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VISION

We will be the leading global corporation in all our core businesses, attaining regional excellence in our added commercial and high-tech investment, recognised for our high standards of quality products and services.

MISSION

To be a world class organisation achieving corporate excellence.



To be the best in our industry, committed to nation building, adding values to our resources and processes with innovative technology.



To be a responsible corporate citizen, committed to the highest quality standards with dedication, loyalty and integrity from our people for all stakeholders.

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Notice of Annual General Meeting

for the year ended 31 December 2003

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting of the Company will be held at Ground Floor, Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan on Wednesday, 30 June 2004 at 10:00 a.m. to transact the following businesses:

Agenda

- | | |
|---|---------------------|
| 1. To receive the Audited Accounts for the year ended 31 December 2003 and the Reports of Directors and Auditors thereon. | Resolution 1 |
| 2. To re-elect the following Directors who retire pursuant to Article 80 of the Company's Articles of Association: | |
| 2.1 YBhg. Dato' Mohamed Feisal Bin Ibrahim | Resolution 2 |
| 2.2 Henry Tee Hock Hin | Resolution 3 |
| 2.3 Khalid Bin Sufat | Resolution 4 |
| 3. To ratify and approve directors' annual fees of RM206,000.00. | Resolution 5 |
| 4. To re-appoint Messrs Moores Rowland as Auditors of the Company and to authorise the Directors to fix their remuneration. | Resolution 6 |
| 5. As special business, to consider and if thought fit, pass the following ordinary resolutions: | |

PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS

"THAT, subject to the Listing Requirements of the Bursa Malaysia Securities Berhad (formerly known as Malaysia Securities Exchange Berhad), the Company and/or its subsidiary companies be and are hereby authorised to enter into recurrent related party transactions of a revenue or trading nature set out in Paragraph 2.5 of the Circular to Shareholders of the Company dated 9 June 2004 which are necessary for their day-to-day operations with:

- | | |
|---|----------------------|
| 5.1 Sea Travel and Tours Sdn. Bhd., Masscorp Trading Sdn. Bhd. and New Hoong Wah Holdings Sdn. Bhd. | Resolution 7 |
| 5.2 Ideal Heights Properties Sdn. Bhd. | Resolution 8 |
| 5.3 Perkasa Sutera Sdn. Bhd. | Resolution 9 |
| 5.4 Kumpulan Melaka Berhad and Embun Tuah Sdn. Bhd. | Resolution 10 |
| 5.5 SLM Gabungan Sdn. Bhd., Juara Belia Sdn. Bhd., DT Transport Services Sdn. Bhd. and Rock Processors (Melaka) Sdn. Bhd. | Resolution 11 |

subject further to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable than those generally available to the public;



Notice of Annual General Meeting

PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS

(Cont'd)

- (b) appropriate disclosure is made in the annual report in accordance with Paragraph 4.1.5 of Practice Note 12/2001 of the Listing Requirements of the Bursa Malaysia Securities Berhad (formerly known as Malaysia Securities Exchange Berhad), which requires an actual breakdown of the aggregate value of the recurrent related party transactions entered into during the financial year, including amongst others, the type of recurrent related party transactions and the names of the related parties involved in each type of the recurrent related party transactions entered into and their respective relationships with the Company and that such approval shall, subject to annual renewal, continue to be in force until:
- i. the conclusion of the next annual general meeting of the Company (unless by a resolution or resolutions passed at the said annual general meeting, the authority is renewed);
 - ii. the expiry of the period within which the next annual general meeting of the Company following the forthcoming annual general meeting at which this mandate is approved, is required to be held pursuant to Section 143(1) of the Companies Act, 1965, without regard to such extension as may be allowed pursuant to Section 143(2) of the said Act; or
 - iii. revoked or varied by a further resolution or resolutions passed by shareholders of the Company in general meeting, whichever is the earliest; and
- (c) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by these ordinary resolutions.”
6. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

By Order Of The Board

TOH GAIK BEE

MAICSA 7005448

Group Company Secretary

Selangor Darul Ehsan

9 June 2004



Notice of Annual General Meeting

NOTES:

1. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Act shall not apply to the Company.
2. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
3. In the event the member duly executes the Form of Proxy but does not name any proxy, such member shall be deemed to have appointed the Chairman of the meeting as his proxy.
4. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting. The provision of Section 149(1)(c) of the Act shall not apply to the Company.
5. Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
6. Where a member is an authorised nominee as defined under the Central Depositories Act, it may appoint more than one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
7. To be valid this form duly completed must be deposited at the Registered Office of the Company at Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the meeting.

Explanatory Note on Special Business:

Proposed shareholders' mandate for recurrent related party transactions

The ordinary resolutions 7, 8, 9, 10, and 11, if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, particulars of which are set out in Paragraph 2.5 of the Circular to Shareholders of the Company dated 9 June 2004 despatched together with the Annual Report.



Statement Accompanying Notice of Annual General Meeting

[pursuant to paragraph 8.28(2) of the listing requirements of Bursa Malaysia Securities Berhad,
(formerly known as Malaysia Securities Exchange Berhad)]

1. Thirteenth Annual General Meeting of Bina Puri Holdings Bhd.

Date : Wednesday, 30 June 2004
Time : 10:00 a.m.
Place : Wisma Bina Puri
88, Jalan Bukit Idaman 8/1
Bukit Idaman
68100 Selayang
Selangor Darul Ehsan, Malaysia

2. Directors standing for re-election at the Thirteenth Annual General Meeting:

- (i) YBhg. Dato' Mohamed Feisal Bin Ibrahim
- (ii) Henry Tee Hock Hin
- (iii) Khalid Bin Sufat

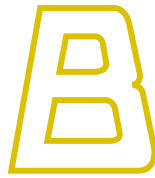
The profile of the above Directors who are standing for re-election and their shareholdings are set out on pages 9 to 11 of the Annual Report.

3. Details of attendance of Directors at Board Meetings.

A total of four (4) Board Meetings were held during the financial year ended 31 December 2003. The attendance of the Directors who are standing for re-election are set out on page 22 of the Annual Report.



Group Corporate Structure



BINA PURI HOLDINGS BERHAD (207184-X)





Corporate Information

BOARD OF DIRECTORS

Dato' Mohamed Feisal bin Ibrahim	<i>Executive Chairman</i>
Tan Sri Datuk Tee Hock Seng, JP	<i>Group Managing Director</i>
Dr. Tony Tan Cheng Kiat	<i>Founder Director</i>
Henry Tee Hock Hin	<i>Non-Executive Director</i>
Tay Hock Lee	<i>Non-Executive Director</i>
Yusuf Khan bin Ghows Khan	<i>Independent Non-Executive Director</i>
Khalid bin Sufat	<i>Independent Non-Executive Director</i>
Lim Joo Kiat	<i>Independent Non-Executive Director</i>

GROUP COMPANY SECRETARY

Toh Gaik Bee
MAICSA 7005448

REGISTERED OFFICE

Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1
Bukit Idaman, 68100 Selangor
Selangor Darul Ehsan, Malaysia.
Tel : 03 6136 3333
Fax : 03 6136 9999
E-mail : bphb@po.jaring.my
Website : www.binapuri.com.my

DOMICILE

Malaysia

LEGAL FORM & PLACE OF INCORPORATION

Public listed company limited by way of shares
incorporated in Malaysia under the Companies
Act, 1965

SHARE REGISTRAR

Systems & Securities Sdn. Bhd. (17394-P)
Wisma Selangor Dredging, 6th Floor, South Block
142-A, Jalan Ampang, 50450 Kuala Lumpur
Tel : 03 2161 5466
Fax : 03 2163 6968

AUDITORS

Moores Rowland

PRINCIPAL BANKERS

Malayan Banking Berhad (3813-K)
RHB Bank Berhad (6171-M)
Affin Bank Berhad (25046-T)
Bumiputra-Commerce Bank Berhad (13491-P)

STOCK EXCHANGE LISTING

The Main Board of Bursa Malaysia Securities Berhad
(formerly known as Malaysia Securities Exchange
Berhad)



Board of Directors



Seated left to right:

Tay Hock Lee (*Non-Executive Director*), Lim Joo Kiat (*Independent Non-Executive Director*), Dr. Tony Tan Cheng Kiat (*Founder Director*), Tan Sri Datuk Tee Hock Seng, JP (*Group Managing Director*), Dato' Mohamed Feisal bin Ibrahim (*Executive Chairman*), Khalid Sufat (*Independent Non-Executive Director*), Yusuf Khan bin Ghows Khan (*Independent Non-Executive Director*), Henry Tee Hock Hin (*Non-Executive Director*)



GROUP EXECUTIVE COMMITTEE (EXCO)

Seated:

Dato' Mohamed Feisal bin Ibrahim (*Executive Chairman*)

Standing left to right:

Dr. Tony Tan Cheng Kiat (*Founder Director*)

Tan Sri Datuk Tee Hock Seng, JP (*Group Managing Director*)

The formation of a Group Executive Committee (Group Exco) came about during the Board of Directors meeting held in early January 1997. The objective of the Group Exco is to facilitate quick decision-making processes so that the Group does not miss out on the many investment opportunities within the Asian Economic region. The ability to act as an "investment scanner" means that the Group Exco has been empowered by the Board to facilitate timely and appropriate decision-making within the framework of achieving the Corporate Vision and Mission of the Group. Currently, the Group Exco under the leadership of Y. Bhg. Dato' Mohamed Feisal bin Ibrahim as Chairman, has frequent meetings to discuss and decide and fully explore all investment opportunities.



Profile of Directors



DATO' MOHAMED FEISAL BIN IBRAHIM *(Executive Chairman)*

Dato' Mohamed Feisal bin Ibrahim, Malaysian, aged 54, was appointed Executive Chairman of Bina Puri Holdings Bhd. ("BPHB") on 1 November 1998. He has been a member of the Board since 1 July 1996. He graduated in 1974 with a Bachelor of Economics (Hons) from the University of Malaya. He had an established career with the Ministry of International Trade and Industry ("MITI") for 16 years from 1974 to 1990. He held several key positions in MITI. He was also the Malaysian Trade Commissioner based in Austria from 1982 to 1989. In 1990, he ventured into private business. He also sits on the Board of various companies.

As at 30 April 2004, he held 4,608,000 ordinary shares of BPHB and did not have any securities holdings in any subsidiaries of BPHB.

For the financial year ended 31 December 2003, except for recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of BPHB and its subsidiaries and for which he is deemed to be interested as disclosed on page 31 and 79 of the Annual Report, there are no other business arrangements with BPHB in which he has personal interests.

He is the Chairman of the Group Executive Committee and a member of the Remuneration Committee.

He attended all four (4) Board meetings held during the financial year ended 31 December 2003.



TAN SRI DATUK TEE HOCK SENG, JP *(Group Managing Director)*

Tan Sri Datuk Tee Hock Seng, JP, Malaysian, aged 55, was appointed to the Board on 5 November 1990 and was subsequently appointed as the Group Managing Director on 22 November 1994. He is an experienced entrepreneur with more than 30 years business acumen in trading, construction and development. He is responsible for the day-to-day operations of the Group.

Presently, he is the Country Director for Cambodia, Laos and Micronesia, Malaysian South-South Corporation Berhad, Exco member of Malaysia South-South Association, Managing Director of Masscorp Trading Sdn. Bhd., Vice President of Master Builders Association Malaysia, President of the Selangor & Federal Territory Builder Association and a Trustee of Perdana Leadership Foundation.

He serves as the Deputy Chairman of the Malaysian Chinese Association ("MCA"), Federal Territory State Liaison Committee and Chairman of MCA, Taman Cheras branch, Cheras. He is the Chairman of Confucian Secondary School, ELIM Chapel, ELIM Rehabilitation Centre, Kuala Lumpur Eng Choon Hoey Kuan, the Federation of Xing Yang Associations of Malaysia and Chinese Maternity Association, Kuala Lumpur. He is also the Honorary Chairman of Young Malaysians Movement, Xiang Lian Youth Association and Tung Shin Hospital and a Council Member of Malaysian Bible Seminary.

As at 30 April 2004, he held 11,786,878 ordinary shares of BPHB and did not have any securities holdings in any subsidiaries of BPHB.

For the financial year ended 31 December 2003, except for recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of BPHB and its subsidiaries and for which he is deemed to be interested as disclosed on pages 31, 78 and 79 of the Annual Report, there are no other business arrangements with BPHB in which he has personal interests.

He is a member of the Group Executive Committee and Remuneration Committee.

He attended all four (4) Board meetings held during the financial year ended 31 December 2003.



Profile of Directors

DR TONY TAN CHENG KIAT (*Founder Director*)

Dr. Tony Tan Cheng Kiat, Malaysian, aged 56, founded Bina Puri Sdn. Bhd. in 1975 and has been the Executive Chairman since its inception. He was appointed to the Board of BPHB on 5 November 1990. He is responsible for the growth and ongoing development of the company's business. He was instrumental in the development of a number of major projects throughout Malaysia for the Group. He holds a doctorate in Business Administration and is also a licensed builder. He has been successful in several private business ventures. With his wide experience, he has brought much progress to the Group.

As at 30 April 2004, he held 8,738,902 ordinary shares of BPHB and did not have any securities holdings in any subsidiaries of BPHB.

He is a member of the Group Executive Committee. He attended three (3) of the four (4) Board meetings held during the financial year ended 31 December 2003.



HENRY TEE HOCK HIN (*Non-Executive Director*)

Henry Tee Hock Hin, Malaysian, aged 46, was appointed to the Board of BPHB on 5 November 1990. He has held the position of Managing Director of Bina Puri Construction Sdn. Bhd. since 22 August 1996. He is responsible for the overall management of projects and operations. He has wide exposure and experience in the management of civil and building construction overseas and in both East and West Malaysia. He represents the company on the Board of a number of its subsidiaries.

As at 30 April 2004, he held 4,455,768 ordinary shares of BPHB and did not have any securities holdings in any subsidiaries of BPHB.

He attended all four (4) Board meetings held during the financial year ended 31 December 2003.



TAY HOCK LEE (*Non-Executive Director*)

Tay Hock Lee, Malaysian, aged 50, was appointed to the Board of BPHB on 5 November 1990. He has more than 20 years experience in building and civil engineering industry. He also holds directorships in several other companies.

As at 30 April 2004, he held 1,616,707 ordinary shares of BPHB and did not have any securities holdings in any subsidiaries of BPHB.

He attended three (3) of the four (4) Board meetings held during the financial year ended 31 December 2003.





Profile of Directors

**YUSUF KHAN BIN GHOWS KHAN** (*Independent Non-Executive Director*)

Yusuf Khan bin Ghows Khan, Malaysian, aged 62, was appointed to the Board of BPHB on 2 February 1994. A lawyer by profession, he obtained his Barrister-at-Law (Middle Temple) in 1970. He has held numerous positions in the legal arena including Magistrate, Senior Assistant Registrar High Court, Senior President Sessions Court, Assistant Treasury Solicitor (Housing Loan Division), Senior Federal Counsel and Legal Adviser, Ministry of Defence, Malaysia.

He is currently in private practice. He is a director of several private limited companies. He does not have any securities holdings in BPHB or in any subsidiaries of BPHB. He is the Chairman of the Audit Committee, a member of the Remuneration Committee and Nomination Committee. He attended all four (4) Board meetings and four (4) of the five (5) Audit Committee meetings held during the financial year ended 31 December 2003.

**KHALID BIN SUFAT** (*Independent Non-Executive Director*)

Khalid bin Sufat, Malaysian, aged 48, was appointed to the Board of BPHB on 15 August 2001. He is a Chartered Accountant by profession, being a member of the Malaysian Institute of Accountants (MIA). He is also a Fellow of the Association of Chartered Certified Accountants, UK and a member of the Malaysian Institute of Certified Public Accountants ("MICPA").

He has considerable experience in the banking industry having held several senior positions, namely Managing Director of Bank Kerjasama Rakyat Malaysia Berhad from June 1998 to June 2000, General Manager, Consumer Banking of Malayan Banking Berhad and Executive Director of United Merchant Finance Berhad.

His directorship in other public listed company is in Amtek Holdings Bhd. He does not have any securities holdings in BPHB or in any subsidiaries of BPHB. He is the Chairman of Remuneration Committee, a member of the Audit Committee and Nomination Committee. He attended all four (4) Board meetings and all five (5) Audit Committee meetings held during the financial year ended 31 December 2003.

**LIM JOO KIAT** (*Independent Non-Executive Director*)

Lim Joo Kiat, Malaysian, aged 43, was appointed to the Board of BPHB on 26 December 2001. He holds a Bachelor of Arts (Hons) from the Universiti Kebangsaan Malaysia. He sits in the Board of several private limited companies. He has vast experience in personnel management and construction industry.

He is active in providing advice and guidance to associations and social organisations. He is the immediate past President of Young Malaysians Movement and is currently the Adviser. He was an Exco member of Persatuan Usahawan Muda Malaysia.

He does not have any securities holdings in BPHB or in any subsidiaries of BPHB. He is a member of the Audit Committee, Remuneration Committee and Nomination Committee. He attended all four (4) Board meetings and all five (5) Audit Committee meetings held during the financial year ended 31 December 2003.

There are no family relationships between the Directors and/or major shareholders of the Company save for the following:

1. Tan Sri Datuk Tee Hock Seng, JP, Tay Hock Lee and Henry Tee Hock Hin are brothers.
2. Dr. Tony Tan Cheng Kiat is the uncle of Tan Sri Datuk Tee Hock Seng, JP, Tay Hock Lee and Henry Tee Hock Hin.

Save as disclosed, none of the Directors has

- any conflict of interest with BPHB
- convictions for offences within the past ten years other than traffic offences, if any.



Executive Chairman's Statement



Year 2003 was another challenging year for the Bina Puri Group of Companies. The escalating construction material prices and saturated Government's contracts posed a threat to the Group's financial performance. On the external front, the post Iraq war effects and the SARs' epidemic have also taken a toll on Malaysia's economic's growth. Nevertheless despite the less favourable economic climate, 2003 has been an eventful year for the Group.

It therefore, gives me great pleasure to present to you, on behalf of the Board of Directors of Bina Puri Holdings Berhad, the Annual Report and Audited Accounts of the Group for the financial year ended 31 December 2003.

During the financial year under review, the Group has successfully completed several projects earlier or on-time. The Road Upgrading Project from Temerloh to Jerantut, Pahang was completed one month ahead of schedule. Other projects completed on time, include Block E14 & E15 in Putrajaya for the Ministry of Education, and the Road Upgrading Project in Bandar Baru Nilai as Eastern Access to KLIA, Sepang (Package B20 - 12).

