

BINA PURI HOLDINGS BHD

(Company No. 207184-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31 Dec 2007 RM'000	31 Dec 2006 RM'000	31 Dec 2007 RM'000	31 Dec 2006 RM'000
Revenue	195,121	124,954	612,552	491,571
Cost of sales	(184,014)	(112,952)	(573,771)	(453,857)
Gross profit	11,107	12,002	38,781	37,714
Other operating income	1,258	1,667	4,012	7,136
Administrative and general expenses	(10,033)	(10,990)	(33,434)	(33,065)
Profit from operations	2,332	2,679	9,359	11,785
Share of profits less losses of associated companies	(176)	(432)	2,017	(266)
Share of profit of a jointly controlled entity	536	-	857	-
Investment income	436	409	1,338	421
Finance costs	(1,248)	(1,346)	(5,087)	(5,531)
Profit before tax	1,880	1,310	8,484	6,409
Taxation	200	11	(452)	(1,228)
Profit for the period	2,080	1,321	8,032	5,181
Profit for the period attributable to:				
Equity holders of the parent	2,017	1,452	7,033	5,122
Minority interests	63	(131)	999	59
	2,080	1,321	8,032	5,181
Earnings per share attributable to equity holders of the parent:				
EPS – Basic (sen)	2.44	1.79	8.61	6.33
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 DECEMBER 2007

	As at financial period ended 31 Dec 2007	As at preceding financial year ended 31 Dec 2006
	RM'000 (Unaudited)	RM'000 (Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	58,543	52,292
Land held for property development	10,257	10,257
Expressway development expenditure	14,309	19,919
Investment property	1,135	1,680
Prepaid lease payments	2,034	2,144
Associated companies	4,056	2,023
Investment in a jointly controlled entity	857	-
Other investments	7,417	1,411
Deferred tax asset	853	1,200
	99,461	90,926
CURRENT ASSETS		
Inventories	5,123	7,168
Property development costs	21,486	18,118
Gross amount due from customers	88,745	49,855
Trade and other receivables	242,828	409,162
Tax recoverable	3,318	4,487
Fixed and time deposits	18,483	17,026
Cash and bank balances	14,891	19,813
	394,874	525,629
CURRENT LIABILITIES		
Gross amount due to customers	5,383	2,258
Trade and other payables	209,000	172,468
Hire purchase liabilities	2,668	1,994
Tax payable	405	1,962
Bank borrowings	181,304	255,342
	398,760	434,024
NET CURRENT (LIABILITIES)/ASSETS	(3,886)	91,605
	95,575	182,531
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	82,665	80,925
Share premium	3,288	3,288
Capital reserve (non-distributable)	15,682	15,682
Merger reserve (non-distributable)	40	40
Accumulated loss	(27,897)	(31,951)
	73,778	67,984
MINORITY INTERESTS	11,513	10,664
TOTAL EQUITY	85,291	78,648
NON-CURRENT AND DEFERRED LIABILITIES		
Hire purchase and finance lease liabilities	6,921	3,843
Government grant	90	101
Bank term loans	2,621	99,276
Deferred tax liabilities	652	663
	10,284	103,883
	95,575	182,531
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.8925	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 DECEMBER 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			
31 December 2007							
At 1 January 2007	80,925	3,288	40	15,682	(31,951)	10,664	78,648
Net profit for the year					7,033	999	8,032
Proceeds from issue of shares	1,740						1,740
Purchase of additional shares from minority interest						(27)	(27)
Dividend paid :							
- Dividends of the Company					(2,979)		(2,979)
- Dividend of subsidiaries						(123)	(123)
Balance at 31 Dec 2007	82,665	3,288	40	15,682	(27,897)	11,513	85,291
31 December 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 year					5,122	59	5,181
Transfer from capital reserves				(250)	250		-
Dividend paid :							
- Dividends of the Company					(2,330)		(2,330)
- Dividend of subsidiaries						(174)	(174)
Balance at 31 Dec 2006	80,925	3,288	40	15,682	(31,951)	10,664	78,648

