

**BINA PURI HOLDINGS BHD**

(Company No. 207184-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR YEAR ENDED 31 MARCH 2007**

	Current Year Quarter 31 Mar 2007 RM'000	Preceding Year Corresponding Period 31 Mar 2006 RM'000
Revenue	104,746	99,842
Cost of sales	(96,602)	(92,109)
Gross profit	8,144	7,733
Other operating income	1,676	2,061
Administrative and general expenses	(6,929)	(6,727)
Profit from operations	2,891	3,067
Share of profits less losses of associated companies	300	(226)
Investment income	23	13
Finance costs	(1,412)	(1,236)
Profit before tax	1,802	1,618
Taxation	(279)	(618)
Profit for the period	1,523	1,000
<b>Profit for the period attributable to:</b>		
Equity holders of the parent	1,358	1,065
Minority interests	165	(65)
	1,523	1,000
<b>Earnings per share attributable to equity holders of the parent:</b>		
EPS – Basic (sen)	1.68	1.32
EPS – Diluted (sen)	-	-

(The condensed consolidated income statements should be read in conjunction with the annual financial report for YE 31 Dec 2006)

# BINA PURI HOLDINGS BHD

(Company No. 207184-X)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED BALANCE SHEETS – 31 MARCH 2007

	As at financial period ended 31 Mar 2007	As at preceding financial year ended 31 Dec 2006
	RM'000 (Unaudited)	RM'000 (Audited)
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	51,843	52,292
Land held for property development	10,257	10,257
Expressway development expenditure	20,056	19,919
Investment property	1,135	1,680
Prepaid lease payments	2,115	2,144
Associated companies	2,323	2,023
Other investments	1,411	1,411
Deferred tax asset	1,121	1,200
	90,261	90,926
<b>CURRENT ASSETS</b>		
Inventories	6,783	7,168
Property development costs	17,383	18,118
Gross amount due from customers	77,692	49,855
Trade and other receivables	403,633	409,162
Tax recoverable	1,956	4,487
Fixed and time deposits	18,275	17,026
Cash and bank balances	18,111	19,813
	543,833	525,629
<b>CURRENT LIABILITIES</b>		
Gross amount due to customers	2,143	2,258
Trade and other payables	158,486	172,468
Hire purchase liabilities	1,920	1,994
Tax payable	576	1,962
Bank borrowings	277,821	255,342
	440,946	434,024
<b>NET CURRENT ASSETS</b>	102,887	91,605
	193,148	182,531
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>		
Share capital	80,925	80,925
Share premium	3,288	3,288
Capital reserve (non-distributable)	15,682	15,682
Merger reserve (non-distributable)	40	40
Accumulated loss	(30,593)	(31,951)
	69,342	67,984
<b>MINORITY INTERESTS</b>	10,759	10,664
<b>TOTAL EQUITY</b>	80,101	78,648
<b>NON-CURRENT AND DEFERRED LIABILITIES</b>		
Hire purchase and finance lease liabilities	4,086	3,843
Government grant	98	101
Bank term loans	108,213	99,276
Deferred tax liabilities	650	663
	113,047	103,883
	193,148	182,531
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	0.8569	0.8400

(The condensed consolidated balance sheet should be read in conjunction with the annual financial report for year ended 31 Dec 2006)

**BINA PURI HOLDINGS BHD**

(Company No. 207184-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2007**

	Share Capital RM'000	Share Premium RM'000	Non-distributable		Accumulated Loss RM'000	Minority Interests RM'000	Total RM'000
			Merger Reserve RM'000	Capital Reserve RM'000			
<b>31 March 2007</b>							
At 1 January 2007	80,925	3,288	40	15,682	(31,951)	10,664	78,648
Net profit for the period					1,358	165	1,523
Dividend paid to minority interests						(70)	(70)
Balance at 31 March 2007	80,925	3,288	40	15,682	(30,593)	10,759	80,101
<b>31 March 2006</b>							
As previously stated	80,925	3,288	40	15,932	(34,725)	10,779	76,239
Effects in adopting FRS 140					(268)		(268)
	80,925	3,288	40	15,932	(34,993)	10,779	75,971
Net profit for the period					1,065	(65)	1,000
Balance at 31 March 2006	80,925	3,288	40	15,932	(33,928)	10,714	76,971

(The condensed consolidated statements of changes in equity should be read in conjunction with the annual financial report for year ended 31 Dec 2006)

**BINA PURI HOLDINGS BHD**

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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

	Current year To date 31 March 2007 RM'000	Preceding year corresponding period 31 March 2006 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before tax	1,802	1,618
<i>Adjustments for:</i>		
Non-cash items	1,410	1,649
Non-operating items	2,427	1,946
Operating profit before changes in working capital	5,639	5,213
Changes in inventories	385	(71)
Changes in property development	735	459
Changes in receivables	(22,316)	(985)
Changes in payables	(14,215)	(44,720)
Cash utilised in operating activities	(29,772)	(40,104)
Expressway development expenditure	(137)	(369)
Interest paid	(2,630)	(2,091)
Tax refund / (refund)	933	(1,405)
Net cash flows from operating activities	(31,606)	(43,969)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Equity investments	-	-
Other investments	(512)	6,329
	(512)	6,329
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net drawdown / (repayment) of bank borrowings	29,851	38,247
Payment of hire purchase instalments	(658)	(930)
Hire purchase term charges paid	(271)	(125)
Dividend paid to minority interests	(70)	-
	28,852	37,192
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	(3,266)	(448)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	(2,686)	(12,711)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	(5,952)	(13,159)