Internationally, we have successfully completed the construction of the new Malaysia Embassy in Beijing, China and the Tada Nellore Expressway project in Andhra Pradesh, India.

FINANCIAL RESULTS

The Group registered a commendable revenue of RM431.6 million as compared to RM460.0 million the previous year. We achieved a profit before tax of RM 10.28 million as compared to RM11.52 million the previous year.

BUSINESS DEVELOPMENT

In terms of business development, the Group has successfully secured a number of new projects; such as the construction of Sin Chew New Printing Press Hall, design and build of a 3-storey Perkeso Building, at Kota Kinabalu, Sabah and housing development projects at Kampung Laya-Laya, Tuaran and Taman Melawa Jaya also in Kota Kinabalu.

HUMAN RESOURCES

Cultivating success through commitment, quality and innovation, whether it is structural, civil, mechanical or electrical works the human-side of the equation still drives productivity, efficiency and business results.

Our human resources remain an important cornerstone of our operations and will continue to shape the Group's present and future success. To reinforce the foundation we have established, we have geared our training efforts towards meeting both corporate and personal goals.

Human resource development remained an on-going exercise and a broad range of training programmes were offered to staff to enhance competencies as well as personal development.

As part of the Group's philosophy, our people benefited from a variety of training courses conducted by industry experts and professionals. This was supplemented by several in-house programmes which our personnels also attended courses which include techniques of "Problem Solving and Decision Making" and courses conducted by the Safety, Health and Environment (DOSH) programme.



Executive Chairman's Statement



We have established a tradition of contributing to the needs of society. The Group supports many charitable organisations in the country and responding to many deserving causes. This is our way of sharing our success with the society and in the process plant roots deep into the various communities in which we operate. Besides, our staff have always responded to various events such as blood donation campaigns. On our part, the Company has contributed time and effort in community outreach programmes, benefiting a broad spectrum of Malaysian society.

OUTLOOK / PROSPECTS

Backed by our wealth of experience and upgraded technology, the Group is always ready to deliver solutions for Malaysia's construction needs. Our foray into the regional construction market is beginning to show results and this will further enhance the Group's financial performance significantly. Given the close relationship between the construction industry and the economic climate, encouraging signs have started to emerge towards the end of year 2003. These included measures introduced by the Government aimed at reducing interest rates, ensuring a strong political and sound economic climate with the recent landslide victory in the general elections, and weeding out corrupt practices in both private and public sectors. The Group's major business entities were able to benefit from the growing confidence in the economy which at the macro-economic level grew 5.2% in year 2003. Hence, we remain positive to achieve better results in 2004.

The Board believes that with a conducive economic climate, we will be able to sustain the Group's resilient financial performance in the future years.

ACKNOWLEDGEMENTS

Throughout 2003, our people have shown exemplary dedication, commitment and professionalism to meet the challenges of a highly competitive environment. I thank all our staff for being such great members of a formidable team.

We were also fortunate to have the continued support and cooperation from various government agencies, contractors, consultants, suppliers and business partners. To all of you, I express my gratitude and appreciation.

Finally, I extend my appreciation to my fellow members of the Board for their guidance and support and the shareholders for your faith and belief in us to adopt a prudent stance within the Group in maintaining our core business with a view of increasing the Group's earnings.

DATO' MOHAMED FEISAL IBRAHIM

Executive Chairman



Group Managing Director's Review of Operations



The year 2003 has been an exciting and challenging year for the Group. We continue to strive towards improvement on the Group's core businesses. Hence, our aim is to become a conglomerate whose forte is construction, especially in the international arena, where we have established strong credentials from our decade long experience in countries such as India, China, Cambodia and Nepal. We have tendered for RM 1 billion worth of off-shore projects and expect some of them to be awarded in year 2004. In addition to setting up an office in Thailand, we also plan to have offices in Vietnam and Indonesia for our construction, building and manufacturing division.

Events such as the war in Iraq and SAR's threat had far-reaching effects on the construction industry. Escalating steel prices have dampened the economic activities in this sector. The Government has been very pro-active in addressing the slowing economy and has introduced several economic measures to stimulate the local demand, which includes lower interest rate for housing loan. Base lending rate is at its lowest in comparison to the past 26 years.

CONSTRUCTION DIVISION

Although it was a tough year for all those involved in the construction industry, we managed to successfully deliver projects to our clients within the completion period. Amongst the projects successfully completed and delivered in the year 2003 was Roads in Bandar Baru Nilai which serves as the Eastern Access to KLIA which was completed in October 2003. In the state of Pahang, we were proud to handover the completed work of "Upgrading the Highway from Temerloh and Jerantut" to the state Government on 15 July 2003, while in Sabah, we successfully handed over the Extension of Kota Kinabalu-Sulaman Coastal Road on 21 July 2003.

Internationally, in the district of Andhra Pradesh, India, the 2-lanes highway from Km 54.38 to Km 111.6 Tada Nellore, in Andhra Pradesh, India was completed on 30 November 2003, whilst on the other side of the Asian Continent in Beijing, China, the Malaysian Embassy Building was completed in August 2003 and had the privilege of being the first embassy to be officially visited by the newly appointed Prime Minister of Malaysia, YAB Dato' Seri Abdullah Haji Ahmad Badawi in September 2003.

There are also various on-going projects which includes road works in Sabah, such as Jalan Kunak to Semporna, the construction of the 3 storey PERKESO building for Ministry of Human Resources and the construction of mix-development project called Alamesra for Lintasan Mayang, both located at Kota Kinabalu. In the Klang Valley, on-going works include the construction of Jalan Simpang Lee Rubber to UIA and in the East-West Highway the Kupang-Gerik stretch. We also have on-going works in the new Capital of Malaysia in the form of Interior Design (ID) works in Putrajaya's Parcel E which is in its final stage of completion.

In the international front, we are proud to announce that we have been awarded the job in Thailand to Construct At-Grade Roads & South & North East Approach Bridges of Landslide Road Systems for the Second Bangkok International Airport (Suvarnabhumi Airport).

PROPERTY DEVELOPMENT

In Kota Kinabalu, we have embarked on two housing development projects. The first is known as Taman Melawa Jaya which comprises of 86 units of 2 storey terrace houses, located along Sepangar Bay. The other development is Kampung Laya-Laya, Tuaran, where a total



Group Managing Director's Review of Operations



of 334 double storey terrace houses and 6 single storey houses will be built. Both these housing projects have begun work in December 2003

MANUFACTURING DIVISION

Year 2003 was a promising year for our Polyol manufacturing by Maskimi Polyol Sdn Bhd. Total revenue increased by RM1.1 million, from RM3.9 million in 2002 to RM5.0 million in 2003. Various signs indicate that better times are ahead for us. The division has targeted export to overseas to account for 40% of its sales and aggressive marketing drive by the sales team means that the target is within reach. Countries exported to include Vietnam, Philippines, Kuwait, China, Sudan, Yemen and Indonesia.

QUARRY & READY MIX CONCRETE DIVISION

This division showed an improvement in revenue where total revenue increased to RM89.5 million as compared to RM59.9 million in the previous year. The division in 2003 recorded a profit RM0.7 million as compared 2002 when it suffered a loss of RM1.4 million. This was mainly attributed by Management taking pro-active measures in maximizing its resources, materials and manpower.

The quarry and ready mix concrete division have been major contributors to the success of the construction division by providing the necessary materials to them on time and of high quality.

RECOGNITION

Although to date we have already received numerous awards and certification in the past, we have yet to be contended with what we have achieved and we strive to be even better. In June 2003,

Sungai Long Industries Sdn Bhd received the MS ISO 9001: 2000 Quality Management System and this is due to the high standards that we have always maintained in all of our subsidiaries.

Apart from the external recognition, the Group also places a high level of importance on providing a pleasant and safe working environment. To this end, we have regular visits and training by both NIOSH and DOSH. The latest being on 26 September 2003 where officers from NIOSH visited our quarry in Sungai Long Industries Sdn Bhd and shared their knowledge and expertise with the staff there and were pleased to recognize that high safety standards are on our priority list.

ACKNOWLEDGEMENT

I wish to express the Board's sincere appreciation to all of our valued clients, both in the public and private sectors, our sub-contractors as well as consultants, whom we have had the pleasure of working with in all our various projects.

My gratitude also goes out to my fellow Board Members, the Management, and all employees for their unwavering commitment and effort throughout the year.

Last but not least, I would also like to thank all our shareholders for your undivided support and commitment that has seen through yet another successful financial year. The Group will strive to make 2004 a better year.

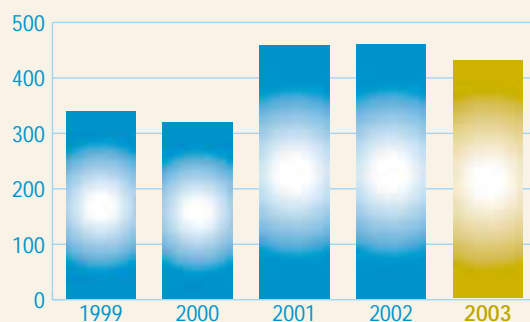
TAN SRI DATUK TEE HOCK SENG, PSM, PGDK, ASDK, JP
Group Managing Director



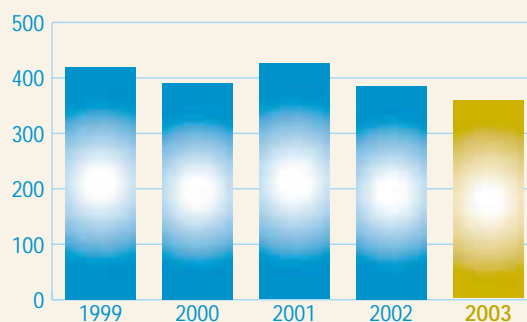
Group Financial Highlights

	2003 RM'000	2002 RM'000	2001 RM'000	2000 RM'000	1999 RM'000
Revenue	431,564	459,977	458,713	320,251	339,003
Profit / (loss) before taxation	10,284	11,522	9,236	5,738	(12,867)
Profit/(loss) for the year	4,108	6,400	5,765	2,385	(12,030)
Dividend (net)	864	–	–	–	–
Issued share capital	80,000	40,000	40,000	40,000	40,000
Shareholders' equity	57,492	15,169	8,769	3,004	619
Total assets employed	357,814	384,865	425,479	389,678	418,398
Net earnings /(loss) per share (sen)	7.62	16.00	14.41	5.96	(30.07)
Net tangible assets per share (RM)	0.72	0.38	0.22	0.08	0.02
Share price					
- High	1.33	1.95	1.14	2.11	2.35
- Low	0.72	0.91	0.605	0.90	0.82

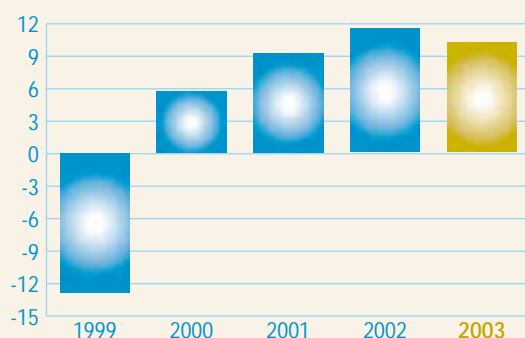
Revenue (RM Million)



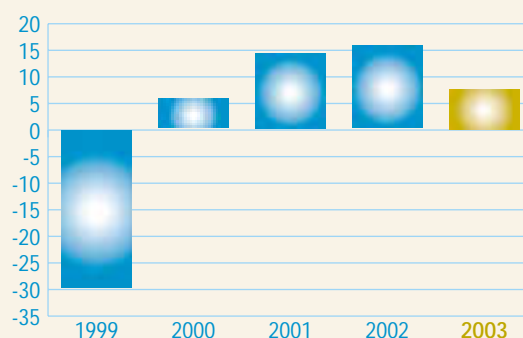
Total Assets Employed (RM Million)



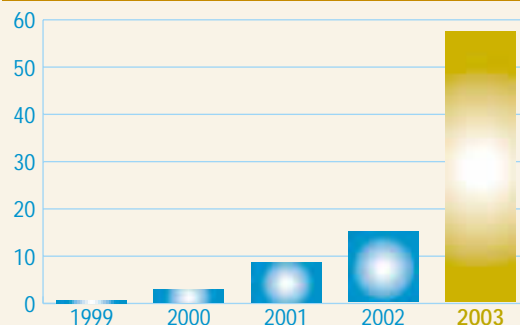
Profit/(Loss) Before Taxation (RM Million)



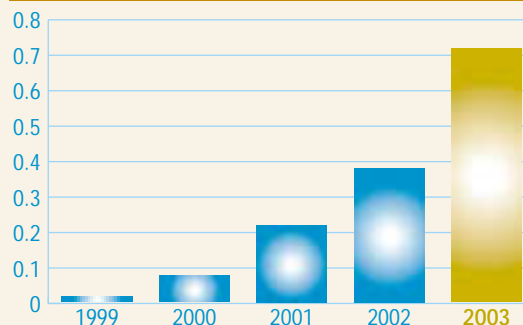
Net Earnings/(Loss) Per Share (Sen)



Shareholders' Equity (RM Million)



Net Tangible Assets Per Share (RM)





Calendar of Events 2003 - 2004



1 May 2003

The commencement of project construction, the new printing press building for Pemandangan Sinar Sdn Bhd at Lot 50 & 51, Seksyen 13, Petaling Jaya.

1 June 2003

Bina Puri Holdings Bhd commenced a capital raising exercise comprising a Rights Issue of 40 million shares and the Employee's Shares Option Scheme (ESOS)

5 - 7 June 2003

121 members of Kelab Sukan & Sosial Bina Puri and their families enjoyed their trip to Club Med, Cherating, Pahang Darul Makmur

8 July 2003

His Excellency Iskandar Sarudin, High Commissioner of Malaysia to Sri Lanka visit Wisma Bina Puri.

15 July 2003

Successful completion of the "Road Upgrading Project from Temerloh to Jerantut, Pahang Darul Makmur".

31 July 2003

Signing of the Underwriting Agreement for Rights Issue between Bina Puri Holdings Berhad and AmMerchant Bank and other underwriters namely Affin UOB Securities, AmSecurities and SBB Securities.

24-28 August 2003

Maskimi Polyol Sdn Bhd, one of our subsidiaries presented a paper on "Development of a New Spray Polyurethane Foam Based on Palm Kernel Oil Polyols" at the International Palm Oil Congress at Putrajaya.

30 August 2003

Sungai Long Industries Sdn Bhd obtained the Upgrading Certification from MS ISO 9002:94 to MS ISO 9001 : 2000. Certificate was presented by Y. Bhg Dato' Dr Ariffin Aton, President and CEO of SIRIM Bhd.

17 September 2003

Official visit by Prime Minister, YAB Dato' Seri Abdullah Ahmad Badawi and his delegation to Malaysian Embassy in Beijing, China. Bina Puri Sdn Bhd is the Design and Build Contractor for the project.





Calendar of Events 2003 - 2004



20-22 September 2003

Kelab Sukan & Sosial Bina Puri organised an exciting trip to Mulu National Park, Sarawak.

1 October 2003

Successful completion of Roads in Bandar Baru Nilai as the Eastern Access to KLIA, Sepang

28 November 2003

The New Bangkok International Airport Co Ltd has awarded the construction of At-Grade Roads & South North approach bridge under Second Suvarnabhumi Aiport to Bina Puri Holdings Berhad and Kampangphet Viwat Construction Ltd Joint Venture.

30 November 2003

The Widening and Rehabilitation of the Existing 2-Lane from KM 54.38 to KM 111.6, Tada Nellore, NH-5 Andra Pradesh was successfully completed.

2 December 2003

Bina Puri Construction Sdn Bhd has entered into a joint venture agreement with Supnresa Sdn Bhd to jointly develop 16.72 acres of land located at Kampung Laya-Laya, Tuaran, Sabah.

16 December 2003

Bina Puri Construction Sdn Bhd signed a contract agreement with PERKESO for the construction of 'Design & Build of 3-storey Building for PERKESO' at Kota Kinabalu, Sabah.

16 December 2003

The Putrajaya Parcel E, Block E14 & E 15 was successfully completed for Ministry of Education, Malaysia.

5 February 2004

The Chittorgarh-Mangalwar National Highway Project in Rajasthan, India was successfully completed 2 1/2 months ahead of schedule. On 11 Feb 2004, the project was inaugurated by Major General B.C Khanduri (Retd), Honourable Union Minister of Road Transport & Highways, India.

20 February 2004

The Honorable Moses Maladina, Deputy Prime Minister & Minister for Agriculture & Livestock, Republic of Papua New Guinea and his delegation visit Wisma Bina Puri.

26 February 2004

12 most outstanding staff were conferred the 'Best Employee Award 2003' and Nangoh-Paitan Project was selected as the 'Best Site' for year 2003. On the same day, nine children of Bina Puri Group's staff who excel in their studies received their Scholarship. Yang Berhormat Dato' Hon Choon Kim, Deputy Minister of Education presented the award to the winners and scholarship recipients.





Audit Committee Report

Members of the Committee	Designation in the Company
Yusuf Khan bin Ghows Khan, <i>Chairman</i>	Independent Non-Executive Director
Khalid bin Sufat	Independent Non-Executive Director
Lim Joo Kiat	Independent Non-Executive Director

COMPOSITION

- (a) The Audit Committee shall be appointed by the Directors from amongst their numbers via a Directors' resolution and shall consist of not less than three (3) members of whom a majority shall be Independent Directors.
- (b) At least one member of the Audit Committee must be or have the following:
 - i. a member of the Malaysian Institute of Accountants; or
 - ii. at least three (3) years' working experience and have passed the examinations specified in Part One of the First Schedule of the Accountants Act 1967 or be a member of one of the associations of accountants specified in Part Two of the First Schedule of the Accountants Act 1967; or
 - iii. a degree/masters/doctorate in accounting or finance with at least three (3) years' post qualification experience in accounting or finance; or
 - iv. at least seven (7) years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.
- (c) In the event of any vacancy in the Audit Committee, the Directors shall within three (3) months of that event, appoint such new members to make up the minimum number of three (3) members.
- (d) An alternate Director shall not be appointed as a member of the Audit Committee.

CHAIRMAN

The members of the Audit Committee shall elect a Chairman from amongst themselves who shall be an Independent Director. All members of the Audit Committee, including the Chairman, will hold office only so long as they serve as Directors of the Company.

ATTENDANCE AT MEETINGS

The quorum of the Audit Committee shall consist of a majority of Independent Directors and shall not be less than two (2). The Committee may require the attendance of any management staff from Finance/Accounts department or other departments as it may deem necessary together with a representative or representatives from the External Auditors.

SECRETARY

The Group Company Secretary shall be the Secretary of the Committee.



