

**BINA PURI HOLDINGS BHD**

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

**CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR PERIOD ENDED 30 SEPTEMBER 2008**

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30 Sep 2008 RMø000	30 Sep 2007 RMø000	30 Sep 2008 RMø000	30 Sep 2007 RMø000
Revenue	200,252	151,770	530,188	417,431
Cost of sales	(187,281)	(141,292)	(495,672)	(389,757)
Gross profit	12,971	10,478	34,516	27,674
Other operating income	1,762	482	3,887	2,754
Administrative and general expenses	(10,524)	(8,766)	(27,094)	(23,401)
Profit from operations	4,209	2,194	11,309	7,027
Share of results of:				
- associates	(597)	740	145	2,193
- jointly controlled entity	122	321	(527)	321
Investment income	15	368	137	902
Finance costs	(1,282)	(1,078)	(3,770)	(3,839)
Profit before tax	2,467	2,545	7,294	6,604
Taxation	(1,176)	(249)	(2,226)	(652)
Profit for the period	1,291	2,296	5,068	5,952
<b>Profit for the period attributable to:</b>				
Equity holders of the parent	1,247	2,013	4,295	5,016
Minority interests	44	283	773	936
	1,291	2,296	5,068	5,952
<b>Earnings per share attributable to equity holders of the parent:</b>				
EPS ø Basic (sen)	1.51	2.45	5.19	6.16
EPS ø Diluted (sen)	-	-	-	-

(The condensed consolidated income statements should be read in conjunction with the annual financial report for YE 31 Dec 2007)

# BINA PURI HOLDINGS BHD

(Company No. 207184-X)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED BALANCE SHEETS – 30 SEPTEMBER 2008

	As at financial period ended 30 Sep 2008	As at preceding financial year ended 31 Dec 2007
	RMø000 (Unaudited)	RMø000 (Audited)
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	56,285	58,544
Prepaid lease payments	1,952	2,034
Investment property	1,135	1,135
Investments in associates	6,055	4,157
Investment in jointly controlled entity	330	857
Other investments	7,271	7,381
Land held for property development	13,257	10,257
Expressway development expenditure	-	14,309
Deferred tax asset	767	853
	<u>87,052</u>	<u>99,527</u>
<b>CURRENT ASSETS</b>		
Inventories	5,513	5,123
Property development costs	2,686	15,967
Gross amount due from customers	72,162	94,265
Trade and other receivables	214,952	248,663
Tax recoverable	2,795	3,071
Fixed and time deposits	13,250	18,486
Cash and bank balances	35,037	14,941
	<u>346,395</u>	<u>400,516</u>
<b>TOTAL ASSETS</b>	<u>433,447</u>	<u>500,043</u>
<b>EQUITY</b>		
Share capital	82,848	82,666
Share premium (non-distributable)	3,288	3,288
Capital reserve (non-distributable)	15,722	15,682
Merger reserve (non-distributable)	-	40
Foreign currency translation reserve	(854)	-
Accumulated loss	(26,067)	(27,910)
Equity attributable to shareholders of the Company	<u>74,937</u>	<u>73,766</u>
<b>MINORITY INTERESTS</b>		
	10,567	11,470
<b>TOTAL EQUITY</b>	<u>85,504</u>	<u>85,236</u>
<b>NON-CURRENT LIABILITIES</b>		
Hire purchase and finance lease liabilities	5,497	6,445
Bank term loans	4,890	2,747
Government grant	82	90
Deferred tax liabilities	228	652
	<u>10,697</u>	<u>9,934</u>
<b>CURRENT LIABILITIES</b>		
Gross amount due to customers	3,950	260
Trade and other payables	180,829	219,992
Hire purchase liabilities	2,755	3,156
Tax payable	269	288
Bank borrowings	149,443	181,177
	<u>337,246</u>	<u>404,873</u>
<b>TOTAL LIABILITIES</b>	<u>347,943</u>	<u>414,807</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>433,447</u>	<u>500,043</u>
<b>Net assets per share attributable to shareholders of the Company (RM)</b>		
	0.9045	0.8923

(The condensed consolidated balance sheet should be read in conjunction with the annual financial report for year ended 31 Dec 2007)