(The condensed consolidated cash flow statements should be read in conjunction with the annual financial report for year ended 31 Dec 06)

## **Bina Puri Holdings Bhd**

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

### **PART A : Explanatory notes pursuant to FRS 134**

#### **A1. Basis of preparation**

The consolidated interim financial statements are unaudited and have been prepared in accordance with FRS 134: “Interim Financial Reporting” and Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group’s annual audited financial statements for the year ended 31 December 2006.

The significant accounting policies, methods of computation and basis of consolidation applied in the interim financial statements are consistent with those adopted in the Group’s audited financial statements for the financial year ended 31 December 2006.

#### **A2. Audit qualification**

The financial statements of the Group for the year ended 31 December 2006 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 reported 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.

#### **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) Quarry and ready mix concrete - quarry operator and producer of ready mix concrete

<b>31 March 2007</b>	Construction	Property development	Polyol manufacturing	Quarry and ready mix concrete	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>							
External sales	74,244	6,831	4,716	18,955	-	-	104,746
Inter-segment sales	90	-	-	-	-	(90)	-
	-----	-----	-----	-----	-----	-----	-----
Total revenue	74,334	6,831	4,716	18,955	-	(90)	104,746
	=====	=====	=====	=====	=====	=====	=====
<b>RESULTS</b>							
Segment operating profit/(loss)	1,661	439	155	534	107	(5)	2,891
Investment income	23	-	-	-	-	-	23
Finance costs	(1,260)	-	(30)	(122)	-	-	(1,412)
Share of associated companies' profits less losses	236	-	-	64	-	-	300
	-----	-----	-----	-----	-----	-----	-----
Profit before taxation	660	439	125	476	107	(5)	1,802
	=====	=====	=====	=====	=====	=====	=====

<b>31 March 2006</b>	Construction	Property development	Polyol manufacturing	Quarry and ready mix concrete	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>							
External sales	83,497	1,430	3,439	11,476	-	-	99,842
Inter-segment sales	90	-	-	1,010	-	(1,100)	-
	-----	-----	-----	-----	-----	-----	-----
Total revenue	83,587	1,430	3,439	12,486	-	(1,100)	99,842
	=====	=====	=====	=====	=====	=====	=====
<b>RESULTS</b>							
Segment operating profit/(loss)	2,615	202	(96)	313	33	-	3,067
Investment income	1,666	-	-	-	1,050	(2,703)	13
Finance costs	(1,125)	-	(31)	(80)	-	-	(1,236)
Share of associated companies' profits less losses	7	-	-	(233)	-	-	(226)
	-----	-----	-----	-----	-----	-----	-----
Profit before taxation	3,163	202	(127)	-	1,083	(2,703)	1,618
	=====	=====	=====	=====	=====	=====	=====

(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 April 2007 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 2007.

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

The changes in contingent liabilities since 31 December 2006 were as follows:

	<b>31 Dec 06</b>	<b>Changes</b>	<b>21 May 07</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Guarantees given in favour of a financial institution for credit facilities granted to an associated company	40,444	(1,887)	38,557
Guarantees given to an associated company to purchase shoplot	82	(4)	78
Guarantees given to secure hire purchase credit liability of a former associate	256	(55)	201
Guarantees given in favour of the Government of Malaysia for financial assistance under the Industry Research and Development Grant Scheme to a subsidiary company	978	-	978
	-----	-----	-----
	41,760	(1,946)	39,814
	=====	=====	=====

**B : Additional notes to Bursa Malaysia Securities Berhad listing requirements**

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

For the 1<sup>st</sup> quarter ended 31 March 2007, the Group achieved a revenue of RM104.746 million and profit before tax of RM1.802 million as compared to the previous corresponding period of RM99.842 million and RM1.618 million respectively.



The construction division recorded a revenue of RM74.334 million and operating profit of RM1.661 million as compared to the previous corresponding period of RM83.587 million and RM2.615 million respectively. The performance of this division was affected by the delay in the commencement of the new projects secured during the period and lower profit margin generated from the current projects in hand.

The property division recorded a revenue of RM6.831 million and profit before tax of RM0.439 million as compared to the previous corresponding period of RM1.430 million and RM0.202 million respectively. The improved performance of this division was due to commencement of Jesselton condominium development in November 2006.

The quarry and ready mix concrete division achieved a revenue of RM18.955 million which was 51.8% higher compared to RM12.486 million in the corresponding period last year. The profit before tax was RM0.476 million as compared to a breakeven position in the same period last year. The growth in the revenue and profit before tax were mainly due to the additional projects secured during the period as well as cost control measures and production efficiency enhancement undertaken by the management.

