

BINA PURI HOLDINGS BHD

(Company No. 207184-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR SIX MONTHS ENDED 30 JUNE 2007**

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30 June 2007 RM'000	30 June 2006 RM'000	30 June 2007 RM'000	30 June 2006 RM'000
Revenue	160,915	123,544	265,661	223,386
Cost of sales	(151,863)	(116,533)	(248,465)	(208,642)
Gross profit	9,052	7,011	17,196	14,744
Other operating income	596	2,638	2,272	4,699
Administrative and general expenses	(7,706)	(6,430)	(14,635)	(13,157)
Profit from operations	1,942	3,219	4,833	6,286
Share of profits less losses of associated companies	1,153	46	1,453	(180)
Investment income	511	18	534	31
Finance costs	(1,349)	(1,728)	(2,761)	(2,964)
Profit before tax	2,257	1,555	4,059	3,173
Taxation	(124)	(347)	(403)	(965)
Profit for the period	2,133	1,208	3,656	2,208
Profit for the period attributable to:				
Equity holders of the parent	1,645	1,164	3,003	2,229
Minority interests	488	44	653	(21)
	2,133	1,208	3,656	2,208
Earnings per share attributable to equity holders of the parent:				
EPS – Basic (sen)	2.03	1.44	3.70	2.75
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 – 30 JUNE 2007

	As at financial period ended 30 June 2007	As at preceding financial year ended 31 Dec 2006
	RM'000 (Unaudited)	RM'000 (Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	53,607	52,292
Land held for property development	10,257	10,257
Expressway development expenditure	20,703	19,919
Investment property	1,135	1,680
Prepaid lease payments	2,088	2,144
Associated companies	3,632	2,023
Other investments	1,411	1,411
Deferred tax asset	1,029	1,200
	93,862	90,926
CURRENT ASSETS		
Inventories	6,140	7,168
Property development costs	10,695	18,118
Gross amount due from customers	72,873	49,855
Trade and other receivables	335,084	409,162
Tax recoverable	1,888	4,487
Fixed and time deposits	20,064	17,026
Cash and bank balances	10,032	19,813
	456,776	525,629
CURRENT LIABILITIES		
Gross amount due to customers	1,210	2,258
Trade and other payables	177,637	172,468
Hire purchase liabilities	1,932	1,994
Tax payable	342	1,962
Bank borrowings	279,793	255,342
	460,914	434,024
NET CURRENT (LIABILITIES)/ASSETS		
	(4,138)	91,605
	89,724	182,531
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	81,193	80,925
Share premium	3,288	3,288
Capital reserve (non-distributable)	15,682	15,682
Merger reserve (non-distributable)	40	40
Accumulated loss	(30,720)	(31,951)
	69,483	67,984
MINORITY INTERESTS		
	11,167	10,664
TOTAL EQUITY		
	80,650	78,648
NON-CURRENT AND DEFERRED LIABILITIES		
Hire purchase and finance lease liabilities	4,187	3,843
Government grant	95	101
Bank term loans	4,139	99,276
Deferred tax liabilities	653	663
	9,074	103,883
	89,724	182,531
Net assets per share attributable to ordinary equity holders of the parent (RM)		
	0.8558	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 SIX MONTHS ENDED 30 JUNE 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			
30 June 2007							
At 1 January 2007	80,925	3,288	40	15,682	(31,951)	10,664	78,648
Net profit for the period					3,003	653	3,656
Proceeds from issue of shares	268						268
Purchase of additional shares from minority interest						(27)	(27)
Dividend paid to shareholders of the Company					(1,772)		(1,772)
Dividend paid to minority interests						(123)	(123)
Balance at 30 June 2007	81,193	3,288	40	15,682	(30,720)	11,167	80,650
30 June 2006							
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					2,229	(21)	2,208
Balance at 30 June 2006	80,925	3,288	40	15,932	(32,764)	10,758	78,179

(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 SIX MONTHS ENDED 30 JUNE 2007**