**BINA PURI HOLDINGS BHD**

(Company No. 207184-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2008**

	-----Non-distributable-----							
	Share Capital	Share Premium	Merger Reserve	Capital Reserve	Accumulated Loss	Foreign Currency Exchange Reserve	Minority Interests	Total
RM'000								
<b>30 September 2008</b>								
At 1 January 2008	82,666	3,288	40	15,682	(27,910)		11,470	85,236
Transfer from merger reserve			(40)	40				-
Net profit for the period					4,295		773	5,068
Dividend paid					(2,452)			(2,452)
Translation differences						(854)		(854)
Disposal of shares in a subsidiary							(1,676)	(1,676)
Issue of shares	182							182
<b>Balance at 30 Sep 2008</b>	<b>82,848</b>	<b>3,288</b>	<b>-</b>	<b>15,722</b>	<b>(26,067)</b>	<b>(854)</b>	<b>10,567</b>	<b>85,504</b>
<b>30 September 2007</b>								
At 1 January 2007	80,925	3,288	40	15,682	(31,951)		10,664	78,648
Issue of shares	1,738							1,738
Acquisition of additional shares in a subsidiary from minority interests							(27)	(27)
Net profit for the period					5,016		936	5,952
Dividends paid								
- Dividend of the Company					(1,772)			(1,772)
- Dividend of subsidiaries							(123)	(123)
<b>Balance at 30 Sep 2007</b>	<b>82,663</b>	<b>3,288</b>	<b>40</b>	<b>15,682</b>	<b>(28,707)</b>	<b>-</b>	<b>11,450</b>	<b>84,416</b>

(The condensed consolidated statements of changes in equity should be read in conjunction with the annual financial report for year ended 31 Dec 2007)

**BINA PURI HOLDINGS BHD**

(Company No. 207184-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE PERIOD ENED 30 SEPTEMBER 2008**

	Current year To date 30 Sep 2008 RM€000	Preceding year corresponding period 30 Sep 2007 RM€000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before tax	7,294	6,604
<i>Adjustments for:</i>		
Non-cash items	4,809	4,488
Non-operating items	7,547	7,489
Operating profit before changes in working capital	19,650	18,581
Changes in inventories	(390)	2,119
Changes in property development	10,281	390
Changes in receivables	55,861	163,838
Changes in payables	(24,689)	11,820
Cash generated/( utilized) in operating activities	60,713	196,748
Expressway development expenditure	(167)	(921)
Interest paid	(7,198)	(7,527)
Tax paid	(2,309)	(4)
Net cash flows from operating activities	51,039	188,296
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Equity investments	124	(6,169)
Other investments	3,785	(5,042)
	3,909	(11,211)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Repayment) / Drawdown of bank borrowings, net	(29,172)	(174,994)
Payment of hire purchase instalments	(2,656)	(2,057)
Hire purchase term charges paid	(427)	(813)
Proceeds from issue of shares	182	1,738
Dividend paid to shareholders of the Company	(2,452)	(1,772)
Dividend paid to minority interests	-	(123)
	(34,525)	(178,021)
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	20,423	(936)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	(8,915)	(2,686)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	11,508	(3,622)
<i>Represented by:</i>		
<b>CASH AND BANK BALANCES</b>	35,037	16,919
<b>BANK OVERDRAFTS</b>	(23,529)	(20,541)
	11,508	(3,622)

(The condensed consolidated cash flow statements should be read in conjunction with the annual financial report for year ended 31 Dec 07)

## **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 Financial Reporting Standard (øFRSø) 134: øInterim Financial Reportingø and Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Groupø annual audited financial statements for the year ended 31 December 2007.

### **A2. Changes in accounting policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for year ended 31 December 2007 except for the adoption of the following revised FRS effective for the financial period beginning 1 January 2008:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 134	Interim Financial Reporting
FRS 137	Provision, Contingent Liabilities and Contingent Assets

The adoption of the abovementioned FRSs does not have any significant financial impact on the financial statements of the Group.

The Group has not opted for early adoption of FRS 139 Financial Instruments : Recognition and Measurement, which has been deferred to an effective date yet to be announced.

### **A3. Audit qualification**

The financial statements of the Group for the year ended 31 December 2007 were not subject to any audit qualification.

### **A4. Seasonal or cyclical factors**

The business operations of the Group were not significantly affected by seasonal or cyclical factors.

### **A5. Exceptional items**

There were no exceptional items for the financial period under review.

