

BINTAI KINDEN CORPORATION BERHAD

(Company No. 290870-P)

Interim Financial Statements for Quarter Ended 31 March 2008

Notes to the interim financial statements

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2007.

These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2007.

A2. Changes in accounting policies

The interim financial statements have been prepared based on accounting policies and methods of computation which are consistent with those adopted in the annual audited financial statements for the financial year ended 31 March 2007, except for the adoption of the following applicable new/revised Financial Reporting Standards ("FRSs") which are mandatory for financial periods beginning on or after 1 October 2006:

FRS 124	Related Party disclosures
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The adoption of FRS 124 has not had any material effect on the Group and the relevant disclosures have been made in Note A14.

A3. Qualification of financial statements

The latest audited financial statements of the Group were not subject to any audit qualification.

A4 Seasonal or Cyclical Factors

The Group's operations are not materially affected by any seasonal or cyclical factors in a way that the interim results under review may not correlate to the preceding year's corresponding interim results.

A5 Nature and amount of unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and year to-date.

A6 Nature and amount of changes in estimates

There were no significant changes in estimates that have had a material effect in the current quarter and financial period to-date.

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A7 Debt and equity securities

Save as disclosed below, there was no issuance, cancellation, repurchase resale and repayment of debt and equity securities by the Group for the interim period under review.

During the quarter ended 31 March 2008 the Company repurchased 1,000 shares from the open market at an average price of RM0.50 per share.

During the year ended 31 March 2008, the Company repurchased 113,300 (2007: 1,000) shares from the open market at an average price of RM0.51 (2007: RM0.55) per share. The repurchases were financed by internally generated funds. The shares repurchased are held as treasury shares in accordance with Section 67A of the Companies' Act, 1965. As at 31 March 2008, a total of 1,996,600 (2007: 1,883,300) shares were held as treasury shares.

A8 Dividend paid

No dividend was paid during the current quarter (FY 2007: Nil).

A9 Segmental Reporting

Business segment information of the Group for the year ended 31 March 2008 is as follows:

	Specialised electrical and mechanical engineering services RM'000	Turnkey, infrastructure, civil and structural RM'000	Property holding and development RM'000	Investment holding and others RM'000	Total RM'000
<u>Operating Revenue</u>					
Operating revenue	96,744	53,498	-	706	150,948
<u>Results</u>					
Segment results	(23,756)	(607)	(236)	2,605	(22,057)
Finance costs					(6,307)
Loss from ordinary activities before taxation					(28,364)
Taxation					(443)
Loss for the year					(28,807)

A10 Valuation of property, plant and equipment

The valuation of property, plant and equipment has been brought forward without any amendments from the preceding year's annual financial statements.

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There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for this interim period.

A12 Effect of changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter and financial year to-date.

A13 Changes in contingent liabilities or contingent assets since the last annual balance sheet date

As at 31 March 2008 the contingent liabilities of the Group and the Company were as follows:

	Group RM'000	Company RM'000
Corporate Guarantees given to licensed banks for banking facilities granted to subsidiary companies (unsecured)	-	361,000
Bank Guarantee by a subsidiary company in respect of projects	32,387	-
Total as at 31 March 2008	<u>32,387</u>	<u>361,000</u>

A14 Related party transactions

The related party transactions noted below have all been undertaken within the mandate approved by the shareholders. The names of the parties referred to by initials are disclosed in full in the annual report for the year ended 31 March 2007.

Nature of the transactions		Current quarter ended 31.03.2008 RM'000	Cumulative year to date 31.03.2008 RM'000
<u>Paid/payable</u>			
OPKH	Rental	69	280
LBC	Rental	-	126
LBC	Staff secondment	-	113
LBC	Contract fees & purchase of materials	46	156
MAED	Contract fees and purchase of materials	3	711
<u>Received/receivable</u>			
MAED	Contract fees and purchase of materials	-	260
BKE	Rental	-	18
BKE	Provision of working capital	101	580
eGames	Rental	-	40
eGames	Purchase of materials	23	33
KC	Contract fees	-	10
LBC	Contract fees & purchase of materials	-	52

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Additional information required by the listing requirements of Bursa Malaysia

B1 Review of performance

The Group posted a turnover of RM47.582 million for the fourth quarter compared to RM73.898 million in the corresponding period of the previous financial year. Loss before tax was RM14.475 million for the fourth quarter compared to profit before tax of RM1.392 million recorded in the corresponding period of the previous financial year. The reduction in turnover reflects the continuing completion of contracts and, in consequence, a lower level of activity. The loss for the current quarter was attributable to the continuing finalisation of results of completed contracts, impairment of an investment and reflects the escalation in material prices and other cost overruns.

B2 Material changes in the quarterly results compared to the results of the preceding quarter

The Group registered a turnover and pre-tax loss of RM47.582 million and RM14.475 million respectively for the fourth quarter compared to a turnover and pre-tax loss of RM7.755 million and RM7.744 million respectively for the preceding quarter. The increase in turnover for the current quarter was mainly attributable to additional work to complete a number of contracts. The increase in the pre-tax loss for the current quarter was mainly attributable to losses arising on finalisation of results of completed projects in the quarter as well as the impairment of an investment as referred to in B1 above.