	Current year To date 30 June 2007 RM'000	Preceding year corresponding period 30 June 2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax	4,059	3,173
<i>Adjustments for:</i>		
Non-cash items	1,799	3,054
Non-operating items	5,271	3,657
Operating profit before changes in working capital	11,129	9,884
Changes in inventories	1,029	430
Changes in property development	7,422	801
Changes in receivables	51,057	(38,853)
Changes in payables	2,864	(41,540)
Cash generated/(utilized) in operating activities	73,501	(69,278)
Expressway development expenditure	(784)	(683)
Interest paid	(5,145)	(3,752)
Tax refund / (paid)	737	(2,511)
Net cash flows from operating activities	68,309	(76,224)
CASH FLOWS FROM INVESTING ACTIVITIES		
Equity investments	(183)	-
Other investments	(3,824)	4,248
	(4,007)	4,248
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown / (repayment) of bank borrowings	(74,999)	76,207
Payment of hire purchase instalments	(1,159)	(1,556)
Hire purchase term charges paid	(610)	(193)
Proceeds from issue of shares	268	-
Dividend paid to shareholders of the Company	(1,772)	-
Dividend paid to minority interests	(123)	-
	(78,395)	74,458
NET CHANGES IN CASH AND CASH EQUIVALENTS	(14,093)	2,482
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(2,686)	(12,711)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(16,779)	(10,229)

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

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 except for the issuance of 268,200 new ordinary shares of RM1 each, pursuant to the exercise of the Employees’ Share Option Scheme.

A7. Dividend paid

The final dividend of 3% less 27% tax amounting to RM1,772,380 for the financial year ended 31 December 2006 was paid on 28th July 2007.

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

30 June 2007	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
REVENUE							
External sales	195,033	15,523	9,971	45,134	-	-	265,661
Inter-segment sales	191	-	-	2,508	-	(2,699)	-
	-----	-----	-----	-----	-----	-----	-----
Total revenue	195,224	15,523	9,971	47,642	-	(2,699)	265,661
	=====	=====	=====	=====	=====	=====	=====
RESULTS							
Segment operating profit/(loss)	2,417	757	414	1,158	132	(45)	4,833
Investment income	534	-	-	-	-	-	534
Finance costs	(2,513)	-	(42)	(206)	-	-	(2,761)
Share of associated companies' profits less losses	726	-	-	727	-	-	1,453
	-----	-----	-----	-----	-----	-----	-----
Profit before taxation	1,164	757	372	1,679	132	(45)	4,059
	=====	=====	=====	=====	=====	=====	=====

30 June 2006	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
REVENUE							
External sales	183,871	2,422	8,336	28,757	-	-	223,386
Inter-segment sales	183	-	5	1,543	-	(1,731)	-
	-----	-----	-----	-----	-----	-----	-----
Total revenue	184,054	2,422	8,341	30,300	-	(1,731)	223,386
	=====	=====	=====	=====	=====	=====	=====
RESULTS							
Segment operating profit/(loss)	5,542	276	41	640	(42)	(171)	6,286
Investment income	1,733	-	-	-	1,050	(2,752)	31
Finance costs	(2,743)	-	(39)	(182)	-	-	(2,964)
Share of associated companies' profits less losses	34	-	-	(214)	-	-	(180)
	-----	-----	-----	-----	-----	-----	-----
Profit before taxation	4,566	276	2	244	1,008	(2,923)	3,173
	=====	=====	=====	=====	=====	=====	=====

(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 July 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

During the financial period under review, the Group

- i. increased its equity interest in Bina Puri Development Sdn Bhd by acquiring an additional 160,000 ordinary shares of RM1 each, representing the remaining 40% of the issued and paid-up share capital of Bina Puri Development Sdn Bhd for a cash consideration of RM26,660 on 27 April 2007. Consequently, Bina Puir Development Sdn Bhd became a wholly-owned subsidiary of the Group.
- ii. reduced its equity interest in Bina Puri Libya Sdn Bhd by disposing 50,000 ordinary shares of RM1 each, representing 20% of the issued and paid-up share capital of Bina Puri Libya Sdn Bhd for a cash consideration of RM50,000 on 16 May 2007.