### **A6. Changes in estimates**

There were no material changes in estimates reported in prior financial years.

### **A7. 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 182,100 new ordinary shares of RM1 each, pursuant to the exercise of the Employeesø Share Option Scheme.

**A8. SEGMENTAL ANALYSIS**

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 2008</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	423,748	35,514	15,262	55,664	-	-	530,188
Inter-segment sales	346	-	-	14,027	-	(14,373)	-
	-----	-----	-----	-----	-----	-----	-----
Total revenue	424,094	35,514	15,262	69,691	-	(14,373)	530,188
	=====	=====	=====	=====	=====	=====	=====
<b>RESULTS</b>							
Segment operating profit/(loss)	5,977	2,552	449	2,368	16	(53)	11,309
Investment income	137	-	-	-	-	-	137
Share of profit of jointly controlled entities	(527)						(527)
Share of associated companies' profits							
less losses	(276)	-	-	421	-	-	145
Finance costs	(3,302)	-	(121)	(347)	-	-	(3,770)
	-----	-----	-----	-----	-----	-----	-----
Profit before taxation	2,009	2,552	328	2,442	16	(53)	7,294
	=====	=====	=====	=====	=====	=====	=====

30 September 2007	Property		Polyol	Quarry and	Others	Elimination	Consolidated
	Construction	development	manufacturing	ready mix concrete			
	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 associated companies' profits							
less losses	989	-	-	1,204	-	-	2,193
Share of profit of jointly controlled entities	321						321
Finance costs	(3,432)	-	(109)	(298)	-	-	(3,839)
	-----	-----	-----	-----	-----	-----	-----
Profit before taxation	2,273	908	515	2,835	133	(60)	6,604
	=====	=====	=====	=====	=====	=====	=====

**A9. Dividend paid**

The final dividend of 4% less 26% tax amounting to RM2,452,289 for the financial year ended 31 December 2007 was paid on 18 August 2008.

**A10. 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.

**A11. Events subsequent to the end of the period**

In the opinion of the directors, there has not arisen in the interval between the end of the current quarter 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.

**A12. 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 followings:-

- (i) reduced its equity interest in KL-Kuala Selangor Expressway Bhd (KL-KSE) by disposing 500,000 ordinary shares of RM1 each, representing 10% of the issued and paid-up share capital of KL-KSE at a cash consideration of RM500,000. Arising from the disposal, KL-KSE has ceased to be a subsidiary of the Group but has become a 50% associate.
- (ii) increased its equity interest in Sungai Long Properties Sdn Bhd (SLPSB) from 50% to 100% by acquiring 50,000 ordinary shares of RM1 each, representing 50% of the issued and paid-up share capital of SLPSB at a cash consideration of RM1.
- (iii) reduced 50% of its equity interest in Konsortium Syarikat Bina Puri ó TA 3 JV Sdn Bhd (KSBPTA3) formerly known as Bina Puri Plantation Sdn Bhd by disposing 1 ordinary share of RM1 at a cash consideration of RM1. Subsequently, the Group increased its equity interest in KSBPTA3 from 50% to 70% by acquiring an additional 69 ordinary shares of RM1 each at a cash consideration of RM69.

**A13. Changes in contingent liabilities or contingent assets**

The changes in contingent liabilities since 31 December 2007 were as follows:

	31 Dec 07 RM'000	Changes RM'000	21 Nov 08 RM'000
Guarantees given for performance bonds granted to an associated company	27,612	11,020	38,632
Guarantees given in favour of financial institutions for credit facilities granted to associated companies	74	73,883	73,957
Guarantees given to secure hire purchase liabilities of a former associate	72	(33)	39
	----- 27,758 =====	----- 84,870 =====	----- 112,628 =====



## **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 2008, the Group achieved a revenue of RM530.2 million and profit before tax of RM7.3 million as compared to the previous corresponding period of RM417.4 million and RM6.6 million respectively

The construction division recorded a revenue of RM424.1million and profit before tax of RM2.0 million as compared to the previous corresponding period of RM307.3 million and RM2.3 million respectively. The performance of the division was affected by the increase in building material costs such as steel bar, diesel and cement. The Group would be negotiating with its clients to mitigate the impact of such increase in building material costs.

