

**BINA PURI HOLDINGS BHD**

(Company No. 207184-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR NINE MONTHS ENDED 30 SEPTEMBER 2007**

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30 Sep 2007 RM'000	30 Sept 2006 RM'000	30 Sept 2007 RM'000	30 Sept 2006 RM'000
Revenue	151,770	143,231	417,431	366,617
Cost of sales	(141,292)	(132,263)	(389,757)	(340,905)
Gross profit	10,478	10,968	27,674	25,712
Other operating income	482	770	2,754	5,469
Administrative and general expenses	(8,766)	(8,918)	(23,401)	(22,075)
Profit from operations	2,194	2,820	7,027	9,106
Share of profits less losses of associated companies	740	346	2,193	166
Share of profit of a jointly controlled entity	321	-	321	-
Investment income	368	(19)	902	12
Finance costs	(1,078)	(1,221)	(3,839)	(4,185)
Profit before tax	2,545	1,926	6,604	5,099
Taxation	(249)	(274)	(652)	(1,239)
Profit for the period	2,296	1,652	5,952	3,860
<b>Profit for the period attributable to:</b>				
Equity holders of the parent	2,013	1,441	5,016	3,670
Minority interests	283	211	936	190
	2,296	1,652	5,952	3,860
<b>Earnings per share attributable to equity holders of the parent:</b>				
EPS – Basic (sen)	2.45	1.78	6.16	4.54
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 SEPTEMBER 2007

	As at financial period ended 30 Sep 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	57,104	52,292
Land held for property development	10,257	10,257
Expressway development expenditure	19,140	19,919
Investment property	1,135	1,680
Prepaid lease payments	2,070	2,144
Associated companies	4,372	2,023
Investment in a jointly controlled entity	321	-
Other investments	7,413	1,411
Deferred tax asset	943	1,200
	102,755	90,926
<b>CURRENT ASSETS</b>		
Inventories	5,050	7,168
Property development costs	17,727	18,118
Gross amount due from customers	83,138	49,855
Trade and other receivables	212,037	409,162
Tax recoverable	2,197	4,487
Fixed and time deposits	17,058	17,026
Cash and bank balances	16,919	19,813
	354,126	525,629
<b>CURRENT LIABILITIES</b>		
Gross amount due to customers	5,809	2,258
Trade and other payables	181,678	172,468
Hire purchase liabilities	1,858	1,994
Tax payable	56	1,962
Bank borrowings	174,319	255,342
	363,720	434,024
<b>NET CURRENT (LIABILITIES)/ASSETS</b>	(9,594)	91,605
	93,161	182,531
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>		
Share capital	82,663	80,925
Share premium	3,288	3,288
Capital reserve (non-distributable)	15,682	15,682
Merger reserve (non-distributable)	40	40
Accumulated loss	(28,707)	(31,951)
	72,966	67,984
<b>MINORITY INTERESTS</b>	11,450	10,664
<b>TOTAL EQUITY</b>	84,416	78,648
<b>NON-CURRENT AND DEFERRED LIABILITIES</b>		
Hire purchase and finance lease liabilities	4,636	3,843
Government grant	93	101
Bank term loans	3,347	99,276
Deferred tax liabilities	669	663
	8,745	103,883
	93,161	182,531
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	0.8827	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 NINE MONTHS ENDED 30 SEPTEMBER 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>30 September 2007</b>							
At 1 January 2007	80,925	3,288	40	15,682	(31,951)	10,664	78,648
Net profit for the period					5,016	936	5,952
Proceeds from issue of shares	1,738						1,738
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 Sep 2007	82,663	3,288	40	15,682	(28,707)	11,450	84,416
<b>30 September 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					3,670	190	3,860
Dividend paid					(2,331)		(2,331)
Dividend paid to minority interests						(9)	(9)
Balance at 30 Sep 2006	80,925	3,288	40	15,932	(33,654)	10,960	77,491

(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 NINE MONTHS ENDED 30 SEPTEMBER 2007**