Audit Committee Report

FREQUENCY OF MEETINGS

Meetings shall be held not less than four (4) times a year. The external auditors may request a meeting if they consider it necessary.

During the financial year ended 31 December 2003, the Committee met a total of five (5) times. The following is the attendance record of the Audit committee members:

Audit Committee members	Designation	No. of meetings attended
Yusuf Khan bin Ghows Khan	Independent Non-Executive Director	4/5
Khalid bin Sufat	Independent Non-Executive Director	5/5
Lim Joo Kiat	Independent Non-Executive Director	5/5

AUTHORITY

The Committee is authorised by the Board to investigate any activities within its terms of reference. It is also authorised to seek any information it requests from any employees and all employees are directed to co-operate with requests made by the Committee.

The Committee is authorised by the Board to obtain outside legal or independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.

FUNCTIONS

The functions of the Committee shall be:

- (a) to review with the external auditor, the audit plan and reports;
- (b) to review with the external auditor, his evaluation of the system of internal controls;
- (c) to review the assistance given by the Company's officers to the external auditor;
- (d) to review the financial statements of the Company and of the Group before submitting to the Board for approval;
- (e) to review the internal audit programme, processes, the results of the internal audit programme, processes or investigations undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- (f) to review the quarterly results and year end financial statements, prior to the approval by the board of directors, focusing particularly on:
 - i. changes in or implementation of major accounting policy changes;
 - ii. significant and unusual events; and
 - iii. compliance with accounting standards and other legal requirements.
- (g) to review any related party transactions that may arise within the Company or Group;
- (h) to recommend and consider the nomination and appointment of external auditors, the audit fee and any questions of resignation or dismissal;
- (i) to consider any other functions as may be agreed to by the Committee and the Board of Directors.



Audit Committee Report

REPORTING PROCEDURE

The Secretary shall circulate the minutes of the meetings of the Committee to all members of the Board.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

- (a) Reviewed the external auditor's audit plan and report for the year;
- (b) Reviewed the external auditor's evaluation of the system of internal controls;
- (c) Reviewed the internal audit reports, recommendations, programmes and plans for the year under review and management's response;
- (d) Reviewed the annual report and audited financial statements of the Company and the Group prior to the submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the applicable accounting standards approved by MASB and other legal requirements;
- (e) Reviewed the quarterly unaudited financial results announcements before recommending them for Board approval;
- (f) Reviewed related party transactions that may arise within the Company or the Group.
- (g) Considered and recommended to the Board for approval of the audit fees payable;

INTERNAL AUDIT FUNCTION

The Company has outsourced the internal audit function to a professional firm to develop a strategic Internal Audit Plan covering years 2002 to 2004, subject to review annually. The role of the internal audit is to develop an overall risk policy and risk management framework for the Group. It is also involved in the recommendation of control activities to manage such identified risk.

REVIEW OF THE AUDIT COMMITTEE

The board of directors of a listed issuer must review the term of office and performance of an audit committee and each of its members at least once every three (3) years to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.



Corporate Governance Statement

The Board continues to implement the recommendations of the Malaysian Code of Corporate Governance which sets out principles and best practices on structures and processes that companies may use in their operations towards achieving the optimal governance framework. Good governance practices are important to safeguard the interests of all stakeholders and enhance shareholders' value.

1. DIRECTORS

An effective Board comprising members with a wide range of business, legal, financial and technical experience leads and controls the Group.

(a) Composition

The Board's composition represents a mix of knowledge, skills and expertise vital to the successful direction of the Group.

The Board has a balance of Executive and Non-Executive Directors. It consists of an Executive Chairman, a Group Managing Director, a Founder Director and five (5) Non-Executive Directors, three (3) of whom are independent. There is a clear division of duties between the Executive Chairman and Group Managing Director of the Company. The presence and participation of Independent Non-Executive Directors will bring independent judgement in Board decisions. Any one (1) of the three (3) independent directors would be available to act as the Senior Independent Non-Executive Director.

(b) Board Meetings

The Board meets ordinarily four (4) times per year with additional meetings being convened where necessary. For the financial year 2003, the Board met four (4) times. Details of attendance of Directors at the Board Meetings are as follow:

Attendance at Board Meetings

Directors	No. of meetings attended
Dato' Mohamed Feisal bin Ibrahim	4/4
Tan Sri Datuk Tee Hock Seng, JP	4/4
Dr. Tony Tan Cheng Kiat	3/4
Henry Tee Hock Hin	4/4
Tay Hock Lee	3/4
Yusuf Khan bin Ghows Khan	4/4
Khalid bin Sufat	4/4
Lim Joo Kiat	4/4

(c) Appointments and Re-election of the Board of Directors

The Board is responsible for the appointments of Directors. It has formulated the terms of reference of the Nomination Committee and has identified the composition of the Committee members.

All directors shall retire from office at least once every three (3) years at each Annual General Meeting but shall be eligible for re-election pursuant to the Bursa Malaysia Securities Berhad Listing Requirements.

(d) Group Executive Committee

The Group Executive Committee was established in January 1997. Its members consist of Executive Directors. The Group Executive Committee facilitates timely and appropriate decision-making within the framework of achieving the Corporate Vision and Mission of Bina Puri Group.



Corporate Governance Statement

1. DIRECTORS (Cont'd)**(e) Audit Committee**

The Audit Committee was established in June 1995. Please refer to the Audit Committee report on pages 19 to 21.

(f) Nomination Committee

The Board has set up a Nomination Committee represented by Non-Executive Directors, all of whom are independent. The Nomination Committee would be responsible to nominate to the Board individuals as Directors and assess the directors on an on-going basis to exercise effectiveness in the decision making of the Directors.

(g) Remuneration Committee

The Board has set up a Remuneration Committee comprising Non-Executive Directors as majority. The Remuneration Committee would be responsible to recommend to the Board the remuneration packages of the Directors. The Directors concerned shall abstain from voting in respect of the individual's remuneration.

The details of remuneration of Directors during the financial year ended 31 December 2003 are as follows:

i. Aggregate remuneration of Directors categorised into appropriate components:

In RM'000	Salaries	Fees	Bonus & Incentives	Benefits-in-kind	Total
Executive Directors	975	37	69	31	1,112
Non-Executive Directors	226	169	37	22	454
	1,201	206	106	53	1,566

ii. No. of Directors whose remuneration falls into the following:

Range of Remuneration	No. of Directors	
	Executive	Non-Executive
<RM50,000	–	3
RM50,001 to RM100,000	–	1
RM100,001 to RM150,000	–	–
RM150,001 to RM200,000	–	–
RM200,001 to RM250,000	–	1
RM250,001 to RM300,000	1	–
RM300,001 to RM350,000	–	–
RM350,001 to RM400,000	1	–
RM400,001 to RM450,000	1	–

(h) ESOS Committee

The ESOS Committee was established on 20 November 2003 and is responsible for administering the ESOS of the Company.

(i) Directors' Training

All members of the Board have completed the Mandatory Accreditation Programme prescribed by the Bursa Malaysia Securities Berhad (formerly known as Malaysia Securities Exchange Berhad). The Board is encouraged to attend continuous education programme to keep abreast with the latest development of corporate governance.



Corporate Governance Statement

2. SUPPLY OF INFORMATION

All Board Members are provided with Board Papers, which include operational, financial and corporate information to enable the Board to discharge its duties effectively.

The Directors have access to members of the senior management team and the advice and services of the Group Company Secretary.

3. ACCOUNTABILITY AND AUDIT

(a) Financial Reporting

The Board aims to present a balanced and understandable assessment of the Group's position and prospects. The Company has used appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates.

(b) Internal Control

The statement on Internal control is set out on pages 25 to 26 of the Annual Report.

(c) Relationship with Auditors

The functions of the Audit Committee in relation to the external auditors are disclosed in pages 19 to 21 of the Annual Report.

4. SHAREHOLDERS' COMMUNICATION AND INVESTOR RELATIONS

(a) Dialogues with Investors

The Board recognises the importance of effective communications with its shareholders and investors. The information of the Company is communicated to them through the following:

- i. The Annual Report
- ii. The various disclosures and announcements made to the Bursa Malaysia Securities Berhad (formerly known as Bursa Malaysia Securities Exchange Berhad) including the Quarterly Results and Annual Results; and
- iii. BPHB's website at www.binapuri.com.my

(b) Annual General Meeting

The notice of Annual General Meeting is sent out to the shareholders at least 21 days before the date of the meeting.

The Annual General Meeting serves as a principal forum for dialogue with shareholders. Extraordinary General Meetings are held as and when required.



Statement on Internal Control

1. INTRODUCTION

The Malaysian Code on Corporate Governance stipulates that the Board of Directors of listed companies should maintain a sound system of internal controls to safeguard shareholder's investments and the Group's assets. The Board of Directors is taking appropriate initiatives to further strengthen the transparency, accountability and efficiency of the Company's operations.

2. RESPONSIBILITY FOR RISK AND INTERNAL CONTROLS

The Board of Directors and the senior management recognize the importance of ensuring a sound system of internal controls and effective risk management practices are in place in the organisation. The Board acknowledges its overall responsibility for maintaining the Company's system of internal control, and has established processes for identifying, evaluating and managing the significant risks faced by the Company. The Board of Directors endeavors to maintain an adequate system of internal controls organisation-wide with consistent integrity designed to manage rather than eliminate risk to improve the governance process of the organisation. However, it is recognized that evaluation and implementation of the system can only provide reasonable assurance of the Group achieving its objectives. The system will not provide absolute assurance against any material loss occurrence. The Board of Directors confirms that the system of internal controls with the key elements highlighted above was in place during the financial year. The system is subject to regular reviews by the Board of Directors to ensure continued effectiveness, in accordance with "Statement on Internal Controls: Guidance for Directors of Public Listed Companies". However, material joint ventures and associated companies have not been dealt with as part of the Group for purposes of applying the above guidance.

3. INTERNAL AUDIT FUNCTION

BDOGA provides the Board with much of the assurance it requires regarding the adequacy and integrity of the system of internal controls. BDOGA independently reviews the system of internal controls and reports to the Audit Committee on a quarterly basis, following the establishment of the risk management framework. Our review of the internal controls in the key activities of the Group's business is on the basis of a three (3) year internal audit strategy and a detailed annual audit plan presented to the Audit Committee for approval. A risk-based approach is adopted and the audit strategy and plan are based on the risk profiles of the major business units of the Group.

BDOGA has completed ten (10) internal control reviews according to the annual internal audit plan and the areas reviewed are found to be satisfactory.



Statement on Internal Control

4. OTHER KEY ELEMENTS OF INTERNAL CONTROL

The following are other key elements of the Group's internal control systems:-

- (a) The Board of Directors has put in place an organisation structure, which formally defines lines of responsibility and delegation of authority.
- (b) Internal control procedures are set out in a series of policies and procedures, ISO manuals and the staff handbook.
- (c) The Corporate Development Dept. coordinates the process for the Group for the coming year wherein the budgets are approved at operating unit level and ultimately by the Board of Directors.
- (d) Quarterly performance reports that provide Management and the Board of Directors with comprehensive information on financial performance and key business indicators.
- (e) The Management monitors the quarterly results of the Group against budget and in the event of major variances, Management will take appropriate action.

5. WEAKNESSES IN INTERNAL CONTROLS THAT RESULT IN MATERIAL LOSSES

There were no material losses incurred during the current financial year as a result of weaknesses in internal control. The Management of the Company continues to take measures to strengthen the internal control environment.



Statement on Quality, Occupational and Health

QUALITY IS OUR SHARED RESPONSIBILITY

Customer satisfaction has been promulgated as the predominant objective of the Group's trade outfit. Towards the realization of this objective, we have put in place a Quality Management System. In the system, not only that customer complaints are carefully handled and resolved, the Group goes beyond the perimeter by conducting customer surveys and analysis of data through the adoption of various statistical techniques and tools available in developing our preventive action plans.

Meanwhile, we have achieved the Group's fifth ISO 9001:2000 certification through our wholly owned subsidiary, Easy Mix Sdn Bhd under the provision of Production and Delivery of Ready-Mixed Concrete. Also, Sungai Long Industries Sdn Bhd has upgraded its certificate from ISO 9002:1994 to ISO 9001:2000 in the same year.

Bina Puri Holdings Berhad demonstrated its commitment in implementing a total quality management practices and values when zero NCR (Non-Conformance Report) was achieved during the annual surveillance audit.

In the Occupational Safety and Health forefront, various trainings are organized and participated, aiming towards augmenting competency of our personnel in the occupational safety and health practices.

The Group has in its employment several competent Safety and Health Officers who have altogether completed the required course and examination. We have planned to register more personnel for the course in 2004 so as to increase the number of competent officers.

BUDAYA KERJA SELAMAT, PRESTASI HEBAT, KUALITI MENINGKAT



Responsibility Statement by the Board of Directors

The Directors are collectively responsible for ensuring that the financial statements are drawn up in accordance with the requirements of the applicable Approved Accounting Standards in Malaysia, the provisions of the Companies Act, 1965 and the Listing Requirements of the Bursa Malaysia Securities Berhad (formerly known as Bursa Malaysia Securities Exchange Berhad).

The Directors have to ensure that the financial statements for each financial year present a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of the results and cash flows of the Group and the Company.

In preparing the financial statements, the Directors have:

1. selected suitable accounting policies and applied them consistently;
2. made judgements and estimates that are reasonable and prudent;
3. ensure that all applicable accounting standards have been followed; and
4. prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and Company have adequate resources to continue in operational existence for the foreseeable future and that the Group and Company have secured significant government projects.

The Directors have also taken the necessary steps, as are reasonably open to them, to ensure that appropriate systems are in place for the assets of the Group and the Company to be adequately safeguarded through the prevention and deflection of fraud and other irregularities and material misstatements.



Directors' Report

for the year ended 31 December 2003

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2003.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of the provision of project management services and investment holding. The principal activities of the subsidiary companies are disclosed in note 4 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	GROUP RM'000	COMPANY RM'000
Profit after taxation	4,079	4,485
Minority interests	29	–
Net profit for the year	4,108	4,485
Dividend paid	(864)	(864)
Retained profit for the year	3,244	3,621
Accumulated losses brought forward	(45,012)	(21,458)
Accumulated losses carried forward	(41,768)	(17,837)

DIVIDENDS

Since the end of the previous financial year, the Company paid an interim dividend of 3% less tax at 28%, amounting to RM864,000 in respect of the financial year ended 31 December 2003.

The directors do not recommend any further dividend for the financial year under review.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid up share capital of the Company was increased from RM40,000,000 to RM80,000,000 by way of a 1-for-1 renounceable rights issue of 40,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.00 per share for cash. The purpose of the right issue exercise was to repay bank borrowing and to provide additional working capital.

The Company did not issue any debentures during the financial year.



Directors' Report

DIRECTORS

The directors in office since the date of the last report are:

Dato' Mohamed Feisal bin Ibrahim
 Tan Sri Datuk Tee Hock Seng, JP
 Dr Tony Tan Cheng Kiat
 Tee Hock Hin
 Tay Hock Lee
 Yusuf Khan bin Ghows Khan
 Khalid bin Sufat
 Lim Joo Kiat

In accordance with the Company's Articles of Association, Dato' Mohamed Feisal bin Ibrahim, Tee Hock Hin and Khalid bin Sufat retire from the board at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS IN SHARES

The following directors had an interest in shares in the Company as follows:

	Ordinary shares of RM1 each				At 31.12.2003
	At 1.1.2003	1-for-1 Rights issue	Bought	Sold	
Dato' Mohamed Feisal bin Ibrahim	1,150,000	1,300,000	2,110,000	–	4,560,000
Tan Sri Datuk Tee Hock Seng, JP	3,179,713	3,179,713	5,427,452	–	11,786,878*
Dr Tan Cheng Kiat	4,376,951	4,376,951	–	–	8,753,902*
Tee Hock Hin	2,227,884	2,227,884	–	–	4,455,768*
Tay Hock Lee	1,658,707	1,666,707	8,000	1,699,707	1,633,707

* Includes beneficial interest held under nominee companies.

By virtue of their interest in shares in the Company, all the abovenamed directors were deemed to be interested in shares in the subsidiary companies to the extent that the Company had an interest.

Additionally the following director was also indirectly interested in shares in Sungai Long Industries Sdn Bhd, a subsidiary company, as follows:

	Ordinary shares of RM1 each			At 31.12.2003
	At 1.1.2003	Bought	Sold	
Tan Sri Datuk Tee Hock Seng, JP	1,820,000	–	–	1,820,000



Directors' Report

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefit which may be deemed to have arisen from the following transactions which were carried out in the ordinary course of business:

- (a) Purchases of diesel by subsidiary companies totaling RM5,165,118 from New Hoong Wah Holdings Sdn Bhd, a company in which Tan Sri Datuk Tee Hock Seng, JP has a substantial financial interest,
- (b) Sales of ready mix products by a subsidiary company totaling RM21,009 to Perkasa Sutera Sdn Bhd, a company in which Dato' Mohamed Feisal bin Ibrahim has a substantial interest, and
- (c) Purchase of air tickets by the Company and subsidiary companies totaling RM119,703 and RM487,603, respectively, from Sea Travel & Tours Sdn Bhd, a company in which Tan Sri Datuk Tee Hock Seng, JP has a substantial financial interest.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain the action taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances:
 - (i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent, or
 - (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading, or
 - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Company or its subsidiary companies which has arisen since the end of the financial year which secures the liabilities of any other person, or
 - (ii) any contingent liability of the Company or its subsidiary companies which has arisen since the end of the financial year.



Directors' Report

OTHER STATUTORY INFORMATION (Cont'd)

- (d) No contingent or other liability of the Company or its subsidiary companies has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Company or its subsidiary companies to meet their obligations as and when they fall due.
- (e) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.
- (f) In the opinion of the directors:
 - (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Moores Rowland, have expressed their willingness to continue in office.

Signed on behalf of the directors in accordance
with a directors' resolution dated 20 April 2004

DATO' MOHAMED FEISAL BIN IBRAHIM

Director

TAN SRI DATUK TEE HOCK SENG, JP

Director



Auditors' Report

We have audited the financial statements of the Group and of the Company set out on pages 35 to 87. The preparation of the financial statements is the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards issued by the Malaysian Institute of Accountants. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the directors as well as an evaluation of the overall presentation of the financial statements.