(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 DECEMBER 2007**

	Current year To date 31 Dec 2007 RM'000	Preceding year corresponding period 31 Dec 2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax	8,484	6,409
<i>Adjustments for:</i>		
Non-cash items	5,619	6,664
Non-operating items	9,867	7,733
Operating profit before changes in working capital	23,970	20,806
Changes in inventories	2,045	(297)
Changes in property development	(3,370)	(5,320)
Changes in receivables	127,440	(110,919)
Changes in payables	38,537	(5,617)
Cash generated/(utilized) in operating activities	188,622	(101,347)
Expressway development expenditure	3,910	(1,294)
Interest paid	(10,073)	(7,719)
Tax paid	(505)	(5,966)
Net cash flows from operating activities	181,954	(116,326)
CASH FLOWS FROM INVESTING ACTIVITIES		
Equity investments	(6,146)	(72)
Other investments	(6,322)	6,974
	(12,468)	6,902
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown / (repayment) of bank borrowings	(172,141)	125,131
Payment of hire purchase instalments	(1,275)	(2,825)
Hire purchase term charges paid	(1,080)	(353)
Proceeds from issue of shares	1,741	-
Dividend paid to shareholders of the Company	(2,979)	(2,330)
Dividend paid to minority interests	(123)	(174)
	(175,857)	119,449
NET CHANGES IN CASH AND CASH EQUIVALENTS	(6,371)	10,025
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(2,686)	(12,711)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(9,057)	(2,686)
<i>Represented by:</i>		
CASH AND BANK BALANCES	14,891	19,813
BANK OVERDRAFTS	(23,948)	(22,499)
	(9,057)	(2,686)

(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 year 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 1,740,900 new ordinary shares of RM1 each, pursuant to the exercise of the Employees’ Share Option Scheme.

A7. Dividend paid

For the financial year ended 31 Dec 2007, an interim dividend of 2% less 27% tax was paid on 28 Dec 2007	RM1,206,872
For the financial year ended 31 Dec 2006, a final dividend of 3% less 27% tax was paid on 28 July 2007	RM1,772,380

	RM2,979,252
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A8. SEGMENTAL ANALYSIS

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

31 December 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	460,943	35,625	23,322	92,662	-	-	612,552
Inter-segment sales	427	-	-	15,249	-	(15,676)	-
	-----	-----	-----	-----	-----	-----	-----
Total revenue	461,370	35,625	23,322	107,911	-	(15,676)	612,552
	=====	=====	=====	=====	=====	=====	=====
RESULTS							
Segment operating profit/(loss)	1,909	2,646	1,115	3,447	124	118	9,359
Investment income	1,488	-	-	-	-	(150)	1,338
Share of profit of jointly controlled entities	857						857
Finance costs	(4,522)	-	(157)	(408)	-	-	(5,087)
Share of associated companies' profits less losses	1,655	-	-	362	-	-	2,017
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Profit before taxation	1,387	2,646	958	3,401	124	(32)	8,484
	=====	=====	=====	=====	=====	=====	=====

31 December 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	403,682	7,219	17,050	63,620	-	-	491,571
Inter-segment sales	359	217	18	2,606	-	(3,200)	-
	-----	-----	-----	-----	-----	-----	-----
Total revenue	404,041	7,436	17,068	66,226	-	(3,200)	491,571
	=====	=====	=====	=====	=====	=====	=====
RESULTS							
Segment operating profit/(loss)	9,656	563	204	2,202	(278)	(562)	11,785
Investment income	1,078	(10)	-	382	1,158	(2,187)	421
Finance costs	(5,088)	-	(110)	(333)	(1,099)	1,099	(5,531)
Share of associated companies' profits less losses	452	-	-	(718)	-	-	(266)
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Profit before taxation	6,098	553	94	1,533	(219)	(1,650)	6,409
	=====	=====	=====	=====	=====	=====	=====

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 2008 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 year 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 Bhd, 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:

	31 Dec 06	Changes	20 Feb 08
	RM'000	RM'000	RM'000
Guarantees given in favour of a financial institution for credit facilities granted to an associated company	40,444	28,832	69,276
Guarantees given to an associated company to purchase shoplot	82	(9)	73
Guarantees given to secure hire purchase credit liability of a former associate	256	(225)	31
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	27,620	69,380
	=====	=====	=====

B : Additional notes to Bursa Malaysia Securities Berhad listing requirements

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

For the year ended 31 December 2007, the Group achieved a revenue of RM612.6 million and profit before tax of RM8.5 million as compared to the previous corresponding year of RM491.6 million and RM6.4 million respectively

The construction division recorded a revenue of RM461.4 million and profit before tax of RM1.4 million as compared to the previous corresponding year of RM404.0 million and RM6.1 million respectively. The performance of the division was affected by the increase in building material costs such as steel bar, diesel, and cement.