The polyol division achieved a revenue of RM4.716 million and profit before tax of RM0.125 as compared to the previous corresponding period of RM3.439 million and loss of RM0.127 million respectively. The increase in sales and higher profit margin had contributed to the improved results of this division.

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

During the 1<sup>st</sup> quarter ended 31 March 2007, the Group achieved a revenue of RM104.746 million as compared to the immediate preceding quarter of RM124.571 million.

The Group's profit before tax improved to RM1.802 million for the current quarter ended 31 March 2007 from RM1.310 million in the immediate preceding quarter ended 31 December 2006.

The improved results were mainly attributable to better performances from the property, quarry and ready mix concrete and polyol divisions.

## **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 locally and overseas such as in Thailand where we are undertaking several contracts to build low cost housing. We are looking forward to secure more overseas contracts in Thailand, Vietnam and Middle East. The current value of contract work in progress is approximately RM1.6 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**

	Current Year Quarter 31 Mar 2007 RM'000	Preceding Year Corresponding Period 31 Mar 2006 RM'000
Malaysian taxation based on the results for the period		
- Current	213	783
- Deferred	66	(165)
	-----	-----
	279	618
	-----	-----

The Group's effective taxation rate for the period was lower than the statutory rate mainly because of the tax exempt income from foreign country.

**B6. Profit on sale of unquoted investments and / or properties**

There were no sales of unquoted investments and 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 2007.
- (b) Total investments in quoted securities as at 31 March 2007 were as follows:

	RM'000
(i) At cost	216.2
(ii) At carrying value / book value	50.3
(iii) At market value	66.8

**B8. Status of corporate proposals**

There were no pending corporate proposals.

## B9. Group borrowings and debt securities

The group borrowings as at 31 March 2007 are as follows:

	<-----31 March 2007----->			31 Dec 2006
	Repayable within next 12 months RM'000	Repayable after next 12 months RM'000	Total outstanding RM'000	Total outstanding RM'000
(a) Long term loans (secured)	328	2,810	3,138	3,259
(b) Short term loans				
- Secured	19,825	-	19,825	9,474
- Unsecured	82,038	61	82,099	80,072
	101,863	61	101,924	89,546
(c) Project financing (secured)	71,866	1,578	73,444	72,544
<b>Sub-total</b>	174,057	4,449	178,506	165,349
(d) Deferred payment loan (secured)	103,764	103,764	207,528	189,269
<b>Total borrowings</b>	277,821	108,213	386,034	354,618

The increase in bank borrowings was mainly due to drawdown of RM18.259 million deferred payment loan to finance a government deferred payment project and RM13.157 million project loans to finance other projects.

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 2007.

## B11. Changes in material litigation

The Group is involved in the following litigations:

- (i) 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 applied to amend their Statement of Claim to which the Company objected. On 18 December 2006, the court dismissed with costs Kimpoint's application to amend the Statement of Claim and on 20 December 2006, Kimpoint filed notice of appeal. The appeal is pending hearing date to be fixed by the court. At this juncture, the Company's directors have been advised that there is an even chance of defending the matter.

- (ii) On 10 July 2002, a subsidiary, namely, Bina Puri Construction Sdn Bhd (“BPCSB”) filed its defence against a suit initiated by Sribuan Jaya Sdn Bhd (“Sribuan”) in the Kota Kinabalu High Court for work done in respect of the construction of a school building. The claim is for the sum of RM775,961.17 and general damages to be assessed by the Court. Trial was conducted on 27 November 2006 and on 8 December 2006, judgement was delivered in favour of Sribuan. On 12 December 2006, BPCSB filed notice of appeal and an application for a stay of execution. The appeal is pending hearing date to be fixed by the court. On 7 May 2007 our application for stay of execution has been dismissed and we are appealing against the decision. The directors have been advised that BPCSB has an even chance of defending this matter.
- (iii) 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 28 February 2005, the arbitration proceedings were proceeded upon by EP for the sum of RM17,002,760, general damages, interest and cost against BPSB and Kris Heavy and the continued proceedings were scheduled from 23 April to 28 April 2007, 28 May to 1 June 2007, 16 July to 27 July 2007, 22 August to 30 August 2007, 12 November to 23 November 2007 and 10 December to 14 December 2007. The directors have been advised that BPSB has an even chance of success.
- (iv) Selesa Timur Sdn Bhd (“Selesa”) 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 Selesa and had served further and better particulars to Selesa.  
Case management has been fixed on 6 November 2007. At this juncture, the directors have been advised that BPCSB has an even chance of success.

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 Year Quarter 31 Mar 2007 RM'000	Preceding Year Corresponding Period 31 Mar 2006 RM'000
<b>a Basic earnings per share</b>		
Net profit for the year (RM'000)	1,358	1,065
Weighted average number of ordinary shares in issue ('000)	80,925	80,925
Basic earnings per share (sen)	1.68	1.32

***b Diluted earnings per share***

The diluted earnings per share for the current financial period is not disclosed as the potential ordinary shares arising from the exercise of options under the ESOS at fair value, has anti-dilutive effect.

**By Order of the Board**

**Toh Gaik Bee**  
**Group Company Secretary**  
**28<sup>th</sup> May 2007**