We believe our audit provides a reasonable basis for our opinion. We report as follows:

1. We have been unable to satisfy ourselves as to the recoverability of trade receivables totaling RM4,384,000 and non-trade receivables totaling RM950,000 included as part of "Receivables, deposits and prepayments" shown on the balance sheet set out on page 35.
2. Included in "Gross amount due from customers" shown on the balance sheets set out on pages 35 and 41 are costs totaling RM7,354,000 incurred by the Group and the Company on construction contracts that have been deferred. We have not been able to reasonably estimate the outcome of these contracts and if the costs incurred thereon are recoverable as a consequence of the deferment of the contracts.
3. Similarly, "Expressway development expenditure" shown on the balance sheets set out on pages 35 and 41 includes costs totaling RM3,263,000 incurred by the Group and Company on a highway concession that has been deferred. We have not been able to reasonably estimate the outcome of this concession and if the costs incurred thereon are recoverable as a consequence of the deferment of the concession.
4. Included in "Property, plant and equipment" shown on the balance sheet set out on page 35 is an amount of RM15,487,000 representing the carrying value of a piece of leasehold land alienated by a state government to a subsidiary pursuant to a privatisation and development agreement. The development of the leasehold land has been deferred. We have not been able to reasonably estimate the outcome of the development and if the carrying value is recoverable as a consequence of the deferment of development.

Included in "Investment in subsidiaries" shown on the balance sheet set out on page 41 is an amount of RM9,200,000 representing the carrying value of the Company's equity investment in abovementioned subsidiary.

Due to the deferment of the development and the uncertainty as to the recoverable value of the leasehold land as explained above, we have not been able to satisfy ourselves as to whether the carrying value of the investment in the subsidiary referred to above has been impaired and the amount of impairment loss, if any, that should be recognised in the income statement in accordance with the accounting policy set out in note 1(l) to the financial statements.

5. We have also been unable to satisfy ourselves as to the recoverability of amounts totaling RM29,023,000 owing by subsidiary companies included as part of "Amounts owing by subsidiary companies" shown on the balance sheet set out on page 41.



Auditors' Report

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the abovementioned matters:

- (a) the financial statements have been properly drawn up:
 - (i) so as to give a true and fair view of the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company;
 - (ii) in accordance with the provisions of the Act so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2003 and of their results and cash flows for the year ended on that date;
 - (iii) in accordance with applicable approved accounting standards.
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and the subsidiary companies of which we acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' report of Bina Puri Infrastructure Pte Ltd, being the subsidiary of which we have not acted as auditors and whose financial statements have been included in the consolidated financial statements.

Except for the financial statements of Bina Puri Sdn Bhd and Sungai Long Industries Sdn Bhd which are subject to the audit qualifications set out in note 4 to the financial statements in respect of the recoverability of trade and non-trade receivables:

- (a) we are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes;
- (b) the auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification (other than qualifications that are not material in relation to the consolidated financial statements) and in respect of subsidiary companies incorporated in Malaysia, did not include any comment made under Section 174 (3) of the Act.

MOORES ROWLAND

No. AF: 0539

Chartered Accountants

TANG KIN KHEONG

No. 1501/9/05 (J/PH)

Partner

20 April 2004



Consolidated Balance Sheet

31 December 2003

	Note	2003 RM'000	2002 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	3	88,375	97,936
Investment in associated companies	5	1,916	1,411
Other investments	6	1,889	1,786
Land held for development	7	11,019	11,009
Expressway development expenditure		10,982	9,838
		114,181	121,980
CURRENT ASSETS			
Land under development	8	-	5,465
Gross amount due from customers	9	38,271	42,721
Inventories	10	7,612	4,056
Receivables, deposits and prepayments	11	121,389	141,890
Amount owing by associated companies	13	3,159	4,512
Current tax assets		2,862	3,302
Deposits	14	25,754	28,745
Cash and bank balances	15	44,586	32,194
		243,633	262,885
Less:			
CURRENT LIABILITIES			
Gross amount due to customers	9	23,507	17,794
Contract income received in advance	16	3,919	13,144
Payables and accruals	17	116,603	109,455
Amount owing to associated companies	13	10,142	2,045
Hire purchase and finance lease liabilities	18	3,985	4,650
Current tax liabilities		6,666	4,384
Short term bank borrowings	19	95,465	168,375
Bank overdrafts	20	16,240	22,240
		276,527	342,087
NET CURRENT LIABILITIES		(32,894)	(79,202)
		81,287	42,778



Consolidated Balance Sheet

	Note	2003 RM'000	2002 RM'000
Financed by:			
SHARE CAPITAL	21	80,000	40,000
SHARE PREMIUM (non-distributable)		3,288	4,209
MERGER RESERVE (non-distributable)		40	40
OTHER CAPITAL RESERVES (non-distributable)	22	15,932	15,932
ACCUMULATED LOSSES		(41,768)	(45,012)
<hr/>			
SHAREHOLDERS' EQUITY		57,492	15,169
MINORITY INTERESTS		12,400	12,429
NON-CURRENT AND DEFERRED LIABILITIES			
Long term loans	23	-	965
Hire purchase and finance lease liabilities	18	2,360	4,849
Deferred tax liability	24	3,008	3,339
Deferred contract revenue		6,027	6,027
<hr/>			
		81,287	42,778
<hr/>			

Accounting policies and explanatory notes are set out on pages 46 to 87.

Auditors' Report - Pages 33 and 34.



Consolidated Income Statement

for the year ended 31 December 2003

	Note	2003 RM'000	2002 RM'000
Revenue	25	431,564	459,977
Cost of sales	26	(384,085)	(390,921)
Gross profit		47,479	69,056
Other operating income		6,631	5,086
Selling and distribution expenses		(3,358)	(5,416)
Administrative and general expenses		(32,977)	(47,722)
Profit from operations	27	17,775	21,004
Share of profits less losses of associated companies		520	299
Investment income	28	1,068	1,073
Finance costs	29	(9,079)	(10,854)
Profit before taxation		10,284	11,522
Taxation	30		
- Group		(6,140)	(5,788)
- Share of taxation of associated companies		(65)	(41)
Profit after taxation		4,079	5,693
Minority interests		29	707
Net profit for the year		4,108	6,400
Basic earnings per share (sen)	31	7.62	16.00
Dividend per share (sen)		2.16	-

Accounting policies and explanatory notes are set out on pages 46 to 87.

Auditors' Report - Pages 33 and 34.



Consolidated Statement of Changes in Equity

for the year ended 31 December 2003

	Note	Non-distributable				Accumulated losses	Total
		Share capital	Share premium	Merger reserve	Other capital reserves		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.1.2002		40,000	4,209	40	15,932	(51,412)	8,769
Net profit for the year		-	-	-	-	6,400	6,400
Balance at 31.12.2002		40,000	4,209	40	15,932	(45,012)	15,169
1-for-1 rights issue		40,000	-	-	-	-	40,000
Share issue expenses		-	(921)	-	-	-	(921)
Net profit for the year		-	-	-	-	4,108	4,108
Dividend	32	-	-	-	-	(864)	(864)
Balance at 31.12.2003		80,000	3,288	40	15,932	(41,768)	57,492

Accounting policies and explanatory notes are set out on pages 46 to 87.

Auditors' Report - Pages 33 and 34.



Consolidated Cash Flow Statement

for the year ended 31 December 2003

	2003 RM'000	2002 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	10,284	11,522
Adjustments for:		
Allowance for doubtful debts	1,999	14,065
Allowance for doubtful debts no longer required	(623)	(426)
Depreciation	8,595	8,556
Goodwill on consolidation written off	40	-
Loss/(Gain) on disposal of property, plant and equipment	74	(381)
Interest expense	9,079	10,854
Interest income	(765)	(759)
Impairment in value of		
- property, plant and equipment	-	2,237
- land held for development	-	1,500
(Gain)/Loss on disposal of other investments	(62)	2
Property, plant and equipment written off	49	126
Share of profits less losses of associated companies	(520)	(299)
Sundry receivables and deposits written off	-	32
Unrealised gain on foreign exchange	(13)	-
Operating profit before working capital changes	28,137	47,029
Changes in gross amount due from/to customers	21,541	9,618
Changes in inventories	(3,556)	(479)
Changes in receivables	21,072	48,333
Changes in payables	6,790	(30,308)
Cash generated from operations	73,984	74,193
Expressway development expenditure	(1,144)	(70)
Land development expenditure	(10)	(10)
Tax paid	(3,749)	(4,757)
Net cash generated from operating activities	69,081	69,356



Consolidated Cash Flow Statement

	2003 RM'000	2002 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received from an associated company	250	400
(Advances to)/Repayment from associated companies	(581)	1,503
Interest received	765	759
Purchase of property, plant and equipment (see note 34)	(1,816)	(5,975)
Proceeds from disposal of property, plant and equipment	640	1,393
Purchase of additional shares in a subsidiary company	(40)	(16)
Purchase of shares in an associated company	(300)	–
Purchase of other investments	(804)	(335)
Proceeds from disposal of other investments	763	9
Withdrawal/(Placement) of fixed deposits	2,991	(4,756)
Net cash generated from/(used in) investing activities	1,868	(7,018)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	40,000	–
Interest paid	(11,834)	(15,679)
Repayment of hire purchase and finance lease liabilities	(5,164)	(4,106)
Repayment of short term bank borrowings	(72,803)	–
Repayment of long term loans	(1,072)	(54,322)
Short term bank borrowings	–	54,291
Advances from associated companies	101	48
Payment of share issue expenses	(921)	–
Dividend paid	(864)	–
Net cash used in financing activities	(52,557)	(19,768)
NET INCREASE IN CASH AND CASH EQUIVALENTS	18,392	42,570
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	9,954	(32,616)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	28,346	9,954
Represented by:		
Cash and bank balances	44,586	32,194
Bank overdrafts	(16,240)	(22,240)
	28,346	9,954

Accounting policies and explanatory notes are set out on pages 46 to 87.

Auditors' Report - Pages 33 and 34.



Balance Sheet

31 December 2003

	Note	2003 RM'000	2002 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	3	23,147	23,617
Investment in subsidiary companies	4	16,693	18,193
Investment in associated company	5	*	*
Other investments	6	849	349
Expressway development expenditure		3,263	3,263
		43,952	45,422
CURRENT ASSETS			
Gross amounts due from customers	9	7,809	6,772
Receivables, deposits and prepayments	11	2,119	3,740
Amounts owing by subsidiary companies	12	36,610	24,020
Amounts owing by associated companies	13	1,744	4,509
Current tax asset		997	1,157
Deposits	14	7,779	7,553
Cash and bank balances		726	453
		57,784	48,204
Less:			
CURRENT LIABILITIES			
Amounts owing to subsidiary companies	12	25,279	21,804
Payables and accruals	17	2,149	3,690
Short term bank borrowings	19	5,377	37,174
Bank overdrafts	20	3,127	7,868
		35,932	70,536
NET CURRENT ASSETS/(LIABILITIES)		21,852	(22,332)
		65,804	23,090
Financed by:			
SHARE CAPITAL	21	80,000	40,000
SHARE PREMIUM (non-distributable)		3,288	4,209
ACCUMULATED LOSSES		(17,837)	(21,458)
SHAREHOLDERS' EQUITY		65,451	22,751
DEFERRED TAX LIABILITY	24	353	339
		65,804	23,090

* Represents RM4

Accounting policies and explanatory notes are set out on pages 46 to 87.

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Income Statement

for the year ended 31 December 2003

	Note	2003 RM'000	2002 RM'000
Revenue	25	5,048	10,537
Cost of sales	26	(1,552)	(1,527)
Gross profit		3,496	9,010
Other operating income		527	588
Administrative and general expenses		(4,462)	(6,575)
(Loss)/profit from operations	27	(439)	3,023
Investment income	28	16,226	5,122
Allowance for debts due from subsidiary companies considered doubtful of collection		(3,645)	(13,505)
Impairment in value of investment in subsidiary companies		-	(4,474)
Finance costs	29	(3,003)	(3,862)
Profit/(Loss) before taxation		9,139	(13,696)
Taxation	30	(4,654)	(2,296)
Net profit/(loss) for the year		4,485	(15,992)

Accounting policies and explanatory notes are set out on pages 46 to 87.

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Statement of Changes in Equity

for the year ended 31 December 2003

	Note	Share capital RM'000	Share premium (non-distributable) RM'000	Accumulated losses RM'000	Total RM'000
Balance at 1.1.2002		40,000	4,209	(5,466)	38,743
Net loss for the year		–	–	(15,992)	(15,992)
Balance at 31.12.2002		40,000	4,209	(21,458)	22,751
1-for-1 rights issue		40,000	–	–	40,000
Share issue expenses		–	(921)	–	(921)
Net profit for the year		–	–	4,485	4,485
Dividend	32	–	–	(864)	(864)
Balance at 31.12.2003		80,000	3,288	(17,837)	65,451

Accounting policies and explanatory notes are set out on pages 46 to 87.

Auditors' Report - Pages 33 and 34.



Cash Flow Statement

for the year ended 31 December 2003

	2003 RM'000	2002 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	9,139	(13,696)
Adjustments for:		
Allowance for doubtful debts	3,645	13,505
Depreciation	662	714
Dividend income	(16,000)	(4,900)
Gain on disposal of property, plant and equipment	-	(61)
Interest expense	3,003	3,862
Interest income	(226)	(224)
Impairment in value of investment in subsidiary companies	-	4,474
Loss on disposal of other investments	-	2
Property, plant and equipment written off	-	30
Operating profit before working capital changes	223	3,706
Changes in gross amount due from customers	(1,037)	2,685
Changes in receivables	3,108	1,883
Changes in payables	(3,337)	(3,360)
Cash (used in)/generated from operations	(1,043)	4,914
Tax paid	-	(13)
Net cash (used in)/generated from operating activities	(1,043)	4,901
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances to associated companies	(7)	(4)
Dividend received	-	3,528
Interest received	226	224
Purchase of property, plant and equipment (<i>see note 34</i>)	(199)	(148)
Proceeds from disposal of property, plant and equipment	7	1
Purchase of other investments	(500)	-
Proceeds from disposal of other investments	-	9
Placement of fixed deposits	(226)	-
Subscription for shares in a new subsidiary company	-	(8)
(Advances to)/Repayment from subsidiary companies	(3,430)	1,407
Net cash (used in)/generated from investing activities	(4,129)	5,009



Cash Flow Statement

	2003 RM'000	2002 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	40,000	–
Payment of share issue expenses	(921)	–
Advances from subsidiary companies	6,833	2,429
Interest paid	(3,065)	(3,937)
Repayment of short term bank borrowings	(31,797)	(8,505)
Dividend paid	(864)	–
Net cash generated from/(used in) financing activities	10,186	(10,013)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	(7,415)	(7,312)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	(2,401)	(7,415)
Represented by:		
Cash and bank balances	726	453
Bank overdrafts	(3,127)	(7,868)
	(2,401)	(7,415)

Accounting policies and explanatory notes are set out on pages 46 to 87.

Auditors' Report - Pages 33 and 34.



Accounting Policies and Explanatory Notes

for the year ended 31 December 2003

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements comply with applicable approved accounting standards issued by the Malaysian Accounting Standards Board ("MASB") and with the provisions of the Companies Act, 1965.

The measurement bases applied in the preparation of the financial statements include cost, recoverable value, realisable value, revalued amount and fair value. Estimates are used in measuring these values.

(b) Subsidiary companies

A subsidiary company is a company controlled by the Company. Control exists when the Company has the power directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities.

The Company's interests in subsidiary companies are stated at cost less impairment losses. Impairment losses are charged to the income statement.

On disposal, the difference between the net disposal proceeds and the carrying amount of the subsidiary company disposed of is taken to the income statement.

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of all its subsidiary companies made up to the end of the financial year. All inter-company transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only. All subsidiary companies are consolidated on the acquisition method of accounting except for Bina Puri Sdn Bhd which is consolidated on the merger method of accounting in accordance with the provisions of Malaysian Accounting Standard No. 2. The Group has chosen to adopt the provisions of MASB 21 - Business Combinations prospectively, as permitted under the transitional provisions of MASB 21. Accordingly, the effects of the merger method of accounting under Malaysian Accounting Standard No. 2 have been retained.

Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed of during the financial year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are reflected in the consolidated financial statements.

The difference, if any, between the acquisition cost and these fair values is reflected as goodwill or discount on acquisition as appropriate. However, if the amounts involved are immaterial, goodwill or discount on acquisition is taken to the income statement as and when they arise.

Where goodwill is considered to be capable of generating future economic benefits, it is capitalised in the financial statements and amortised on the straight line basis over its estimated useful life or 25 years, whichever is shorter; otherwise it is written off in the income statement in the year of acquisition.

Discount on acquisition is retained in the balance sheet and credited to the income statement over a suitable period decided in relation to the particular circumstances which gave rise to it.



Accounting Policies and Explanatory Notes

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Basis of consolidation (Cont'd)

Under the merger method of accounting, the results of subsidiary companies are accounted for on a full year basis irrespective of the date of merger.

The difference between the nominal value of the shares issued plus any cash paid as consideration for the merger and the nominal value of the share capital of the subsidiary companies acquired is reflected as merger reserve.

Minority interest represents the interests of outside members in the operating results and net assets of subsidiary companies.

(d) Associated companies

The Group treats as associated companies those companies in which the Group holds a long term equity interest, has representation on the board of directors and is in a position to exercise significant influence over financial and operating policies.

Investments in associated companies are stated at cost less impairment losses. Impairment losses are charged to the income statement.

On disposal, the difference between net disposal proceeds and the carrying amount of the associated company disposed of is taken to the income statement.

Investments in associated companies are accounted for in the consolidated financial statements by the equity method of accounting. The equity method of accounting involves recognising in the consolidated income statement the Group's share of the results of associated companies for the financial year. The Group's investments in associated companies are carried in the consolidated balance sheet at an amount that reflects its share of the net assets of the associated companies and includes premium or discount on acquisition.

Equity accounting is discontinued when the carrying amount of the investment in an associated company diminishes by virtue of losses to zero, unless the Group has incurred or guaranteed obligations in respect of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associated companies to ensure consistency of accounting policies with the Group.

The results and reserves of associated companies are accounted for in the consolidated financial statements based on audited financial statements made up to the end of the financial year.

(e) Property, plant and equipment

(i) Measurement basis

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Property, plant and equipment retired from active use and held for disposal are stated at the lower of net book value and net realisable value.



Accounting Policies and Explanatory Notes

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(e) Property, plant and equipment (Cont'd)

(ii) Depreciation

Freehold land held as property, plant and equipment are not depreciated while leasehold land and buildings are amortised on the straight line basis over the remaining period of the lease.

Depreciation is calculated to write off the cost of other property, plant and equipment on a straight line basis over their estimated useful lives. The principal annual rates used for this purpose are:

Buildings	2%
Plant, machinery, moulds and factory equipment	10% - 50%
Tractors and motor vehicles	12% - 20%
Renovation, electrical installations and furniture and fittings	10% - 20%
Office equipment	10%
Quarry face development	12%

(f) Leases

Leases in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases are stated at amounts equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses.