	Current year To date 30 Sep 2007 RM'000	Preceding year corresponding period 30 Sep 2006 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before tax	6,604	5,099
<i>Adjustments for:</i>		
Non-cash items	4,488	4,413
Non-operating items	7,489	4,860
Operating profit before changes in working capital	18,581	14,372
Changes in inventories	2,119	946
Changes in property development	390	(7,221)
Changes in receivables	163,838	(72,834)
Changes in payables	11,820	(20,930)
Cash generated/( utilized) in operating activities	196,748	(85,667)
Expressway development expenditure	(921)	(1,001)
Interest paid	(7,527)	(4,615)
Tax paid	(4)	(4,496)
Net cash flows from operating activities	188,296	(95,779)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Equity investments	(6,169)	-
Other investments	(5,042)	3,608
	(11,211)	3,608
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net drawdown / (repayment) of bank borrowings	(174,994)	100,279
Payment of hire purchase instalments	(2,057)	(2,262)
Hire purchase term charges paid	(813)	(294)
Proceeds from issue of shares	1,738	-
Dividend paid to shareholders of the Company	(1,772)	(2,331)
Dividend paid to minority interests	(123)	(9)
	(178,021)	95,383
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	(936)	3,212
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	(2,686)	(12,711)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	(3,622)	(9,499)
<i>Represented by:</i>		
<b>CASH AND BANK BALANCES</b>	16,919	11,642
<b>BANK OVERDRAFTS</b>	(20,541)	(21,141)
	(3,622)	(9,499)

(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 were 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 1,737,900 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 28 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

<b>30 September 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	306,997	23,610	16,434	70,390	-	-	417,431
Inter-segment sales	299	-	-	6,667	-	(6,966)	-
	-----	-----	-----	-----	-----	-----	-----
Total revenue	307,296	23,610	16,434	77,057	-	(6,966)	417,431
	=====	=====	=====	=====	=====	=====	=====
<b>RESULTS</b>							
Segment operating profit/(loss)	3,493	908	624	1,929	133	(60)	7,027
Investment income	902	-	-	-	-	-	902
Share of profit of jointly controlled entities	321	-	-	-	-	-	321
Finance costs	(3,432)	-	(109)	(298)	-	-	(3,839)
Share of associated companies' profits less losses	989	-	-	1,204	-	-	2,193
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Profit before taxation	2,273	908	515	2,835	133	(60)	6,604
	=====	=====	=====	=====	=====	=====	=====

<b>30 September 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	302,256	3,998	12,587	47,776	-	-	366,617
Inter-segment sales	272	-	5	2,020	-	(2,297)	-
	-----	-----	-----	-----	-----	-----	-----
Total revenue	302,528	3,998	12,592	49,796	-	(2,297)	366,617
	=====	=====	=====	=====	=====	=====	=====
<b>RESULTS</b>							
Segment operating profit/(loss)	7,387	482	102	1,469	(135)	(199)	9,106
Investment income	797	(8)	-	-	110	(887)	12
Finance costs	(3,826)	-	(91)	(268)	-	-	(4,185)
Share of associated companies' profits less losses	163	-	-	3	-	-	166
	-----	-----	-----	-----	-----	-----	-----
Profit before taxation	4,521	474	11	1,204	(25)	(1,086)	5,099
	=====	=====	=====	=====	=====	=====	=====

(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 October 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 material changes in the composition of the Group during the period under review other than the following:-

- 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 Puri 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.
- iii. the establishment of a 70:30 jointly controlled entity, SPK-Bina Puri JV, through a Joint Venture Agreement entered into by Pembinaan SPK Sdn Bh, a wholly-owned subsidiary of SPK-Sentosa Corporation Berhad and the Company for the purpose of jointly accepting an award of contract from Al-Tamouh Investments LLC.
- iv. invested Pakistani Rupees 99,970 for 9,997 ordinary shares of Pakistani Rupees 10 each representing 99.97% of the total issued and paid-up share capital in Bina Puri Pakistan (Private) Ltd on 2 August 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>21Nov 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	6,105	46,549
Guarantees given to an associated company to purchase shoplot	82	(7)	75
Guarantees given to secure hire purchase credit liability of a former associate	256	(164)	92
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	4,956	46,716
	=====	=====	=====



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

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

For the nine months ended 30 September 2007, the Group achieved a revenue of RM417.431 million and profit before tax of RM6.604 million as compared to the previous corresponding period of RM366.617 million and RM5.099 million respectively

The construction division recorded a revenue of RM307.296 million and profit before tax of RM2.273 million as compared to the previous corresponding period of RM302.528 million and RM4.521 million respectively. The performance of the division was affected by the increase in building material costs such as steel bar, diesel, and cement. The newly awarded construction projects have yet to contribute positively for the period under review.