The property division recorded a revenue of RM35.6 million and profit before tax of RM2.6 million as compared to the previous corresponding year of RM7.4 million and RM0.6 million respectively. The improved performance was mainly attributable to progressive profit recognised on Jesselton condominium sold during the year.

The quarry and ready mix concrete division achieved a revenue of RM107.9 million which was 62.9% higher compared to RM66.2 million in the corresponding period last year. The profit before tax was RM3.4 million as compared to RM1.5 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 RM23.3 million and profit before tax of RM1 million as compared to the previous corresponding period of RM17.1 million and RM94,000 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 RM195.1 million as compared to the immediate preceding quarter of RM151.8 million.

The Group's recorded a profit before tax of RM1.9 million for the 4th quarter ended 31 December 2007 as compared to the preceding quarter of RM2.5 million.

The performance for the 4th quarter 2007 was affected by the lower profit margin as a result of higher building material costs.

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
	31 Dec 2007 RM'000	31 Dec 2006 RM'000	31 Dec 2007 RM'000	31 Dec 2006 RM'000
Malaysian taxation based on the results for the period				
- Current	494	476	903	1,723
- Deferred	420	388	683	372
	-----	-----	-----	-----
	914	864	1,586	2,095
Over-estimation of tax in prior years	(1,114)	(875)	(1,134)	(867)
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	(200)	(11)	452	1,228
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The Group's effective taxation rate for the year 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 year under review.

B7. Quoted securities

- (a) There were no purchases or disposals of quoted securities for the financial year 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 31 December 2007 were as follows:

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

B8. Status of corporate proposals

There were no pending corporate proposals.

B9. Group borrowings and debt securities

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

RM'000	<-----31 December 2007----->			31 Dec 2006
	Repayable	Repayable	Total	Total
	within next 12 months	after next 12 months	outstanding	outstanding
(a) Long term loans (secured)	346	1,178	1,524	3,259
(b) Short term loans				
- Secured	12,565	-	12,565	9,474
- Unsecured	74,938	-	74,938	80,072
	87,503	-	87,503	89,546
(c) Project financing (secured)	93,455	1,443	94,898	72,544
Sub-total	181,304	2,621	183,925	165,349
(d) Deferred payment loan (secured)	-	-	-	189,269
Total borrowings	181,304	2,621	183,925	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 still 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. On 4/12/2007, the Court of Appeal disallowed our Application to Adduce Further Evidence, that is the Re-Amended Points of Claim. Our Appeal on the issue of jurisdiction has also been dismissed. To this, we have filed the Leave of Appeal to the Federal Court against the Court of Appeal’s decision. 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. Trial was conducted on 12/11/2007 and our closing submission was filed on 19/11/2007. On 22/11/2007, the Judge delivered his judgment in favour of the Plaintiff. We have paid RM240, 690.07 pursuant to the judgment given and the Plaintiff’s solicitor has written to us confirming that they will not be presenting the winding up petition against us.

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

B12. Dividend

For the financial year ended 31 December 2007, the Directors approved an interim dividend of 2% less income tax at 27% on 82,662,500 ordinary shares, amounting to RM1,206,872 and had been subsequently paid on 28 December 2007.

Subject to the shareholders’ approval at the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2007 has been recommended as follows:

- 1) A final dividend of 4% less income tax at 26%
- 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 6%(2% less income tax at 27% and 4% less income tax at 26%) as compared to the previous financial year ended 31 December 2006 of 5% (3% less income tax at 27% and 2% less income tax at 28%).

B13. Earnings per share

	Current Year Quarter 31 Dec 2007	Preceding Year Corresponding Quarter 31 Dec 2006	Current Year To Date 31 Dec 2007	Preceding Year Corresponding Period 31 Dec 2006
a Basic earnings per share				
Net profit for the period (RM'000)	2,017	1,452	7,033	5,122
Weighted average number of ordinary shares in issue ('000)	82,665	80,925	81,712	80,925
Basic earnings per share (sen)	2.44	1.79	8.61	6.33

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
26 February 2008