A12. Changes in contingent liabilities or contingent assets

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

	31 Dec 06	Changes	21Aug 07
	RM'000	RM'000	RM'000
Guarantees given in favour of a financial institution for credit facilities granted to an associated company	40,444	6,106	46,550
Guarantees given to an associated company to purchase shoplot	82	(6)	76
Guarantees given to secure hire purchase credit liability of a former associate	256	(104)	152
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)	-
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	41,760	5,018	46,778
	=====	=====	=====

B : Additional notes to Bursa Malaysia Securities Berhad listing requirements

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

For the six months ended 30 June 2007, the Group achieved a revenue of RM265.661 million and profit before tax of RM4.059 million as compared to the previous corresponding period of RM223.386 million and RM3.173 million respectively.

The construction division recorded a revenue of RM195.224 million and profit before tax of RM1.164 million as compared to the previous corresponding period of RM184.054 million and RM4.566 million respectively. Despite the increase in revenue, the construction division recorded a lower profit. This was mainly due to lower profit margin generated from the current projects.

The property division recorded a revenue of RM15.523 million and profit before tax of RM0.757 million as compared to the previous corresponding period of RM2.422 million and RM0.276 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 RM47.642 million which was 57.2% higher compared to RM30.300 million in the corresponding period last year. The profit before tax was RM1.679 million as compared to RM0.244 million 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 RM9.971 million and profit before tax of RM0.372 as compared to the previous corresponding period of RM8.341 million and breakeven position 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 2nd quarter ended 30 June 2007, the Group achieved a revenue of RM160.915 million as compared to the immediate preceding quarter of RM104.746 million.

The Group's profit before tax improved to RM2.257 million for the current quarter ended 30 June 2007 from RM1.802 million in the immediate preceding quarter ended 31 March 2007.

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 in Thailand and U.A.E. We are looking forward to securing more overseas contracts in Thailand, Pakistan, Vietnam and Middle East. The current value of contract work in progress is approximately RM2 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

	Individual Period		Cumulative Period	
	Current Year	Preceding Year	Current Year	Preceding Year
	30 June 2007 RM'000	30 June 2006 RM'000	30 June 2007 RM'000	30 June 2006 RM'000
Malaysian taxation based on the results for the period				
- Current	9	365	222	1,148
- Deferred	95	(18)	161	(183)
	-----	-----	-----	-----
	104	347	383	965
Under-estimation of tax in prior years	20	-	20	-
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	124	347	403	965
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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 30 June 2007.
- (b) Total investments in quoted securities as at 30 June 2007 were as follows:

	RM'000
(i) At cost	216.2
(ii) At carrying value / book value	50.3
(iii) At market value	68.5

B8. Status of corporate proposals

There were no pending corporate proposals.

B9. Group borrowings and debt securities

The group borrowings as at 30 June 2007 are as follows:

	<-----30 June 2007----->		31 Dec 2006	
	Repayable within next 12 months	Repayable after next 12 months	Total outstanding	Total outstanding
	RM'000			
(a) Long term loans (secured)	334	2,607	2,941	3,259
(b) Short term loans				
- Secured	8,959	-	8,959	9,474
- Unsecured	75,812	-	75,812	80,072
	84,771	-	84,771	89,546
(c) Project financing (secured)	92,086	1,532	93,618	72,544
Sub-total	177,191	4,139	181,330	165,349
(d) Deferred payment loan (secured)				
	102,602	-	102,602	189,269
Total borrowings	279,793	4,139	283,932	354,618

The deferred payment loan of RM102.602 million was fully settled on 3 July 2007.

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 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; judgment was delivered in favour of Sribuan. On 3 May 2007, our application for stay of execution was dismissed and BPCSB has duly settled the judgment sum.

- (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 22 August to 30 August 2007, 12 November to 23 November 2007 and 10 December to 14 December 2007. On the appeal for a declaration that BPSB is not a party to the arbitration, the CA have directed that BPSB is to file the submission on or before 5 November 2007 and hearing has been fixed on 4 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. The case management have been postponed to June 2008. 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 30 June 2007	Preceding Year Corresponding Quarter 30 June 2006	Current Year To Date 30 June 2007	Preceding Year Corresponding Period 30 June 2006
a Basic earnings per share				
Net profit for the year (RM'000)	1,645	1,164	3,003	2,229
Weighted average number of ordinary shares in issue ('000)	80,942	80,925	80,933	80,925
Basic earnings per share (sen)	2.03	1.44	3.70	2.75

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
27th August 2007