The property division recorded a revenue of RM23.610 million and profit before tax of RM0.908 million as compared to the previous corresponding period of RM3.998 million and RM0.474 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 RM77.057 million which was 54.7% higher compared to RM49.796 million in the corresponding period last year. The profit before tax was RM2.835 million as compared to RM1.204 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. In addition, the improved performance of the associated company had contributed positively to results of this division.

The polyol division achieved a revenue of RM16.434 million and profit before tax of RM0.515 as compared to the previous corresponding period of RM12.592 million and RM11,000 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 quarter under review, the Group achieved a revenue of RM151.770 million as compared to the immediate preceding quarter of RM160.915 million.

The Group's profit before tax improved to RM2.545 million for the current quarter ended 30 September 2007 from RM2.257 million in the immediate preceding quarter ended 30 June 2007.

The improved result was mainly attributable to higher contribution from quarry and ready mix concrete 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 locally and overseas in Thailand, U.A.E., Pakistan and Brunei. We are looking forward to securing overseas contracts in 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 Sep 2007 RM'000	30 Sep 2006 RM'000	30 Sep 2007 RM'000	30 Sep 2006 RM'000
Malaysian taxation based on the results for the period				
- Current	187	99	409	1,247
- Deferred	102	167	263	(16)
	-----	-----	-----	-----
	289	266	672	1,231
Under-estimation of tax in prior years	(40)	8	(20)	8
	-----	-----	-----	-----
	249	274	652	1,239
	-----	-----	-----	-----

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 purchases or disposals of quoted securities for the financial period under review other than the disposals of quoted shares which resulted a profit on disposal of RM16,000.
- (b) Total investments in quoted securities as at 30 September 2007 were as follows:

	RM'000
(i) At cost	0.368
(ii) At carrying value / book value	0.048
(iii) At market value	0.240

**B8. Status of corporate proposals**

There were no pending corporate proposals.

## B9. Group borrowings and debt securities

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

	<-----30 September 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)	340	1,861	2,201	3,259
(b) Short term loans				
- Secured	8,170	-	8,170	9,474
- Unsecured	72,532	-	72,532	80,072
	80,702	-	80,702	89,546
(c) Project financing (secured)	93,277	1,486	94,763	72,544
Sub-total	174,319	3,347	177,666	165,349
(d) Deferred payment loan (secured)				
	-	-	-	189,269
Total borrowings	174,319	3,347	177,666	354,618

The deferred payment loan 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 as at date of this report.

## 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 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 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 for which BPSB had put in the necessary submission and hearing has been fixed on 4 December 2007. The directors have been advised that BPSB has an even chance of success.

- (iii) 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. On 12 November 2007, trial was conducted and judge directed for us to file our submission on or before 14 November 2007 for which we had submitted. Pending submission of reply by Selesa. 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**

The Directors approved an interim dividend of 2% less income tax at 27% for the financial year ending 31 December 2007 payable on 28 Dec 2007.

## **B13. Earnings per share**

	Current Year Quarter 30 Sep 2007	Preceding Year Corresponding Quarter 30 Sept 20 06	Current Year To Date 30 Sep 2007	Preceding Year Corresponding Period 30 Sep 2006
<i>a Basic earnings per share</i>				
Net profit for the period (RM'000)	2,013	1,441	5,016	3,670
Weighted average number of ordinary shares in issue ('000)	82,293	80,925	81,392	80,925
Basic earnings per share (sen)	2.45	1.78	6.16	4.54

### *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**  
**27 November 2007**