In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is practicable to determine; if not, the Group's incremental borrowing rate is used.

All other leases are treated as operating leases. Operating lease rentals are charged to the income statement in the period the rental is payable.

(g) Long term construction contracts

The Group's long term construction contracts are all fixed price contracts and where their outcome can be reasonably estimated, revenue is recognised on the percentage of completion method. The stage of completion is determined by the proportion that costs incurred to date bear to estimated total costs, and for this purpose, only those costs that reflect actual contract work performed are included as costs incurred.

Where the outcome of a long term construction contract cannot be reasonably estimated, revenue is recognised only to the extent of contract costs incurred that are expected to be recoverable. At the same time, all contract costs incurred are recognised as an expense in the period which they are incurred.

Costs that relate directly to a contract and which are incurred in securing the contract are also included as part of contract costs if they can be separately identified and measured reliably and it is probable that the contract will be obtained.

When it is probable that total costs will exceed total revenue, the foreseeable loss is immediately recognised in the income statement irrespective of whether contract work has commenced or not, or of the stage of completion of contract activity, or of the amounts of profits expected to arise on other unrelated contracts.

On the balance sheet, contracts in progress are reflected either as gross amounts due from or due to customers, where a gross amount due from customers is the surplus of (i) costs incurred plus profits recognised under the percentage of completion method over (ii) recognised foreseeable losses plus progress billings. A gross amount due to customers is the surplus of (ii) over (i).



Accounting Policies and Explanatory Notes

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Development properties

Development properties are classified under two categories i.e land held for development and land under development.

Land held for development are defined as land on which development is not expected to be completed within the normal operating cycle. Usually, no significant development work would have been undertaken on these land. Accordingly, land held for development are classified as non-current assets on the balance sheet and are stated at cost plus incidental expenditure incurred to put the land in a condition ready for development.

Land under development are defined as land on which development has commenced and is expected to be completed within the normal operating cycle and these land are classified as current assets.

Where the outcome of a development can be reasonably estimated, revenue is recognised on the percentage of completion method. The stage of completion is determined by the proportion that costs incurred to date bear to estimated total costs. In applying this method of determining stage of completion, only those costs that reflect actual development work performed are included as costs incurred.

Where the outcome of a development cannot be reasonably estimated, no development profit is recognised.

When it is probable that total costs will exceed total revenue, the foreseeable loss is immediately recognised in the income statement irrespective of whether development work has commenced or not, or of the stage of completion of development activity, or of the amounts of profits expected to arise on other unrelated development projects.

On the balance sheet, land under development are stated at cost plus attributable development profits recognised under the percentage of completion method less recognised foreseeable losses and progress billings.

(i) Other investments

Other investments comprise quoted and unquoted equity shares and transferable corporate memberships stated at cost. An allowance for diminution in value is made if the directors are of the opinion that there is a decline in value of each investment which is other than temporary. The allowance for diminution in value is charged to the income statement.

On disposal, the difference between the net disposal proceeds and the carrying amount of the investment disposed of is taken to the income statement.

(j) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the weighted average basis, and in the case of finished goods, cost comprises direct materials, direct labour, other direct charges and an appropriate proportion of factory overheads. In the case of completed houses held for sale, cost is determined on the specific identification method.

(k) Employee benefits

(i) Short term benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees.



Accounting Policies and Explanatory Notes

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(k) Employee benefits (Cont'd)

(ii) Post-employment benefits

The Company and its Malaysian subsidiaries pay fixed contributions to the Employees Provident Fund Board ("EPF") which is a defined contribution plan.

The legal or constructive obligation of the Company and its Malaysian subsidiaries is limited to the amount that they agree to contribute to the EPF. The contributions to the EPF are charged to the income statement in the period to which they relate.

The Company's foreign subsidiaries may make contributions to their respective countries' statutory pension schemes which are recognised as an expenses in the income statement as incurred.

(l) Impairment of assets

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are charged to the income statement.

Property, plant and equipment, investments in subsidiary and associated companies, goodwill on consolidation, land held for development and expressway development expenditure are assessed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's estimated net selling price and its discounted future cash flows expected to be generated from the use of the asset.

Any reversal of an impairment loss as a result of a subsequent increase in recoverable amount should not exceed the carrying amount that would have been determined (net of amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

(m) Receivables

Receivables are stated at cost less allowance for doubtful debts.

Known bad debts are written off and allowance is made for any receivables considered to be doubtful of collection.

(n) Payables

Payables are stated at cost.

(o) Share capital

Ordinary shares are recorded at nominal value and proceeds received in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Costs incurred directly attributable to the issuance of the shares are accounted for as a deduction from share premium, otherwise it is charged to income statement.

Dividends to shareholders are recognised in equity in the period in which they are declared.



Accounting Policies and Explanatory Notes

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(p) Income recognition

- (i) Revenue from construction contracts (including project commission) and the sale of development properties are recognised on the percentage of completion method, where the outcome of the contracts and development projects can be reliably estimated.

Revenue from construction contracts represents the proportionate contract value on construction contracts attributable to the percentage of contract work performed during the financial year.

Revenue from the sales of development properties represents the proportionate sales value of development properties sold attributable to the percentage of development work performed during the financial year.

- (ii) Revenue from the sale of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.
- (iii) Dividend income is recognised when the right to receive has been established.
- (iv) Interest income is recognised on a time proportion basis unless collectability is in doubt in which case the recognition of interest income is deferred until the prospect of collection becomes certain.
- (v) Rental income is recognised on a straight line basis over the specific periods of the respective leases.

All inter-company transactions are eliminated on consolidation.

(q) Foreign currencies

(i) Transaction in foreign currencies

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary items which are carried in terms of historical costs denominated in foreign currencies are translated to Ringgit Malaysia at the foreign exchange rates ruling at the date of transaction.

(ii) Translation of foreign currency financial statements

The Group's foreign subsidiary companies, namely, Bina Puri Cambodia Ltd and Bina Puri Infrastructure Pte Ltd fall within the classification of foreign operations. Foreign operations are those operations that are integral to the operations of the Group.

For consolidation purposes, the assets, liabilities, income and expense items of foreign subsidiary companies are translated in accordance with the policy in note 1(q)(i) above.



Accounting Policies and Explanatory Notes

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(q) Foreign currencies (Cont'd)

(iii) Closing rates used

The closing rates used in translation were as follows:

	2003 RM	2002 RM
One United States Dollar ("USD")	3.80	3.80
One Nepalese Rupee ("NR")	0.06	0.06
One Indian Rupee ("IR")	0.08	0.08
One Singapore Dollar ("SGD")	2.20	2.17
One Sterling pound ("GBP")	6.76	6.07

(r) Research and development expenditure

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is expensed to the income statement as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products, is capitalised if the product is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

Capitalised development expenditure is amortised over its commercial production period or 5 years, whichever is lower, on a straight line basis.

(s) Expressway development expenditure

Expressway development expenditure comprises development expenditure incurred by the Group in connection with highway concessions. Upon completion of the construction works of the expressway and commencement to tolling operations, the cumulative actual expenditure incurred is amortised to the income statement.

(t) Taxation

The tax expense in the income statement represents the aggregate amount of current tax and deferred tax include in the determination of net profit or loss for the year.

On the balance sheet, a deferred tax liability is recognised for taxable temporary differences while a deferred tax asset is only recognised for deductible temporary differences, unutilised tax losses and unutilised tax credits to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences, tax losses and tax credits can be utilised. No deferred tax is recognised for temporary differences arising from:

- (i) goodwill for which amortisation is not deductible for tax purposes, or
- (ii) negative goodwill which is treated as deferred income, or
- (iii) the initial recognition of an asset or liability which is not a business combination and at the time of the transaction, effects neither accounting profit nor taxable profit.



Accounting Policies and Explanatory Notes

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(t) Taxation (Cont'd)

Deferred tax assets and liabilities are measured based on tax consequences that would follow from the manner in which the asset or liability is expected to be recovered or settled, and based on the tax rates enacted by the balance sheet date that are expected to apply to the period when the asset is realised or when the liability is settled.

Current tax and deferred tax are charged or credited directly to equity if the tax relates to items that are credited or charged, whether in the same or a different period, directly to equity.

(u) Capitalisation of borrowing costs

Borrowing costs incurred on construction contracts and land under development that take a substantial period of time for completion are capitalised into the carrying value of the respective assets. Capitalisation of borrowing costs will cease when the assets are completed or during extended periods in which active construction or development is interrupted.

All other borrowing costs are charged to the income statement in the period in which they are incurred. The interest component of hire purchase payments is recognised over the hire purchase period so as to give a constant periodic rate of interest on the remaining hire purchase liabilities.

(v) Cash equivalents

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents exclude fixed deposits pledged to secure banking facilities, and are presented net of bank overdrafts.

(w) Rounding of amounts

Unless otherwise indicated, the amounts in these financial statements have been rounded to the nearest thousand. The currency used is Ringgit Malaysia ("RM").

(x) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

The Group's financial instruments which are recognised in the balance sheet comprise cash and bank balances, deposits, receivables, other investments, payables, hire purchase liabilities, bank borrowings, bank overdrafts and ordinary shares. These financial instruments are recognised when a contractual relationship has been established. The accounting policies and methods adopted, including the basis of measurement applied, are disclosed above. The information about the extent and nature of these recognised financial instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows are disclosed in the respective notes below, where applicable.

Financial instruments not recognised in the balance sheet are in respect of those guarantees given which are disclosed in note 38.



Accounting Policies and Explanatory Notes

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks, including interest rate risk, credit risk, liquidity and cash flow risk. The Group's overall financial risk management objective is to minimise potential adverse effects on the financial performance of the Group.

The directors review and agree on policies for managing each of the financial risks and they are summarised below.

The Group does not trade in derivative instruments. Further, the Group's exposure to foreign currency risk is insignificant.

(a) Interest rate risk

The Group is exposed to interest rate risk which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rate.

Exposure to interest rate risk relates primarily to the Group's fixed deposits, bank borrowings and bank overdrafts.

Financial Assets

Fixed deposits generate interest income based on prevailing market interest rates. The Group manages its interest rate risk by placing such deposits on short tenures or with contractual repricing dates of 12 months or less.

Financial Liabilities

The Group's policy is to borrow principally on a floating rate basis but to retain a proportion of fixed rate debts. The objective of a mix of fixed and floating rate borrowings is to reduce the impact of a rise in interest rate while enabling benefits to be enjoyed if interest rates fall. The Group does not generally hedge interest rate risks. The Group has a policy to ensure that interest rates obtained are competitive.

(b) Credit risk

Credit risk arises from the possibility that a counter party may be unable to meet the terms of a contract in which the Group has a gain position.

The Group minimises and monitors its credit risk by dealing with credit worthy counter-parties and applying credit approval controls for material contracts. If necessary, the Group may obtain collaterals from counter-parties as a means of mitigating losses in the event of default. Receivables are monitored on an ongoing basis.

(c) Cash flow and liquidity risks

The Group seeks to maintain sufficient credit lines to meet its liquidity requirement while ensuring an effective working capital management within the Group.

The Group seeks to ensure all business units maintain optimum levels of liquidity at all times, sufficient for their operating, investing and financing activities.

Therefore, the policy seeks to ensure that each business unit, through efficient working capital management (i.e inventory, accounts receivable and accounts payable management), must be able to convert its current assets into cash to meet all demands for payment as and when they fall due.

Accounting Policies and Explanatory Notes

3. PROPERTY, PLANT AND EQUIPMENT

GROUP	<----- Land and buildings ----->							Plant, machinery, moulds and factory equipment RM'000	Tractors and motor vehicles RM'000	Renovation, electrical installations and furniture and fittings RM'000	Office equipment RM'000	Total RM'000
	Freehold RM'000	Long leasehold RM'000	Short leasehold RM'000	Quarry face development RM'000	factory equipment RM'000	motor vehicles RM'000	and fittings RM'000					
2003												
Cost												
At 1.1.2003	5,305	50,978	3,418	1,924	58,113	42,122	8,319	9,060	179,239			
Additions	-	-	88	17	1,776	1,621	348	667	4,517			
Disposals	(149)	-	-	-	(2,717)	(674)	(26)	(31)	(3,597)			
Waiver of unpaid balance	-	(1,500)	-	-	-	-	-	-	(1,500)			
Write-offs	-	-	-	-	(665)	-	(479)	(23)	(1,167)			
At 31.12.2003	5,156	49,478	3,506	1,941	56,507	43,069	8,162	9,673	177,492			
Accumulated depreciation												
At 1.1.2003	89	2,045	1,356	420	37,725	28,277	4,573	4,581	79,066			
Charge for the year	59	367	123	420	4,732	4,488	745	881	11,815			
Disposals	(6)	-	-	-	(2,165)	(676)	(16)	(20)	(2,883)			
Write-offs	-	-	-	-	(636)	-	(470)	(12)	(1,118)			
At 31.12.2003	142	2,412	1,479	840	39,656	32,089	4,832	5,430	86,880			





Accounting Policies and Explanatory Notes

3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

GROUP	Land and buildings				Short leasehold development RM'000	Plant, machinery, moulds and factory equipment RM'000	Tractors and motor vehicles RM'000	Renovation, electrical installations and furniture and fittings equipment RM'000	Office equipment RM'000	Total RM'000
	Freehold RM'000	Long leasehold RM'000	Short leasehold RM'000	Quarry face development RM'000						
2003										
Accumulated impairment losses										
At 1.1.2003	-	2,047	-	-	-	-	-	138	52	2,237
Charge for the year	-	-	-	-	-	-	-	-	-	-
At 31.12.2003	-	2,047	-	-	-	-	-	138	52	2,237
Net book value										
At 31.12.2003	5,014	45,019	2,027	1,101	16,851	10,980	3,192	4,191	88,375	
Net book value										
At 31.12.2002	5,216	46,886	2,062	1,504	20,388	13,845	3,608	4,427	97,936	
Depreciation charge for the year ended 31.12.2002	31	368	122	420	5,392	4,168	1,102	491	12,094	



Accounting Policies and Explanatory Notes

3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

COMPANY	Long leasehold land and buildings RM'000	Electrical installation and furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Total RM'000
2003					
Cost					
At 1.1.2003	22,286	3,040	1,245	904	27,475
Additions	-	72	127	-	199
Disposals	-	(20)	-	-	(20)
Write-offs	-	-	(1)	-	(1)
At 31.12.2003	22,286	3,092	1,371	904	27,653
Accumulated depreciation					
At 1.1.2003	1,113	1,256	585	904	3,858
Charge for the year	219	314	129	-	662
Disposals	-	(13)	-	-	(13)
Write-offs	-	-	(1)	-	(1)
At 31.12.2003	1,332	1,557	713	904	4,506
Net book value					
At 31.12.2003	20,954	1,535	658	-	23,147
Net book value					
At 31.12.2002	21,173	1,784	660	-	23,617
Depreciation charged for the year ended 31.12.2002					
	221	303	126	64	714

No title deeds have been issued in respect of certain land and buildings included at a net book value of RM24,791,000 (2002 : RM26,411,000) for the Group and RM2,247,000 (2002 : RM2,270,000) for the Company.

Included in freehold land of the Group is land with a total net book value of RM911,000 (2002 : RM911,000) held in trust by directors of certain subsidiary companies.



Accounting Policies and Explanatory Notes

3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The following property, plant and equipment stated at net book value have been charged to banks to secure the bank borrowings referred to in note 19 below:

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Freehold land and building	4,081	4,284	-	-
Long leasehold land and building	1,605	1,644	-	-
Short leasehold land and building	250	452	-	-
Plant, machinery, moulds and factory equipment	3,352	13,550	-	-
Tractors and motor vehicles	1,834	443	-	-
Renovation, electrical installations and furniture and fittings	567	1,049	-	-
	11,689	21,422	-	-

Included in property, plant and equipment are assets acquired under unexpired finance lease and hire purchase arrangements with net book values as follows:

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Plant, machinery and factory equipment	1,009	1,016	-	-
Tractors and motor vehicles	9,146	12,328	-	-
Office equipment	40	46	-	-

4. INVESTMENT IN SUBSIDIARY COMPANIES

	COMPANY	
	2003 RM'000	2002 RM'000
Unquoted shares, at cost	16,903	18,403
Unquoted shares, at 1994 valuation	4,264	4,264
	21,167	22,667
Impairment losses	(4,474)	(4,474)
	16,693	18,193

The unquoted shares shown at valuation were revalued by the directors in 1994 based on the value of the underlying net tangible assets of the subsidiary company concerned.

The 1994 valuation was a one-off exercise. It has never been the Group's policy to carry out regular revaluations of its investments in subsidiary companies and accordingly, the carrying amount of the revalued investment has been retained on the basis of this one-off revaluation as though it has never been revalued.



Accounting Policies and Explanatory Notes

4. INVESTMENT IN SUBSIDIARY COMPANIES (Cont'd)

The subsidiary companies are as follows:

	Principal activities	Equity interest			
		Direct		Indirect	
		2003 %	2002 %	2003 %	2002 %
Bina Puri Construction Sdn Bhd	Contractor of earthworks, building and road construction	100	100	–	–
Latar Project Management Sdn Bhd	Provider of project management services (operations suspended)	–	–	60	60
Bina Puri Cambodia Ltd	Dormant	–	–	100	100
Maskimi Sdn Bhd	Investment holding	100	100	–	–
Hamay Glass Sdn Bhd	Ceased operations	–	–	65	65
Maskimi Venture Sdn Bhd	Commission agent	–	–	100	100
Maskimi Polyol Sdn Bhd	Manufacturer of polyol	–	–	90	90
KM Quarry Sdn Bhd	Quarry operator and contractor of road paving projects	–	–	70	70
Sungai Long Industries Sdn Bhd	Quarry operator and contractor of road paving projects	–	–	51	51
Sungai Long Bricks Sdn Bhd	Manufacturer of bricks	–	–	100	100
KM Road Specialist Sdn Bhd	Dormant	–	–	100	100
Sungai Long Plaster Industries Sdn Bhd	Manufacturer of plaster cement	–	–	100	90
Bina Puri HG Corporation Sdn Bhd	Dormant	60	60	–	–
Bina Puri HG CPB Sdn Bhd	Dormant	–	–	100	100
Konsortium Bina Puri-Panzana Enterprise Sdn Bhd	Inactive	51	51	–	–
Gugusan Murni Sdn Bhd	Developer of a hotel (no active development)	51	51	–	–
Aksi Bina Puri Sdn Bhd	Property developer	70	70	–	–
Lebuhraya Assamjawa Taman Rimba Berhad	Builder of an expressway	60	60	–	–
Bina Puri Plantation Sdn Bhd	Investment holding	100	100	–	–
Karseng Industries & Engineering Sdn Bhd	Property developer (no active development)	–	–	70	70



Accounting Policies and Explanatory Notes

4. INVESTMENT IN SUBSIDIARY COMPANIES (Cont'd)

The subsidiary companies are as follows: (Cont'd)

	Principal activities	Equity interest			
		Direct		Indirect	
		2003	2002	2003	2002
		%	%	%	%
Bina Puri Sdn Bhd	Contractor of earthworks, building and road construction	–	–	100	100
Bina Puri Machinery Sdn Bhd	Provision of maintenance services for plant and machinery and contractors for earthwork projects	–	–	100	100
Easy Mix Sdn Bhd	Producer of readymix concrete	–	–	100	100
Easicrete Precast Sdn Bhd	Ceased operation	–	–	100	100
Bina Puri-HG Power Sdn Bhd	Dormant	60	60	–	–
Bina Puri Infrastructure Pte Ltd	Contractor of road construction	100	100	–	–

All the subsidiary companies are incorporated in Malaysia with the exception of Bina Puri Cambodia Ltd and Bina Puri Infrastructure Pte Ltd which are incorporated in Cambodia and India, respectively.

