ENDED 31 DECEMBER 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 December 2005						
Balance at 1 Jan 2005	80,727	3,288	40	15,932	(37,031)	62,956
Net profit for the period					4,155	4,155
Dividend paid					(1,748)	(1,748)
Issue of shares from exercise of share options	197					197
Balance at 31 Dec 2005	80,924	3,288	40	15,932	(34,624)	65,560
			----Non-distributable----		Unappropriated	Total
	Share	Share	Merger	Capital	Profit/	
	Capital	Premium	Reserve	Reserve	(Accumulated	
					Loss)	
31 December 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					4,737	4,737
Issue of shares from exercise of share options	727					727
Balance at 31 Dec 2004	80,727	3,288	40	15,932	(37,031)	62,956

(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 DECEMBER 2005**

	Current year To date 31 Dec 2005 RM'000	Preceding year corresponding year 31 Dec 2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax	4,877	5,451
<i>Adjustments for:</i>		
Non-cash items	12,847	14,969
Non-operating items	7,969	1,781
Operating profit before changes in working capital	25,693	22,201
Changes in inventories	544	190
Changes in property development	10,550	(2,597)
Changes in receivables	(179,768)	(28,284)
Changes in payables	36,705	(2,187)
Cash flows from operating activities	(106,276)	(10,677)
Development expenditure	(4,047)	(13,383)
Interest paid	(6,005)	(6,666)
Tax paid	(4,041)	(3,154)
Net cash flows from operating activities	(120,369)	(33,880)
CASH FLOWS FROM INVESTING ACTIVITIES		
Equity investments	24	384
Other investments	(2,243)	12,949
	(2,219)	13,333
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	111,262	169
Issuance of shares	197	727
Shares issued to minority shareholders	40	899
Dividend paid to shareholders	(1,748)	-
Dividend paid to minority interests	(465)	(1,641)
Repayments of hire purchase liabilities	(2,967)	(4,425)
	106,319	(4,271)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(16,269)	(24,818)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	3,528	28,346
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(12,741)	3,528

(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 year 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 year 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 year except for the issuance of 197,400 new ordinary shares of RM1 each, pursuant to the exercise of the Employees’ Share Option Scheme.

A7. Dividend paid

An interim dividend of 3% less tax at 28% amounting to RM1,747,971 in respect of the financial year ended 31 December 2005 has been paid on 29 September 2005.

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 December 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	383,410	10,260	15,665	-	46,876	-	456,211
Inter-segment sales	347	-	690	-	13,616	(14,653)	-
	-----	-----	-----	-----	-----	-----	-----
Total revenue	383,757	10,260	16,355	-	60,492	(14,653)	456,211
	=====	=====	=====	=====	=====	=====	=====
RESULTS							
Segment operating profit/(loss)	14,675	468	355	(3,048)	1,148	244	13,842
Investment income							365
Finance costs							(8,709)
Share of associated companies' profits less losses							(621)

Profit before taxation							4,877
							=====

31 December 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	323,470	4,130	9,620	-	71,968	-	409,188
Inter-segment sales	899	-	1,422	-	18,055	(20,376)	-
	-----	-----	-----	-----	-----	-----	-----
Total revenue	324,369	4,130	11,042	-	90,023	(20,376)	409,188
	=====	=====	=====	=====	=====	=====	=====
RESULTS							
Segment operating profit/(loss)	4,322	485	144	(97)	1,283	4,894	11,031
Investment income							442
Finance costs							(6,270)
Share of associated companies' profits less losses							248

Profit before taxation							5,451
							=====

(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 1 January 2006 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 year ended 31 December 2005 except for :-

- 1) Acquisition of 100% equity interest in Bina Puri Juara Sdn Bhd (formerly known as 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.
- 3) Bina Puri Construction Sdn Bhd, a wholly-owned subsidiary of the Company has invested USD50,048 in Bina Puri Vietnam Co Ltd, a company incorporated in Vietnam.

A12. Changes in contingent liabilities or contingent assets

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

	31 Dec 04	Changes	22 Feb 06
	RM'000	RM'000	RM'000
Guarantees given to secure hire purchase credit liability of associated companies	397	(111)	286
Guarantees given to an associated company to purchase shoplot	99	(11)	88
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	327	546
Guarantees given for employees' housing loans	37	(3)	34
	-----	-----	-----
	752	202	954
	=====	=====	=====

B : Additional notes to Bursa Malaysia Securities Berhad listing requirements

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

For the financial year ended 31 December 2005, the Group achieved a revenue of RM456.211 million and profit before tax of RM4.877 million as compared to the previous corresponding year of RM409.188 million and RM5.451 million respectively.

The construction division achieved a revenue of RM383.757 million and profit before tax of RM6.86 million as compared to the previous corresponding year of RM324.369 million and RM4.550 million respectively. The increase in revenue was mainly due to commencement of new projects such as the proposed retail centre and signature offices of Capital Square development, proposed 1 block of 180 units condominium of Capital Square development and proposed New Dewan Undangan Negeri Complex at Petra Jaya, Kuching, Sarawak.

The property division recorded a revenue of RM10.260 million and profit before tax of RM0.862 million as compared to the previous corresponding year of RM4.130 million and RM0.485 million respectively. The performance of this division remains satisfactory.

The quarry and ready mix concrete division recorded a revenue of RM60.492 million and profit before tax of RM19,272 as compared to the previous corresponding year of RM90.023 million and RM0.963 million respectively. The performance of this division was affected by the poor performance of the associated company.