The property division recorded a revenue of RM35.5 million and profit before tax of RM2.6 million as compared to the previous corresponding period of RM23.6 million and RM0.9 million respectively. The improved performance of this division was mainly attributable to progressive profit recognised from Jesselton Condominium sold during the period.

The quarry and ready mix concrete division achieved a profit before tax of RM2.4 million for the nine months ended 30 September 2008 as compared to RM2.8 million in the previous corresponding period. The decrease in profit was mainly due to lower profit contribution from an associated company of RM421,000 as compared to RM1.2 million in the previous corresponding period.

The polyol division achieved a revenue of RM15.3 million and profit before tax of RM328,000 as compared to the previous corresponding period of RM16.4 million and RM515,000 respectively. The performance of the division was affected by lack of export market due to the global economic slowdown.

### **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 RM200.2 million as compared to the immediate preceding quarter of RM179.3million.

The Group recorded a profit before tax of RM2.5 million for the 3<sup>rd</sup> quarter ended 30 September 2008 as compared to the preceding quarter of RM3.1million.

The performance for 3<sup>rd</sup> quarter 2008 was due to lower margin as a result of higher construction and building material costs.

### **B3. Prospects**

The Group will continue to focus 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 more 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 three 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 2008	30 Sep 2007	30 Sep 2008	30 Sep 2007
	RMø000	RMø000	RMø000	RMø000
Malaysian tax expense				
- Current	94	187	457	409
- Deferred	(42)	102	(170)	263
Overseas tax expense	1,173	-	1,973	-
	-----	-----	-----	-----
	1,225	289	2,260	672
Under-estimation of tax in prior years	(49)	(40)	(34)	(20)
	-----	-----	-----	-----
	1,176	249	2,226	652
	-----	-----	-----	-----

The Group's effective tax rate for the period ended 30 September 2008 was higher than the statutory rate mainly because of higher tax rate incurred for overseas operations.

**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.

(b) Total investments in quoted securities as at 30 September 2008 were as follows:

	RMø000
(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 30 September 2008 are as follows:

	<-----30 September 2008----->			31 Dec 2007
	Repayable within next 12 months	Repayable after next 12 months	Total outstanding	Total outstanding
<b>RM'000</b>				
(a) <b>Long term loans</b>				
<b>(secured)</b>	1,277	3,600	4,877	1,524
(b) <b>Short term loans</b>				
- Secured	14,185	-	14,185	12,565
- Unsecured	71,671	-	71,671	74,937
	85,856	-	85,856	87,502
(c) <b>Project financing</b>				
<b>(secured)</b>	62,310	1,290	63,600	94,898
<b>Total borrowings</b>	149,443	4,890	154,333	183,924

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 (öKimpointö) 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 fixed on 10 July 2008. On 10 July 2008, the court adjourned to 11 August 2008 as the court file could not be located. On 11 August, 2008 court directed for Kimpoint to submit their written submission on 2 September 2007, our submission on 23 September 2008, Kimpoint reply to our submission on 14 October 2008 and hearing or clarification on 18 November 2008. 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 (öBPSBö) against EP Engineering Sdn Bhd (öEPö) and Kris Heavy Engineering & Construction Sdn Bhd (öKris Heavyö) 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 Court of Appeal has 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 was fixed on 4 December 2007. On 4 December 2007, the Court of Appeal disallowed the Application to Adduce Further Evidence on the Re-Amended Points of Claim. The Court of Appeal also dismissed BPSB's appeal on the issue of jurisdiction. BPSB had filed for Leave to Appeal to the Federal Court against the Court of Appeal's decisions. Federal court did not grant us leave to appeal. Our solicitor is of the opinion that BPSB do not have any liability as against EP at the close of EP's case.

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 25% for the financial year ending 31 December 2008 payable on 9 January 2009.

#### **B13. Earnings per share**

	Individual Period		Cumulative Period	
	Current Year	Preceding Year	Current Year	Preceding Year
	30 Sep 2008 RMö000	30 Sep 2007 RMö000	30 Sep 2008 RMö000	30 Sep 2007 RMö000
<b>a Basic earnings per share</b>				
Net profit for the year (RMö000)	1,247	2,013	4,295	5,016
Weighted average number of ordinary shares in issue (ö000)	82,845	82,293	82,737	81,392
Basic earnings per share (sen)	1.51	2.45	5.19	6.16

#### **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**  
Senior Group Company Secretary  
25 November 2008