Subsidiaries whose financial statements were subject to audit qualifications and particulars of the qualifications are as follows:

(a) Bina Puri Sdn Bhd

The auditors' report expressed uncertainty over the collectibility of trade receivables totaling RM3,500,000.

(b) Sungai Long Industries Sdn Bhd

The auditors' report expressed uncertainty over the collectibility of trade receivables and non-trade receivables totaling RM884,000 and RM950,000 respectively.

5. INVESTMENTS IN ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Unquoted shares at cost	350	50	*	*
Share of post acquisition profits less losses	1,566	1,361	–	–
	1,916	1,411	*	*



Accounting Policies and Explanatory Notes

5. INVESTMENTS IN ASSOCIATED COMPANIES (Cont'd)

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Represented by:				
Share of net assets of associated companies	1,916	1,411		

* Represents RM4

The associated companies are as follows:

	Principal activities	Equity interest			
		Direct		Indirect	
		2003 %	2002 %	2003 %	2002 %
Konsortium Bina Puri-Panzana (Nilai) Sdn Bhd	Contractor for road construction	40	40	–	–
SLM Gabungan Sdn Bhd	Quarry operation and contractor of road paving projects	–	–	50	50
Sungai Long Properties Sdn Bhd (formerly known as PNSB-Sungai Long Sdn Bhd)	Ceased operations	–	–	50	50
Rock Processor (Melaka) Sdn Bhd	Quarry operation and contractor of road paving projects	–	–	40	–

All the associated companies are incorporated in Malaysia. The equity interest in the associated companies are all held through Sungai Long Industries Sdn Bhd with the exception of Konsortium Bina Puri-Panzana (Nilai) Sdn Bhd which is held directly by the Company.

6. OTHER INVESTMENTS

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Shares quoted in Malaysia, at cost	216	63	–	–
Mutual funds and unit trusts	500	–	500	–
Unquoted shares, at cost	1,059	1,708	620	620
Transferable corporate memberships in golf and country resorts, at cost	395	296	10	10
	2,170	2,067	1,130	630
Diminution in value of unquoted shares	(281)	(281)	(281)	(281)
	1,889	1,786	849	349



Accounting Policies and Explanatory Notes

6. OTHER INVESTMENTS (Cont'd)

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Market value of				
- shares quoted in Malaysia	293	46	-	-
- mutual funds and unit trusts	509	-	509	-

Unquoted shares of the Group include an amount of RM439,000 (2002 : RM439,000) representing the cost of a 12%-equity interest in Ideal Heights Properties Sdn Bhd, a company in which certain directors have substantial financial interest.

7. LAND HELD FOR DEVELOPMENT

	GROUP	
	2003 RM'000	2002 RM'000
Long leasehold land, at cost	5,200	5,200
Development expenditure, at cost	7,319	7,309
	12,519	12,509
Impairment losses	(1,500)	(1,500)
	11,019	11,009

The long leasehold land is charged to a finance company for a bridging loan facility of RM7 million granted to Ideal Heights Properties Sdn Bhd ("IHPSB"). The amount utilised by IHPSB as at 31 December 2003 was Nil (2002 : Nil). The development expenditure comprise mainly land reclamation expenditure necessary to prepare the land for property development. No physical construction of buildings have commenced to date.

8. LAND UNDER DEVELOPMENT

	GROUP	
	2003 RM'000	2002 RM'000
Long leasehold land, at cost	-	576
Development expenditure, at cost	-	5,809
	-	6,385
Attributable profit recognised to date	-	38
	-	6,423
Progress billings to date	-	(958)
	-	5,465



Accounting Policies and Explanatory Notes

8. LAND UNDER DEVELOPMENT (Cont'd)

	GROUP	
	2003 RM'000	2002 RM'000
Progress billings comprise:		
Progress billings		
- received	-	393
- receivable	-	565
	-	958

9. GROSS AMOUNTS DUE FROM/TO CUSTOMERS

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Aggregate contract expenditure incurred to date	802,898	666,929	7,809	6,772
Attributable profit recognised to date	88,905	91,259	-	-
	891,803	758,188	7,809	6,772
Progress billings to date	(877,039)	(733,261)	-	-
	14,764	24,927	7,809	6,772
Gross amount due from customers	38,271	42,721	7,809	6,772
Gross amount due to customers	(23,507)	(17,794)	-	-
	14,764	24,927	7,809	6,772

Progress billings comprise:

Progress billings		
- received	825,712	670,531
- receivable	42,131	55,297
Retention sums	9,196	7,433
	877,039	733,261



Accounting Policies and Explanatory Notes

9. GROSS AMOUNTS DUE FROM/TO CUSTOMERS (Cont'd)

The amount of contract expenditure is entirely attributable to contracts accounted for under the percentage of completion method described in note 1(g) to the financial statements. Contract expenditure incurred during the financial year includes the following expenses:

	GROUP	
	2003 RM'000	2002 RM'000
Depreciation	3,220	3,538
Interest expense	2,693	4,825
Rental expense		
- plant, machinery and lorry	7,732	3,686
- premises	349	376
- motor vehicles	-	19

10. INVENTORIES

	GROUP	
	2003 RM'000	2002 RM'000
At cost		
Completed unit of houses	4,035	-
Raw materials and consumables	1,275	1,191
Finished goods	2,073	2,792
	7,383	3,983
At net realisable value		
Finished goods	229	73
	7,612	4,056

11. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Trade receivables				
- Progress billings receivable on construction contracts	102,294	123,713	-	-
- Retention sums on construction contracts	20,019	20,270	-	-
- Progress billings due from house buyers	1,997	596	-	-
- Retention sums due from house buyers	21	72	-	-
- Other trade receivables	29,454	25,775	-	-
	153,785	170,426	-	-
Allowance for doubtful debts	(45,176)	(45,222)	-	-
	108,609	125,204	-	-



Accounting Policies and Explanatory Notes

11. RECEIVABLES, DEPOSITS AND PREPAYMENTS (Cont'd)

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Sundry receivables	12,740	13,560	1,182	1,942
Deposits	1,935	3,308	907	1,508
Prepayments	1,605	2,818	30	290
	16,280	19,686	2,119	3,740
Allowance for doubtful debts	(3,500)	(3,000)	-	-
	12,780	16,686	2,119	3,740
Total	121,389	141,890	2,119	3,740

Included in trade receivables are the following:

Amounts owing by Ideal Heights Properties Sdn Bhd ("IHPSB")	6,427	6,274	-	-
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Included in sundry receivable are the following:

Amounts owing by IHPSB	831	1,336	-	-
Amount owing by the minority shareholder of a subsidiary company	741	741	-	-
Deposits refundable by shareholders of IHPSB who are/is				
- directors of the Company	267	540	267	540
- a director of the subsidiary company	27	65	27	65
- a former director of the company	234	234	234	234
- others	370	659	370	659

Progress billings are due within 30 to 90 days as stipulated in construction contracts. The retention sums are due upon the expiry of the defect liability period stated in the respective construction contracts. The defect liability periods are between 6 to 15 months.

House purchasers are required to settle progress billings within 14 days in accordance with the sale and purchase agreements. The retention sums are due between 6 to 18 months upon handing over of vacant possession.

The normal credit terms for other trade receivables range from 30 to 90 days. The credit terms may be extended to 120 days based on the discretion of the management.

The currency exposure profile of trade receivables is as follows:

	GROUP	
	2003 RM'000	2002 RM'000
RM	152,442	169,687
SGD	427	-
NR	739	739
IR	177	-
	153,785	170,426



Accounting Policies and Explanatory Notes

11. RECEIVABLES, DEPOSITS AND PREPAYMENTS (Cont'd)

The currency exposure profile of sundry receivables, deposits and prepayments is as follows:

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
RM	15,651	19,309	1,840	3,363
IR	279	377	279	377
NR	350	–	–	–
	16,280	19,686	2,119	3,740

12. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

The amount owing by subsidiary companies comprises:

	COMPANY	
	2003 RM'000	2002 RM'000
Trade accounts	1,285	–
Non-trade accounts		
- interest bearing	30,522	30,000
- interest free	28,753	14,325
	60,560	44,325
Allowance for doubtful debts	(23,950)	(20,305)
	36,610	24,020

The trade accounts are expected to be settled within the normal credit period.

The interest bearing non-trade account bears interest at 9% (2002 : 9%) per annum. However, the recognition of cumulative interest income amounting to RM5,622,000 (2002 : RM5,135,000) has been deferred in accordance with the accounting policy set out in note 1(p)(iv).

The non-trade accounts are unsecured and receivable on demand.



Accounting Policies and Explanatory Notes

12. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES (Cont'd)

The amount owing to subsidiary companies comprises:

	2003 RM'000	2002 RM'000
Trade accounts	–	3,358
Non-trade accounts		
- interest bearing	3,036	3,036
- interest free	22,243	15,410
	25,279	21,804

The trade accounts are expected to be settled within the normal credit periods.

The interest bearing non-trade account bears interest at 9% (2002 : 9%) per annum. The non-trade accounts are unsecured and repayable on demand.

13. AMOUNTS OWING BY/TO ASSOCIATED COMPANIES

The amount owing by associated companies comprises:

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Trade accounts	2,528	4,462	1,688	4,460
Non-trade accounts	631	50	56	49
	3,159	4,512	1,744	4,509

The trade accounts are expected to be settled within normal credit periods.

The non-trade accounts are unsecured, interest free and receivable on demand.

The amount owing to associated companies comprises:

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Trade accounts	9,958	1,962	–	–
Non-trade accounts	184	83	–	–
	10,142	2,045	–	–

The trade accounts are expected to be settled within the normal credit periods. The non-trade accounts are unsecured, interest free and repayable on demand.



Accounting Policies and Explanatory Notes

14. DEPOSITS

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Fixed deposits with licensed banks	18,144	19,864	7,779	7,553
Cash deposits with insurance companies	7,610	8,881	-	-
	25,754	28,745	7,779	7,553

The deposits of the Group and the Company have been pledged to secure performance bonds and bank guarantee facilities issued on behalf of the Group.

The interest rates of the Group's and the Company's deposits range from 2.0% to 3.7% (2002 : 2.4% to 3.2%). All the deposits have maturities or contractual repricing dates of 12 months or less.

15. CASH AND BANK BALANCES

Included in cash and bank balances of the Group are:

- (a) an amount of RM16,617,000 (2002 : RM13,297,000) held in special projects bank account from which withdrawals are restricted to contract expenditure incurred in respect of specific projects, and
- (b) an amount of RM200,000 (2002 : RM56,000) maintained in a Housing Development Account in accordance with the Housing Developers (Housing Development Account) Regulations 1991. Withdrawals from the Housing Development Account are restricted to property development expenditure incurred in respect of the specific development project.

16. CONTRACT INCOME RECEIVED IN ADVANCE

The contract income received in advance is to be set-off against future progress billings.

17. PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Trade payables				
- Sub-contractors	40,715	37,884	-	-
- Retention sums	29,215	27,820	-	-
- Others	21,828	17,722	-	-
	91,758	83,426	-	-
Sundry payables	12,901	21,104	2,021	3,356
Accruals	11,944	4,925	128	334
	116,603	109,455	2,149	3,690



Accounting Policies and Explanatory Notes

17. PAYABLES AND ACCRUALS (Cont'd)

Included under trade payables of the Group are amounts totaling RM1,519,163 (2002 : RM2,117,998) owing to IHPSB.

The normal credit terms extended by sub-contractors and suppliers range from 30 to 90 days. The retention sums are payable upon the expiry of the defect liability period of the respective construction contracts. The defect liability periods are between 6 to 15 months.

The currency exposure profile of trade and other payables are as follows:

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
RM	116,152	108,235	2,149	3,690
NR	–	957	–	–
GBP	263	263	–	–
IR	172	–	–	–
USD	16	–	–	–
	116,603	109,455	2,149	3,690

18. HIRE PURCHASE AND FINANCE LEASE LIABILITIES

	GROUP	
	2003 RM'000	2002 RM'000
Total future instalments payable	6,880	10,577
Unexpired term charges	(535)	(1,078)
Total principal payable	6,345	9,499
Future instalments payable		
- not later than one year	4,377	5,333
- later than one year but not later than 5 years	2,503	5,244
Total future instalments payable	6,880	10,577
Principal payable		
- not later than one year (included under current liabilities)	3,985	4,650
- later than one year but not later than 5 years	2,360	4,849
Total principal payable	6,345	9,499

The hire purchase liabilities bear interest at effective rates of between 8% and 12% (2002: 8% and 12%) per annum.



Accounting Policies and Explanatory Notes

19. SHORT TERM BANK BORROWINGS

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Revolving credits				
- floating interest rate	78,941	133,405	5,377	37,174
- fixed interest rate	5,942	25,104	–	–
Trust receipts	1,798	975	–	–
Current portion of long term loans (see note 23)	8,784	8,891	–	–
	95,465	168,375	5,377	37,174

The above short term bank borrowings together with the bank overdrafts referred to in note 20 below and the long term loans referred to in note 23 below are secured by the following:

- Fixed charges over those charged property, plant and equipment referred to in note 3 and floating charges over the entire assets of certain subsidiary companies,
- A negative pledge over the assets of the Company and certain subsidiary companies, and
- Deeds of assignment over the proceeds of contracts totaling RM764 million awarded to subsidiary companies.

The short term bank borrowings bear interest as follows:

		Effective interest rate	
		2003 %	2002 %
Revolving credits			
- floating rate	Between 1% and 2.5% above the banks' cost of funds	4.55 - 9.00	4.55 - 8.90
- fixed rate	–	6.50	6.50
Trust receipts	Between 1.25% and 2.5% above base lending rate	7.25 - 8.5	8.15 - 8.90

20. BANK OVERDRAFTS

The bank overdrafts bear interest at between 1.25% and 3.5% (2002 : 1.75% and 2.5%) above base lending rate. The effective interest rates were between 7.25% and 9.50% (2002 : 8.15% and 8.90%).

The bank overdrafts are repayable on demand.



Accounting Policies and Explanatory Notes

21. SHARE CAPITAL

	2003		2002	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Authorised:				
Shares of RM1 each	100,000	100,000	100,000	100,000
Issued and fully paid:				
Ordinary shares of RM1 each				
At beginning of the year	40,000	40,000	40,000	40,000
Rights issue of 1-for-1	40,000	40,000	-	-
	80,000	80,000	40,000	40,000

22. OTHER CAPITAL RESERVES (non-distributable)

Other capital reserves represent retained earnings of subsidiaries which have been capitalised for the issue of bonus shares to the Company. As a result of this capitalisation, these retained earnings are no longer available for distribution, and as such, have been transferred from retained earnings to other capital reserves and considered non-distributable.

23. LONG TERM LOANS

	GROUP	
	2003 RM'000	2002 RM'000
Bank term loan repayable by 60 equal monthly instalments commencing 1 year after full drawdown	7,533	7,533
Term loans from a finance company repayable by 20 quarterly instalments commencing May 1996	565	696
RM700,000 bank term loan repayable by 120 equal monthly instalments commencing June 1992	-	154
Term loan converted from an overdraft by Danaharta Managers Sdn Bhd repayable by:		
- 45 monthly instalments commencing January 2001	-	1,473
- 23 monthly instalments commencing February 2003	686	-
	8,784	9,856
Repayments due within 12 months included under bank borrowings (see note 19)	(8,784)	(8,891)
	-	965

The term loans bear interest at between 1% and 2.5% (2002: 1% and 2.5%) above base lending rate. The effective interest rates were between 7.0% and 9.5% (2002 : 7.4% and 8.9%).



Accounting Policies and Explanatory Notes

24. DEFERRED TAX LIABILITY

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
At beginning of the year	3,339	3,640	339	343
Transfer (to)/from income statement	(331)	(301)	14	(4)
At end of the year	3,008	3,339	353	339

The deferred liabilities recognised in the financial statements are in respect of the following temporary differences:

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Tax effects of				
- excess of capital allowances claimed over accumulated depreciation on property, plant and equipment	3,524	5,047	353	339
- unpaid qualifying expenditure of assets under hire purchase liabilities	(1,390)	(2,586)	-	-
- unabsorbed tax losses	(164)	(156)	-	-
- unabsorbed capital allowances	(16)	(14)	-	-
- surplus on revaluation of leasehold land held for development	1,258	1,258	-	-
- others	(204)	(210)	-	-
	3,008	3,339	353	339

Deductible temporary differences and unused tax losses for which deferred tax assets have not been recognised in the financial statements as at 31 December are as follows:

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Unabsorbed capital allowance and tax losses	83,979	79,566	-	-
Excess of capital allowances claimed on property, plant and equipment over accumulated depreciation	(318)	(3,535)	-	-
Others	-	102	-	-
	83,661	76,133	-	-

The tax losses and unabsorbed capital allowance are available for offset against future taxable profit of the subsidiaries in which those items arose. Deferred tax assets have not been recognised in respect of these assets as they may not be used to offset taxable profit of other subsidiaries in the Group. They have arisen in companies that have past losses.