The polyol division achieved a revenue of RM16.355 million as compared to previous corresponding year of RM11.042million, an increase of 48%. As a result of the increase in revenue, the Polyol division achieved profit before tax of RM0.260 million as compared to the previous corresponding year of RM0.107 million.

The losses incurred by the glassware division were mainly due to the disposal of assets of RM2.2 million during the financial year.

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

For the 4th quarter under review, the Group recorded a revenue of RM142.243 million as compared to the preceding quarter of RM117.623 million, an increase of 20.9%.

The Group incurred a loss of RM1.034 million for the 4th quarter ended 31 December 2005 as compared to profit of RM1.357 million in the preceding quarter.

The losses incurred by the Group were mainly due to loss on disposal of assets of RM2.2 million by the glassware division.

B3. Prospects

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 31 Dec 2005 RM'000	Cumulative Quarter 31 Dec 2004 RM'000
Malaysian taxation based on the results for the period		
- Current	3,920	1,797
- Deferred	(2,038)	(529)
	-----	-----
	1,882	1,268
Under/(over) estimation of tax in prior years	(252)	(722)
	-----	-----
	1,630	546
Group's share of taxation of associated companies	53	66
	-----	-----
	1,683	612
	-----	-----

The Group's effective taxation rate for the year 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 properties during the financial year under review except for the disposal of unquoted shares which resulted in a loss on disposal of RM43,114.

B7. Quoted securities

- (a) There were no acquisitions of quoted securities for the financial year ended 31 December 2005.
- (b) Total investments in quoted securities as at 31 December 2005 were as follows:

	RM'000
(i) At cost	216.2
(ii) At carrying value / book value	216.2
(iii) At market value	88.1

B8. Status of corporate proposals

There were no pending corporate proposals.

B9. Group borrowings and debt securities

The group borrowings as at 31 December 2005 are as follows:

	Total outstanding	Repayable within next 12 months (current liabilities)	Repayable after next 12 months (non-current liabilities)
	RM'000	RM'000	RM'000
(a) Long term loans			
- Secured	3,491	300	3,191
- Unsecured	-	-	-
	-----	-----	-----
Total	3,491	300	3,191
	-----	-----	-----
(b) Short term loans			
- Secured	146,254	46,438	99,816
- Unsecured	80,631	80,631	-
	-----	-----	-----
Total	226,885	127,069	99,816
	-----	-----	-----
(c) Total borrowings	230,376	127,369	103,007
	=====	=====	=====

All of the above borrowings are denominated in Ringgit Malaysia.

The increase in bank borrowings was mainly due to drawdown of loan to finance the deferred payment project during the year.

B10. Off balance sheet financial instruments

There were no material financial instruments with off balance sheet risk during the current financial year ended 31 December 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 Kimpoin Sdn Bhd (“Kimpoin”) for a sum of RM8,773,437.50 purportedly owed under a contract. On 30 September, 2004, the Judge in Chambers dismissed Kimpoin’s appeal against the refusal of the Registrar to order summary judgement in favour of Kimpoin. The Company’s solicitor have been instructed to file an application for security for costs. At the hearing held on 25 July, 2005 Court granted our application for security for cost. Kimpoin to put in security for costs amounting to RM100,000 within 45 days from the date of the order. Kimpoin put in their security for costs on 8 September, 2005. Case management have been fixed on 29 May, 2006.
- (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 11 May 2006 to 13 May, 2006. 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 has been fixed for case management on 6 November 2007. 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.

On 2 September, 2005, KMQ served S218 notice on HHCCB. On 8 September, 2005 HHCCB applied for stay of execution and the matter was fixed for mention on 14 September, 2005. On 14 September, 2005, HHCCB agreed to a consent order to provide KMQ with a bank guarantee for the sum of RM3,233,474.37 pending disposal of their appeal on 9 September, 2005 or a mutual date to be agreed by both parties.

The appeal has been fixed for mention on 9 November, 2005. At the mention date for the appeal, judge in chambers have directed parties to file written submissions and the matter was fixed for decision on 19 April, 2006.

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

B12. Dividends

For the financial year ended 31 December 2005, the Directors approved an interim dividend of 3% less income tax at 28% on 80,924,600 ordinary shares, amounting to RM1,747,971 which has been paid on 29 September 2005.

Subject to the shareholders’ approval at the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2005 has been recommended as follows:

- 1) A final dividend of 2% less income tax at 28%
- 2) Date of payment will be determined later
- 3) In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at a date to be determined later.

The total dividend per share for the current financial year is 5% less income tax at 28% (year ended 31 December 2004: Nil).

B13. Earnings per share

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Year
	31 Dec 2005	31 Dec 2004	31 Dec 2005	31 Dec 2004
a Basic earnings per share				
Net profit for the year (RM'000)	47	1,439	4,155	4,737
Weighted average number of ordinary shares in issue ('000)	80,925	80,698	80,881	80,432
Basic earnings per share (sen)	0.06	1.78	5.14	5.89
b Diluted earnings per share				
Net profit for the year (RM'000)	47	1,439	4,155	4,737
Weighted average number of ordinary shares in issue ('000)	80,925	80,698	80,881	80,432
Adjustment for share option ('000)	(2,109)	824	(361)	1,250
Weighted average number of ordinary shares for diluted earnings per share ('000)	78,816	81,522	80,520	81,682
Diluted earnings per share (sen)	0.06	1.77	5.16	5.80

By Order of the Board

Toh Gaik Bee
Group Company Secretary

27th February 2006