B3 Prospects

The management continue to focus their efforts in securing new large projects domestically as well as from abroad, although the market continues to be challenging. With substantial new projects in prospect the Board believe future prospects will be satisfactory.

B4 Variance of actual profit from forecast profit and shortfall in the profit guarantee

Not applicable.

B5 Taxation

Taxation for the year ended 31 March 2008 comprises current taxation and deferred tax liabilities of RM0.430 million and RM0.013 million respectively.

The tax charge for the year to date arises in respect of income in a subsidiary not relieved by losses in the rest of the group.

B6 Sales of unquoted investments

There were no sales of unquoted investments and properties in the current quarter.

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B7 Particulars of purchases or disposals of quoted securities

(a) Total disposals of quoted securities for the current quarter and financial year to date are as follows:

	Current quarter ended 31.03.2008 RM'000	Cumulative year to date 31.03.2008 RM'000
Cost of disposals	-	3,962

(b) The cost and market value of investments in quoted securities as at 31 March 2008 were as follows:

	RM'000
(i) at cost	6,368
(ii) at book value	6,368
(iii) at market value	6,128

B8 Status of corporate proposals

There were no announcements of any corporate proposals which have not been completed or cancelled as at the date of this report.

B9 Group Borrowings and Debt Securities

The Group's borrowings as at 31 March 2008 were as follows:

Current – secured	RM'000
Overdrafts	48,426
Revolving credits/Short term loan	70,538
Bills payable	15,485
	<u>134,449</u>
Non-current - secured	
Revolving credits/Short term loan	<u>30,327</u>
Total borrowings	<u><u>164,776</u></u>
Currencies in which total borrowings are denominated:	
	RM'000
-Ringgit Malaysia	164,776
-USD	-
	<u><u>164,776</u></u>

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B10 Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at 31 March 2008.

B11 Changes in Material Litigation

Save as disclosed below, there have been no changes in material litigation since the last audited financial statements for the year ended 31 March 2007:-

- a) An action has been brought against one of the company's subsidiaries, Kejuruteraan Bintai Kindenko Sdn Bhd, ("KBK"), by Malayan Banking Berhad ("MBB") as the fourth defendant of the suit for an amount totalling RM19,108,051.18 in relation to a notice of assignment of contract proceeds payable by KBK to a sub-contractor in favour of MBB. MBB filed a summary judgment application for that sum and, subsequently, KBK was allowed by the Court to file a striking out application. On 8 May 2008 the Court dismissed both applications. KBK filed an appeal to the Court on 16 May 2008 in respect of the decision on the striking out application. KBK remains confident that no liability will arise in respect of this suit.
- b) An action has been brought by KBK against Asie Sdn Bhd ("Asie") by an application for an interim injunction in relation to a demand made by Asie on a maintenance bond provided by KBK to Asie in accordance with a contract. The demand made by Asie was for an amount of RM2.3 million. The Court awarded KBK an ex parte injunction on 6 September 2007. Subsequently an inter parte hearing for the said matter was heard on 26 November 2007, whereby the Court dismissed the ex parte injunction. The date for the hearing of the main suit has been fixed for 20 August 2008.
- c) An action has been brought against KBK by Asie claiming that KBK provide two maintenance bonds amounting to RM2.5 million in respect of a contract. KBK filed its statement of defence and counterclaim on 7 September 2007 for an amount of RM625,000.00 on the basis that Asie had breached its trustee duties by not releasing one half of the retention sum amounting to RM625,000.00. Through the counterclaim KBK denies that Asie is entitled to the maintenance bonds. Asie further filed an Order 14 Summary Judgement application on 21 December 2007. The dates have not been fixed for the Summary Judgment application or the main suit.

B12 Dividend

No interim dividend is being declared for the quarter under review (FY 2007: Nil).

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B13 Loss per share

Basic loss per share

Basic loss per share of the Group is calculated by dividing the net loss attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period.

	Current quarter ended 31.03.2008	Cumulative year to date 31.03.2008
Net loss attributable to ordinary equity holders (RM)	(14,844,000)	(28,473,000)
Weighted average number of ordinary shares in issue	103,889,253	103,889,253
Basic loss per share (sen)	(14.29)	(27.41)

Diluted loss per share

The calculation of diluted loss per share is consistent with the calculation of basic loss per share while giving effect to all dilutive potential ordinary shares arising from share options that were outstanding during the period.

	Current quarter ended 31.03.2008	Cumulative year to date 31.03.2008
Net loss attributable to ordinary equity holders (RM)	(14,844,000)	(28,473,000)
Weighted average number of ordinary shares in issue	103,889,253	103,889,253
Effect of dilution: Share options	-	-
Adjusted weighted average number of ordinary shares in issue and issuable	103,889,253	103,889,253
Diluted loss per share (sen)	(14.29)	(27.41)

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B14 Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 May 2008

By Order of the Board

Low Siok Heong
Lim Jong Joan
Joint Secretaries

Kuala Lumpur

29 May 2008