Accounting Policies and Explanatory Notes

25. REVENUE

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Construction contract revenue	359,912	407,101	3,916	10,399
Revenue from property development	2,583	551	–	–
Sale of goods, comprising quarry products, polyol, bricks and building materials	69,069	52,325	–	–
Management fee	–	–	1,132	138
	431,564	459,977	5,048	10,537

26. COST OF SALES

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Contract costs recognised as an expense	318,323	346,414	1,552	1,527
Cost of properties sold	2,447	525	–	–
Cost of goods sold	63,315	43,982	–	–
	384,085	390,921	1,552	1,527

27. PROFIT/(LOSS) FROM OPERATIONS

Profit/(Loss) from operations is stated after charging:

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Auditors' remuneration				
- current year	143	143	20	20
- overprovision in prior year	(4)	(25)	–	–
Bad and doubtful debts	1,999	14,065	–	–
Depreciation	8,595	8,556	662	714
Directors' fees	206	144	206	144
Directors' remuneration other than fees				
- Company's directors	1,307	1,086	655	428
- subsidiaries' directors	336	276	–	–
Impairment in value of				
- property, plant and equipment	–	2,237	–	–
- land held for development	–	1,500	–	–
Loss on disposal of property, plant and equipment	74	–	–	–
Property, plant and equipment written off	49	126	–	30



Accounting Policies and Explanatory Notes

27. PROFIT/(LOSS) FROM OPERATIONS (Cont'd)

Profit/(Loss) from operations is stated after charging: (Cont'd)

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Realised loss on foreign exchange differences	11	–	–	–
Rental expense				
- operating leases	300	300	–	–
- land and premises	717	696	–	–
- motor vehicles	21	7	–	–
- machinery and equipment	1,666	1,488	–	–
Research and development expenditure	120	345	–	–
Sundry receivables and deposits written off	–	32	–	–

and crediting:

Allowance for doubtful debts no longer required	623	426	–	–
Gain on disposal of property, plant and equipment	–	381	–	61
Gain on foreign exchange differences				
- realised	–	12	–	–
- unrealised	13	–	–	–
Income from hire of motor vehicle and machinery	2,668	1,755	–	–
Rental income	708	796	463	449

Directors' remuneration does not include the estimated monetary value of benefits-in-kind amounting to RM53,000 (2002: RM76,000) for the Group and RM14,000 (2002: RM18,000) for the Company.

28. INVESTMENT INCOME

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Gross dividend from a subsidiary company	–	–	16,000	4,900
Interest income	765	759	226	224
Rental income	281	316	–	–
Gain/(Loss) on disposal of other investments	62	(2)	–	(2)
Goodwill on acquisition written off	(40)	–	–	–
	1,068	1,073	16,226	5,122



Accounting Policies and Explanatory Notes

29. FINANCE COSTS

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Bank overdraft interest	1,876	2,237	550	647
Revolving credit interest	6,160	7,181	2,180	2,942
Bankers' acceptance interest	47	66	-	-
Term loan interest	661	981	-	-
Hire purchase and finance lease interest	248	341	-	-
Interest payable to a subsidiary company	-	-	273	273
Others	87	48	-	-
	9,079	10,854	3,003	3,862

30. TAXATION

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Malaysian taxation based on the results for the year				
- current	6,417	6,251	4,640	2,300
- deferred	(431)	1,140	14	(4)
	5,987	7,391	4,654	2,296
Over/(Under) provision in prior years	154	(1,603)	-	-
	6,140	5,788	4,654	2,296
Group's share of taxation of associated companies	65	41	-	-

The provision for taxation differs from the amount of taxation determined by applying the applicable statutory tax rate of the profit before tax as a result of the following differences:

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Accounting profit/(loss)	9,764	11,223	9,139	(13,696)
Taxation at applicable tax rate	2,734	3,142	2,559	(3,834)
Tax effects arising from:				
- non-taxable income				
• project income from overseas	(621)	(3,466)	-	(761)
• others	(151)	(44)	-	-



Accounting Policies and Explanatory Notes

30. TAXATION (Cont'd)

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
- non-deductible expense				
• impairment in value of investment in subsidiary company	-	-	-	1,252
• allowances for debt due from subsidiary companies	-	-	1,021	3,781
• deferred expenditure written off	-	995	-	995
• others	3,307	4,074	1,074	863
- (reversal of)/addition to deferred tax assets not recognised	(546)	8	-	-
- unavailable group relief	1,263	2,682	-	-
Under/(Over) provision in prior years	154	(1,603)	-	-
Tax at the effective tax rate	6,140	5,788	4,654	2,296

31. BASIC EARNINGS PER SHARE

The basic earnings per share has been calculated by dividing the Group's net profit for the financial year of RM4,108,000 (2002 : RM6,400,000) by the weighted average number of shares in issue of 53,882,000 (2002 : 40,000,000). The weighted average number of shares in issue is calculated as follows:

	2003 RM'000	2002 RM'000
Number of ordinary shares at beginning of the year	40,000	40,000
Effect of shares issued pursuant to Rights Issue	13,882	-
Weighted average number of ordinary shares	53,882	40,000

There was no dilution of earnings during the year arising from the ESOS implemented by the Company as the ESOS is only exercisable effective 8 March 2004.

32. DIVIDEND

	2003 RM'000	2002 RM'000
Interim dividend of 3% less tax at 28% (2002 : Nil)	864	-



Accounting Policies and Explanatory Notes

33. EMPLOYEE INFORMATION

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Staff costs	32,977	31,383	1,908	1,565

Included in the staff costs are Employee Provident Fund contributions amounting to RM2,836,000 (2002 : RM2,735,000) for the Group and RM144,000 (2002 : RM101,000) for the Company.

The number of employees (including executive directors) as at 31 December 2003 was 762 (2002 : 709) for the Group and 26 (2002 : 28) for the Company.

34. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Property, plant and equipment acquired	4,517	12,970	199	148
Financed via hire purchase	(2,010)	(6,240)	–	–
Paid by way of contra with sundry receivables	–	(755)	–	–
Unpaid balance include under sundry payables	(691)	–	–	–
Cash paid	1,816	5,975	199	148

35. RELATED PARTY TRANSACTIONS

Significant related party transactions during the year were as follows:

Transactions with associated companies

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Secretarial fee received/receivable from associated companies	10	12	10	12
Construction services rendered by				
SLM Gabungan Sdn Bhd ("SLM")	10,103	5,294	–	–
Hire of plant to SLM	29	–	–	–
Maintenance services rendered to SLM	5	–	–	–
Purchases of quarry products from SLM	6	32	–	–
Hiring charges payable to SLM	8	–	–	–
Sub-contractors claims payable to				
Rock Processor (Melaka) Sdn Bhd ("RPM")	11,074	–	–	–
Sales of quarry products to RPM	1,316	–	–	–



Accounting Policies and Explanatory Notes

35. RELATED PARTY TRANSACTIONS (Cont'd)

Non-trade balances with associated companies as at 31 December were as follows:

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Amount owing by				
- SLM	16	-	13	9
- Sungai Long Properties Sdn Bhd ("SLPSB")	2	-	-	-
- Konsortium Bina Puri-Panzana (Nilai) Sdn Bhd ("KBPPN")	247	50	3	7
- Rock Processor (Melaka) Sdn Bhd	1	-	1	-
Amount owing to				
- SLPSB	35	83	-	-
- KBPPN	138	-	-	-

Transactions with subsidiary companies of SLM

Secretarial fee received/receivable	11	12	11	12
Construction services paid and payable	19,338	4,507	-	-
Hiring charges paid and payable	238	770	-	-

Non-trade balances with subsidiary companies of SLM as at 31 December were as follows:

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Amounts owing by subsidiary companies of SLM	365	-	39	33
Amount owing to subsidiary companies of SLM	11	-	-	-

Transactions with companies/firms in which certain directors have substantial financial interest

Purchase of air tickets from Sea Travel & Tours Sdn Bhd, a company in which Tan Sri Datuk Tee Hock Seng, JP has substantial financial interest	607	710	120	169
Purchase of diesel from Syarikat Hoong Wah Trading, a firm in which Tan Sri Datuk Tee Hock Seng, JP has substantial financial interest	-	2,405	-	-



Accounting Policies and Explanatory Notes

35. RELATED PARTY TRANSACTIONS (Cont'd)

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Transactions with companies/firms in which certain directors have substantial financial interest (Cont'd)				
Purchase of diesel from New Hoong Wah Holdings Sdn Bhd, a company in which Tan Sri Datuk Tee Hock Seng, JP has substantial financial interest	5,165	600	-	-
Construction services rendered to Ideal Heights Properties Sdn Bhd	-	14	-	-
Sales of ready mix products to Perkasa Sutera Sdn Bhd, a company in which Dato' Mohamed Feisal bin Ibrahim has substantial financial interest	21	82	-	-

The non-trade balance with Perkasa Sutera Sdn Bhd as at 31 December was as follows:

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Deposit paid	21	111	-	-

Transaction with a company in which a director of a subsidiary company has substantial interest

Sales of quarry materials to Embun Tuah Sdn Bhd a company in which Datuk Soon Tian Tzu, a director of KM Quarry Sdn Bhd has a substantial financial interest	-	26	-	-
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Transactions between the Company and its subsidiary companies

	COMPANY	
	2003 RM'000	2002 RM'000
Management fee received/receivable from		
- Aksi Bina Puri Sdn Bhd	-	8
- Maskimi Polyol Sdn Bhd ("MPSB")	10	25
- Easy Mix Sdn Bhd	16	3
- Sungai Long Industries Sdn Bhd	180	102
- Bina Puri Construction Sdn Bhd ("BPCSB")	345	-
- Bina Puri Sdn Bhd ("BPSB")	569	-



Accounting Policies and Explanatory Notes

35. RELATED PARTY TRANSACTIONS (Cont'd)**Transactions between the Company and its subsidiary companies (Cont'd)**

	COMPANY	
	2003 RM'000	2002 RM'000
Management fee received/receivable from (Cont'd)		
- K M Quarry Sdn Bhd	1	-
- Maskimi Venture Sdn Bhd	3	-
- Sungai Long Bricks Sdn Bhd	8	-
Rental income received/receivable from		
- BPCSB	83	83
- BPSB	284	284
Project commission received/receivable from		
- BPSB	2,510	4,003
- BPCSB	1,417	2,740
Secretarial fees received/receivable from subsidiary companies	38	38
Security and safety charges payable to Maskimi Venture Sdn Bhd	50	50
Interest expense paid/payable to BPSB	273	273
Sales of property, plant and equipment to MPSB	-	12

Secretarial fees received/receivable from subsidiary companies are aggregated because these transactions are similar in nature and no single transaction is significant enough to warrant separate disclosure.

All the above transactions have been entered into in the normal course of business and have been established under negotiated terms.

36. COMMITMENTS

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Contractual commitment to purchase development land	4,561	-	4,561	-
Contracted acquisition of property, plant and equipment not provided for in the financial statements	62,235	68,015	-	-
Contracted expressway development expenditure (revised, estimated)	1,340,000	1,340,000	550,000	550,000
Contracted development expenditure (estimated)	54,267	192,832	54,267	192,832
	1,461,063	1,600,847	608,828	742,832



Accounting Policies and Explanatory Notes

37. OPERATING LEASE COMMITMENTS

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Operating lease rentals payable				
- not later than 1 year	300	300	-	-
- later than 1 year but not later than 5 years	1,200	1,200	-	-
- later than 5 years	600	900	-	-
	2,100	2,400	-	-

38. CONTINGENT LIABILITIES (unsecured)

	GROUP		COMPANY	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Guarantees given in favour of financial institutions for credit facilities granted to subsidiary companies	-	-	141,035	181,672
Guarantees given to secure leasing and hire-purchase liabilities of				
- subsidiary companies	-	-	3,950	5,496
- associated company	1,154	1,694	-	-
Guarantees given in favour of suppliers of goods for credit terms granted to				
- subsidiary companies	-	-	4,070	1,892
- associated company	-	500	-	-
Guarantees given on behalf of associated company's performance bonds	3,346	3,346	3,346	3,346
Guarantees given for employees' housing loans	500	500	-	-
Guarantees given for performance bond granted to subsidiary companies	-	-	60,647	60,885
Guarantees given in favour of the Government of Malaysia for financial assistance under the Industry Research and Development Grant Scheme to a subsidiary company	1,003	-	1,003	-
	6,003	6,040	214,051	253,291

Material litigation

- (1) 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 has filed an appeal to the Judge in Chambers against the refusal of the Registrar to order summary judgement in favour of Kimpoint. Kimpoint's appeal against the said decision is fixed for rehearing on 30 September 2004. At this juncture the Company's solicitors are unable to provide an opinion as to the outcome of this suit with certainty.



Accounting Policies and Explanatory Notes

38. CONTINGENT LIABILITIES (unsecured) (Cont'd)

Material litigation (Cont'd)

- (2) On 10 July 2003, a subsidiary company, namely, Bina Puri Construction Sdn Bhd ("BPCSB") filed its defence against a suit initiated by Sribuan Jaya Sdn Bhd ("Sribuan") in the High Court for workdone in respect of the construction of a school building. Sribuan's suit is based on fraud, misrepresentation and breach of duty of care or undertaking to pay Sribuan and claims from BPCSB inter alia the sum of RM775,961.17 and general damages to be assessed by the Court.

On 13 February 2003, Sribuan obtained the order for summons for directions and the suit is pending trial. The directors are advised that BPCSB has a fairly good chance of defending this suit on the basis that it has no contractual relationship with Sribuan.

- (3) 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 9 December 2003, the court dismissed BPSB's application for the declaration with cost. BPSB's solicitors filed a notice of appeal to the court of appeal. In the arbitration proceedings, which have been stayed pending the disposal of the hearing of the originating summons which is fixed for continued hearing, EP claimed for RM17,002,760, general damages, interest and cost against BPSB and Kris Heavy. The directors are advised that BPSB has an even chance of success.
- (4) On 26 February 1999, a subsidiary company, namely BPSB, together with a third party, namely, DPBS Holdings Sdn Bhd (collectively "the Plaintiffs") filed a writ of summons in the High Court against KKIP Sdn Bhd ("KKIP") for the payment of a sum of RM514,407.02 under a progress claim for work done. The Plaintiffs, meanwhile, stopped work due to non-payment. KKIP has in turn counter-claimed against the Plaintiffs for wrongful termination and loss and damages for defective work of an unspecified sum. Currently the parties are in the process of exchanging documents and are awaiting a trial date to be fixed by the court. The directors are advised that the Plaintiffs have a fair chance of success in the suit.
- (5) EP had on 8 August 1998 issued a Notice of Arbitrate to BPSB claiming the sum of RM4,439,036.48 or such amount as may be found due by the Arbitrator, general damages, interest and costs in relation to the carrying out of Domestic Water Supply and External Fire Water works for the Kuala Lumpur International Airport Project ("the Works"). BPSB has counterclaimed against EP for the sum of RM912,093.40, general damages, interest and costs for failure to complete the Works.

The Arbitrator has issued an Interim Award on the issue of liability for the claim and counterclaim. He has dismissed the counterclaim and requested further clarification on the issue.

At the request of both parties the Arbitrator agreed to suspend the proceedings and currently the matter is pending amicable settlement.

At this juncture, the amount of the ultimate liability under the interim award is not ascertainable, but the directors are of the view that it should not exceed the amount already recognised in the financial statements.

- (6) Selesa Timur Sdn Bhd ("Plaintiff") 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 against the Plaintiff and have served further and better particulars to the Plaintiff. The case is pending Plaintiff's reply to defence and defence to BPCSB's counterclaim. At this juncture, BPCSB's solicitors are unable to provide an opinion as to the outcome of this suit with certainty.



Accounting Policies and Explanatory Notes

39. SEGMENTAL ANALYSIS (Cont'd)

(a) Primary reporting format - business segment (Cont'd)

2003

OTHER INFORMATION	Construction RM'000	Property development RM'000	Polyol manufacturing RM'000	Glassware manufacturing RM'000	Quarry and ready mix concrete RM'000	Elimination RM'000	Consolidated RM'000
Segment assets	301,066	32,639	4,996	10,126	52,327	(50,007)	351,147
Investment in associated companies	170	-	-	-	1,746	-	1,916
Current tax assets	1,638	6	-	-	1,218	-	2,862
Other investments	1,725	-	-	-	164	-	1,889
Consolidated total assets							357,814
Segment liabilities	121,376	14,479	3,850	28,741	40,151	(54,426)	154,171
Borrowings	100,056	-	-	9,229	8,775	(10)	118,050
Deferred contract revenue	-	6,027	-	-	-	-	6,027
Current and deferred tax liabilities	7,944	1,082	-	-	648	-	9,674
Consolidated total liabilities							287,922
Capital expenditure	3,199	-	27	-	1,521	(230)	4,517
Depreciation	6,469	8	655	1,818	2,907	(42)	11,815
Non-cash expenses other than depreciation	7,572	-	34	1,061	(615)	1,206	9,258

Accounting Policies and Explanatory Notes

39. SEGMENTAL ANALYSIS (Cont'd)

(a) Primary reporting format - business segment (Cont'd)

2002

REVENUE	Construction RM'000	Property development RM'000	Polyol manufacturing RM'000	Glassware manufacturing RM'000	Quarry and ready mix concrete RM'000	Elimination RM'000	Consolidated RM'000
External sales	407,101	551	3,895	-	48,430	-	459,977
Inter-segment sales	-	-	-	-	11,507	(11,507)	-
Total revenue	407,101	551	3,895	-	59,937	(11,507)	459,977
RESULT							
Segment operating profit/(loss)	28,320	(3,581)	(1,136)	(1,880)	(1,007)	288	21,004
Investment income							1,073
Finance costs							(10,854)
Share of associated companies' profits less losses	71	-	-	-	228	-	299
Profit before taxation							11,522
Taxation							(5,788)
- Group							(41)
- Associated companies							5,693
Profit after taxation							707
Minority interests							6,400
Net profit for the year							





Accounting Policies and Explanatory Notes

39. SEGMENTAL ANALYSIS (Cont'd)

(a) Primary reporting format - business segment (Cont'd)

2002

OTHER INFORMATION	Construction RM'000	Property development RM'000	Polyol manufacturing RM'000	Glassware manufacturing RM'000	Quarry and ready mix concrete RM'000	Elimination RM'000	Consolidated RM'000
Segment assets	340,649	33,638	4,798	12,463	42,969	(56,151)	378,366
Investment in associates	144	-	-	-	1,267	-	1,411
Current tax assets	1,806	-	-	-	1,496	-	3,302
Other investments	1,775	-	-	-	11	-	1,786
Consolidated total assets							384,865
Segment liabilities	115,745	13,424	2,581	26,058	26,083	(41,453)	142,438
Borrowings	179,883	-	-	9,653	11,543	-	201,079
Deferred contract revenue	-	6,027	-	-	-	-	6,027
Current and deferred tax liabilities	5,779	1,093	-	-	851	-	7,723
Consolidated total liabilities							357,267
Capital expenditure	8,784	-	32	-	4,154	-	12,970
Depreciation	5,973	-	650	2,055	3,416	-	12,094
Non-cash expenses other than depreciation	24,573	-	133	1,348	897	-	26,951

Transactions between segments were entered into in the normal course of business and were established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. The effects of such inter-segment transactions are eliminated.



Accounting Policies and Explanatory Notes

39. SEGMENTAL ANALYSIS (Cont'd)**(b) Secondary reporting - geographical segment (Cont'd)**

The Company operates mainly in Malaysia.

40. FINANCIAL INSTRUMENTS**(a) Credit risk**

The Group and the Company do not have any significant concentration of credit risk that may arise from exposure to a single customer or to a single group of customers.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet and the outstanding obligations under the guarantees as disclosed in note 38 above.

(b) Fair value

The carrying amount of the financial assets and liabilities of the Group and of the Company at the balance sheet date approximate their fair values except for the following:

OTHER INVESTMENTS	GROUP		COMPANY	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
2003				
Shares quoted in Malaysia	216	293	–	–
Mutual funds and unit trusts	500	509	500	509
Unquoted shares	778	*	339	*
Transferable corporate memberships in golf and country resorts	395	*	10	*
2002				
Shares quoted in Malaysia	63	46	–	–
Unquoted shares	1,427	*	339	*
Transferable corporate memberships in golf and country resorts	296	*	10	*

* It is not practical to estimate the fair value of unquoted shares and golf memberships due to the absence of quoted market values and the inability to estimate fair value without incurring excessive cost. However, the directors believe that the carrying amounts represent the recoverable values.

41. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 20 April 2004 by the board of directors.



Statement by Directors

In the opinion of the directors, the financial statements set out on pages 35 to 87 are drawn up:

- (a) so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2003 and of their results and cash flows for the year then ended;
- (b) in accordance with applicable approved accounting standards and the provisions of the Companies Act, 1965.

Signed on behalf of the directors in accordance
with a directors' resolution dated 20 April 2004

DATO' MOHAMED FEISAL BIN IBRAHIM

Director

TAN SRI DATUK TEE HOCK SENG, JP

Director

Statutory Declaration

I, Tan Sri Datuk Tee Hock Seng, JP, being the director primarily responsible for the financial management of Bina Puri Holdings Bhd, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 35 to 87 are correct.

And I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at)
Kuala Lumpur in the Federal Territory)
this 20 April 2004)

TAN SRI DATUK TEE HOCK SENG, JP

Before me,

ROBERT LIM HOCK KEE (W092)

Commissioner for Oaths



Analysis of Shareholdings

as at 30 April 2004

Authorised Capital : RM100,000,000.00
 Issued and Paid-up Capital : RM80,295,000.00
 Class of Shares : Ordinary shares of RM1.00 each

Range of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	2	0.10	87	0.0001
100 - 1,000	603	31.31	590,533	0.74
1,001 - 10,000	1,102	57.22	4,285,100	5.34
10,001 - 100,000	177	9.19	5,533,477	6.89
100,001 to less than 5% of issued shares	35	1.82	24,702,925	30.77
5% and above of issued shares	7	0.36	45,182,878	56.27
Total	1,926	100.00	80,295,000	100.00

Category of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1. Individual	1,634	84.84	29,947,562	37.30
2. Corporate Body				
(a) Banks, Finance Companies	2	0.10	1,021,200	1.27
(b) Trusts, Foundations, Charities	1	0.05	5,000	0.01
(c) Private Limited Companies	26	1.35	8,975,600	11.18
(d) Clubs, Associations, Societies	0	0.00	0	0.00
(e) Cooperatives	2	0.10	12,000	0.01
3. Government Agencies/Institutions	1	0.05	4,000	0.00
4. Nominees	260	13.50	40,329,638	50.23
Total	1,926	100.00	80,295,000	100.00



Additional Information on Shareholders

as at 30 April 2004

SUBSTANTIAL SHAREHOLDERS

	No. of Shares	% of Shares
Tan Sri Datuk Tee Hock Seng, JP	11,786,878*	14.68
Dr. Tony Tan Cheng Kiat	8,738,902*	10.88
Jentera Jati Sdn Bhd	8,388,000	10.45
HLG Nominee (Asing) Sdn Bhd Qualifier: Commerzbank (SEA) Ltd for Jentera Jati Sdn Bhd	6,000,000	7.47
Mayban Nominees (Tempatan) Sdn Bhd Qualifier: Pledged Securities Account for Jentera Jati Sdn Bhd (41401197059B)	6,000,000	7.47
Dato' Mohamed Feisal bin Ibrahim	4,608,000	5.74
Henry Tee Hock Hin	4,455,768*	5.55
Cheo Chet Lan @ Chow Sak Nam	4,297,884*	5.35

* Beneficial interest held under his own name and nominee companies.



Additional Information on Shareholders

THIRTY LARGEST SHAREHOLDERS AS AT 30 APRIL 2004

	No. of Shares	% of Shares
1. RHB Capital Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledge Securities Account for Dr. Tony Tan Cheng Kiat (861025)	8,400,000	10.46
2. Jentera Jati Sdn. Bhd.	8,388,000	10.45
3. Tan Sri Datuk Tee Hock Seng, JP	6,086,878	7.58
4. HLG Nominee (Asing) Sdn. Bhd. Qualifier : Commerzbank (SEA) Ltd for Jentera Jati Sdn. Bhd.	6,000,000	7.47
5. Mayban Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Jentera Jati Sdn. Bhd. (41401197059B)	6,000,000	7.47
6. AllianceGroup Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Tan Sri Datuk Tee Hock Seng (100508)	5,700,000	7.10
7. Dato' Mohamed Feisal bin Ibrahim	4,608,000	5.74
8. Henry Tee Hock Hin	2,677,414	3.33
9. Ng Chai Tee	2,007,770	2.50
10. AllianceGroup Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Cheo Chet Lan @ Chow Sak Nam	1,756,707	2.19
11. AllianceGroup Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Cheo Chet Lan @ Chow Sak Nam (100528)	1,741,177	2.17
12. Kuala Lumpur City Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Lee Kat Choy (D19)	1,676,100	2.09
13. Tay Hock Lee	1,616,707	2.01
14. Tee Hock Loo	1,240,707	1.55
15. RC Nominees (Tempatan) Sdn. Bhd. Qualifier : EON Finance Berhad for Henry Tee Hock Hin (UOA)	1,130,000	1.41
16. AmFinance Berhad Qualifier : Pledged Securities Account for Tan Kwe Hee (SMART)	1,019,200	1.27
17. AllianceGroup Nominees (Tempatan) Sdn. Bhd. Qualifier : Pheim Asset Management Sdn. Bhd. for Employees Provident Fund	1,000,000	1.25
18. Lee Kat Choy	886,800	1.10
19. Cheo Chet Lan @ Chow Sak Nam	800,000	1.00
20. Kuala Lumpur City Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Ang Kiam Chai (D19)	763,400	0.95
21. HSBC Nominees (Asing) Sdn. Bhd. Qualifier : HSBCIT (S) Ltd for Pheim-Aizawa Asia Fund	741,500	0.92
22. PAB Nominee (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Henry Tee Hock Hin (o/a Bina Jati Sdn. Bhd. - Tmn Midah)	648,354	0.81
23. Ang Beng Eng	521,077	0.65
24. Botly Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Chong Khong Shoong	500,000	0.62
25. AllianceGroup Nominees (Tempatan) Sdn. Bhd. Qualifier : Multi-Purpose Insurans Bhd.	480,000	0.60
26. AllianceGroup Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Cheah Ban Seng (100469)	413,200	0.51
27. Dr. Tony Tan Cheng Kiat	338,902	0.42
28. Cartaban Nominees (Asing) Sdn. Bhd. Qualifier : Banque Generale Du Luxembourg SA for NPB Sicav	332,000	0.41
29. Ang Kiam Chai	308,200	0.38
30. Ng Onn Sea	300,177	0.37



List of Group Properties

as at 31 December 2003

Location	Description	Tenure	Year of Expiry	Land / Built-up Area	Age of building (years)	Usage of properties	Net Book Value As at 31 Dec 03 RM'000
HS(M) 13570 PT No. 22184 Mukim of Batu District of Gombak Selangor Darul Ehsan	5 1/2 storey office building	Leasehold	2089	17,920 sq ft	6	Office	16,462
HS (M) 12980 PT No. 21686 Mukim of Batu District of Gombak Selangor Darul Ehsan	1 unit condominium	Leasehold	2089	2,719 sq ft	11	Guest House	839
HS (M) 13457 PT No. 22071 & HS (M) 13458 PT No 22072 Mukim of Batu District of Gombak Selangor Darul Ehsan	2 units 2 1/2 storey shoplot	Leasehold	2089	3,576 sq ft	10	Office	761
Master Title PM 279 Lot 52161 Mukim Batu District of Gombak Selangor Darul Ehsan	1 unit 2 1/2 storey shoplot	Leasehold	2089	2,278 sq ft	10	Office	619
Sepangar Bay CL 74736 Kota Kinabalu, Sabah	Vacant land	Leasehold	2929	10.5 acres	–	Vacant	2,244
Master Title HS (D) 38672 Lot No 15237 Mukim Ampang District of Ulu Langat Selangor Darul Ehsan	1 block of 8 storey office building	Leasehold	2078	6,400 sq ft	5	Tenanted	6,582
EMR 634 Lot No. 215 & 216 Mukim of Sri Rusa Port Dickson	2 units condominium	Freehold	–	1,992 sq ft	7	Guest House	375
Parcel A-1009 Storey No. 10 Block A, MPAJ Square Mukim Ampang Selangor Darul Ehsan	Office building	Leasehold	2093	1,085 sq ft	5	Vacant	300



List of Group Properties

Location	Description	Tenure	Year of Expiry	Land / Built-up Area	Age of building (years)	Usage of properties	Net Book Value As at 31 Dec 03 RM'000
HS(D) 49744,49819, 49818,49814, PT 35602, 35677, 35676 35672 Mukim Kajang District of Hulu Langat	4 units Shoplot	Freehold	–	6,600 sq ft	3	Vacant	2,060
HS (D) 23094 Lot No 1495 Mukim of Hulu Langat District of Ulu Langat Selangor Darul Ehsan	Granite deposit area	Leasehold	2010	634 acres	–	Extracting of granite aggregates	669
Lot 925 Lot 843 Daerah Alor Gajah Mukim Melaka Pindah Melaka	Vacant land	Leasehold	2033 2024	3.7 acres 2.4 acres	–	Premix plant	300
Plot A/ 692 PlotB/ 693 Plot C / 694 Daerah Alor Gajah Mukim Melaka Pindah Melaka	Granite deposit area	Leasehold	2027 2027 2027	24.3 acres 16.3 acres 54.4 acres	–	Extracting of granite aggregates	1,044
Lot 709, 952, 954, 955, 956,958, 1060 Daerah Alor Gajah Mukim Melaka Pindah Melaka	Vacant land	Freehold	–	15.4 acres	–	Weigh Bridge and Crusher Plants	935
HS (M) 4327, PT 2019 Mukim of Kapar District of Kelang Selangor Darul Ehsan	Factory & office building	Leasehold	2060	2.2 acres	14	Office	2,301
EMR 5500, Lot 3927 Mukim of Kapar District of Kelang Selangor Darul Ehsan	Vacant land	Freehold	–	2.6 acres	–	Vacant	1,347



Group Corporate Directory

BINA PURI HOLDINGS BHD. (207184-X)

Wisma Bina Puri
88, Jalan Bukit Idaman 8/1
Bukit Idaman, 68100 Selayang
Selangor Darul Ehsan
Malaysia
Tel : (03) 6136 3333
Fax : (03) 6136 9999
Website : <http://www.binapuri.com.my>
E-mail : bphb@po.jaring.my

SUBSIDIARIES

BINA PURI SDN. BHD. (23296-X)

MASKIMI VENTURE SDN. BHD. (377437-V)

Wisma Bina Puri
88, Jalan Bukit Idaman 8/1
Bukit Idaman, 68100 Selayang
Selangor Darul Ehsan
Malaysia
Tel : (03) 6136 3888
Fax : (03) 6136 9993
E-mail : bpuri@po.jaring.my

BINA PURI CONSTRUCTION SDN. BHD. (181471-P)

Kuala Lumpur Office
14 & 15, Jalan Bukit Idaman 8/1
Bukit Idaman, 68100 Selayang
Selangor Darul Ehsan
Malaysia
Tel : (03) 6137 8500
Fax : (03) 6137 8511
E-mail : bpcon@po.jaring.my

Kota Kinabalu Office

Suite 6-10, 12th Floor
Wisma Perindustrian
Jalan Istiadat Likas
88400 Kota Kinabalu
Sabah, Malaysia
Tel : (088) 254 766
Fax : (088) 254 788
E-mail : bpksbkk@tm.net.my

Northern Region Office

No 1B Tingkat, Jalan Todak 5
Pusat Bandar Seberang Jaya
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Fax : (04) 398 7500
E-mail : bpcnorth@time.net.my

EASY MIX SDN. BHD. (242217-D)

EASICRETE PRECAST SDN. BHD.

(246157-M)
Batu 11 3/4, Jalan Hulu Langat
43100 Hulu Langat
Selangor Darul Ehsan, Malaysia
Tel : (03) 9021 5851
Fax : (03) 9021 5798
E-mail : easymix@po.jaring.my

KM QUARRY SDN. BHD. (409397-V)

No 16-1, Jalan PE 35,
Taman Paya Emas Fasa 2A,
76450 Paya Rumput, Melaka
Malaysia
Tel : (06) 312 4286
Fax : (06) 312 4278
E-mail : kmquarry@myjaring.net

MASKIMI POLYOL SDN. BHD.

(405559-D)
Unit 1-8, Lot 5815
Jalan Reko, 43000 Kajang
Selangor Darul Ehsan, Malaysia
Tel : (03) 8733 2078
Fax : (03) 8733 2084
E-mail : maskimi@po.jaring.my

SUNGAI LONG INDUSTRIES

SDN. BHD. (198655-D)

SUNGAI LONG BRICKS

SDN. BHD. (332315-X)

SUNGAI LONG PLASTER

INDUSTRIES SDN. BHD. (286217-U)

Batu 11 3/4, Jalan Hulu Langat
43100 Hulu Langat
Selangor Darul Ehsan, Malaysia
Tel : (03) 9021 2400
Fax : (03) 9021 2425
E-mail : sglong@po.jaring.my

ASSOCIATED COMPANIES

SLM GABUNGAN SDN. BHD. (241140-D)

A-04-07, Block A, Jalan Prima 5/5
Pusat Perdagangan Puchong Prima
Taman Puchong Prima
47100 Puchong
Selangor Darul Ehsan
Malaysia
Tel : (03) 8068 3319
Fax : (03) 8068 3309
E-mail : slmltc@po.jaring.my

DPBS-SUNGAI LONG (SABAH) SDN. BHD. (318280-P)

Suite 6-10, 12th Floor
Wisma Perindustrian
Jalan Istiadat Likas
88400 Kota Kinabalu
Sabah, Malaysia
Tel : (088) 254 766
Fax : (088) 254 788
E-mail : bpksbkk@tm.net.my

BINA PURI HOLDINGS (THAILAND) LTD

Suvarnabhumi Airport, Bangna-Trad
Highway Road, KM 15, Ra Chathewa
Bangphli, Samut Prakan
10540 Thailand
Tel/Fax : (66) 02-723 0048

OTHER COMPANY

IDEAL HEIGHTS PROPERTIES SDN. BHD. (127701-D)

No 1 & 2, Jalan Bukit Idaman 8/1
P.O. Box 20, Bukit Idaman
68100 Selayang, Selangor
Malaysia
Tel : (03) 6138 6102
Fax : (03) 6138 7890
E-mail : ihp@po.jaring.my

**BINA PURI HOLDINGS BERHAD**

(207184-X)

I/We
 (Full name in block letters)
 of
 (Address)
 being (a) members(s) of BINA PURI HOLDINGS BERHAD hereby appoint
 (Full name in block letters)
 of
 (Address)
 or failing him/her,
 (Full name in block letters)
 of
 (Address)

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Thirteenth Annual General Meeting of the Company to be held at Ground Floor, Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan on Wednesday, 30 June 2004 at 10:00 a.m. and at any adjournment thereof, as indicated below;

No.	Resolutions	For	Against
1.	To receive the Audited Accounts for the year ended 31 December 2003 and the Reports of Directors and Auditors thereon.		
2.	To re-elect the following Directors who retire pursuant to Article 80 of the Company's Articles of Association: YBhg. Dato' Mohamed Feisal Bin Ibrahim		
3.	Henry Tee Hock Hin		
4.	Khalid Bin Sufat		
5.	To ratify and approve directors' annual fees of RM206,000.00.		
6.	To re-appoint Messrs Moores Rowland as Auditors of the Company and to authorise the Directors to fix their remuneration.		
7.	SPECIAL BUSINESS Proposed Shareholders' Mandate For Recurrent Related Party Transactions Sea Travel and Tours Sdn. Bhd., Masscorp Trading Sdn.Bhd. and New Hoong Wah Holdings Sdn Bhd.		
8.	Ideal Heights Properties Sdn. Bhd.		
9.	Perkasa Sutera Sdn. Bhd.		
10.	Kumpulan Melaka Berhad and Embun Tuah Sdn Bhd.		
11.	SLM Gabungan Sdn. Bhd., Juara Belia Sdn. Bhd., DT Transport Services Sdn. Bhd. and Rock Processors (Melaka) Sdn. Bhd.		

Please indicate with a cross "X" in the spaces provided whether you wish your votes to be cast for or against the Resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

NO. OF SHARES HELD

Signature (First or Sole Shareholder or Common Seal)

Dated thisday of 2004

Notes:

1. A proxy may but need not be a member of the Company and the provision of Section 149 (1)(b) of the Act shall not apply to the Company.
2. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
3. In the event the member duly executes the Form of Proxy but does not name any proxy, such member shall be deemed to have appointed the Chairman of the meeting as his proxy.
4. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting. The provision of Section 149 (1)(c) of the Act shall not apply to the Company.
5. Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
6. Where a member is an authorised nominee as defined under the Central Depositories Act, it may appoint more than one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
7. To be valid this form duly completed must be deposited at the Registered Office of the Company at Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the meeting.

Explanatory Note on Special Business

The Ordinary Resolutions 7, 8, 9, 10 and 11, if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, particulars of which are set out in Paragraph 2.5 of the Circular to Shareholders of the Company dated 9 June 2004 despatched together with the Annual Report.

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AFFIX
STAMP

Group Company Secretary
BINA PURI HOLDINGS BERHAD (207184-X)
Wisma Bina Puri
88, Jalan Bukit Idaman 8/1
Bukit Idaman, 68100 Selayang
Selangor Darul Ehsan, Malaysia.

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