

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 2004

NOTICE IS HEREBY GIVEN THAT THE Fourteenth 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 Monday, 20 June 2005 at 11.00 a.m. to transact the following businesses:

Agenda

1. To receive the Audited Accounts for the year ended 31 December 2004 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. Tan Sri Datuk Tee Hock Seng, JP **Resolution 2**
 - 2.2 Mr. Tay Hock Lee **Resolution 3**
3. To re-elect YBhg. Dato' Anad Krishnan a/l Muthusamy who retires pursuant to Article 87 of the Company's Articles of Association. **Resolution 4**
4. To ratify and approve directors' annual fees of RM286,000.00. **Resolution 5**
5. To re-appoint Messrs Moores Rowland as Auditors of the Company and to authorise the Directors to fix their remuneration **Resolution 6**
6. 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, 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 27 May 2005 which are necessary for their day-to-day operations with:

- 6.1 Sea Travel and Tours Sdn. Bhd., Masscorp Trading Sdn. Bhd. and New Hoong Wah Holdings Sdn. Bhd. **Resolution 7**
- 6.2 Ideal Heights Properties Sdn. Bhd. **Resolution 8**
- 6.3 Perkasa Sutera Sdn. Bhd. **Resolution 9**
- 6.4 Kumpulan Melaka Berhad **Resolution 10**

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 for the year ended 31 December 2004 (Cont'd)

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, 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".
7. 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
27 May 2005

Notice of Annual General Meeting for the year ended 31 December 2004 (Cont'd)

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 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 27 May 2005 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)

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

Date : 20 June 2005
Time : 11.00 a.m.
Place : Wisma Bina Puri
88, Jalan Bukit Idaman 8/1
Bukit Idaman
68100 Selayang
Selangor Darul Ehsan

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

- (i) YBhg. Tan Sri Datuk Tee Hock Seng, JP
- (ii) Mr. Tay Hock Lee
- (iii) YBhg. Dato' Anad Krishnan a/l Muthusamy

The profile of the above Directors who are standing for re-election and their shareholdings are set out on pages 8 to 11 of the Annual Report.

3. Attendance of Directors at Board Meetings

A total of four (4) Board Meetings were held during the financial year ended 31 December 2004. The attendance of the Directors who are standing for re-election are set out on page 26 of the Annual Report.

Group Corporate Structure



BINA PURI HOLDINGS BHD

(207184-X)



Corporate Information

BOARD OF DIRECTORS

Dato' Mohamed Feisal bin Ibrahim	Executive Chairman
Tan Sri Datuk Tee Hock Seng, JP	Group Managing Director
Dr. Tony Tan Cheng Kiat	Founder Director
Henry Tee Hock Hin	Non-Executive Director
Tay Hock Lee	Non-Executive Director
Yusuf Khan bin Ghows Khan	Independent Non-Executive Director
Khalid bin Sufat	Independent Non-Executive Director
Dato' Anad Krishnan a/l Muthusamy (appointed 1.5.2005)	Independent Non-Executive Director
Lim Joo Kiat (resigned on 1.5.2005)	Independent Non-Executive Director

BOARD COMMITTEES

Group Executive Committee

Dato' Mohamed Feisal bin Ibrahim (Chairman)
Tan Sri Datuk Tee Hock Seng, JP (Member)
Dr. Tony Tan Cheng Kiat (Member)

Audit Committee

Khalid bin Sufat	(Chairman)
Yusuf Khan bin Ghows Khan	(Member)
Dato' Anad Krishnan a/l Muthusamy	(Member)

Remuneration Committee

Khalid bin Sufat	(Chairman)
Yusuf Khan bin Ghows Khan	(Member)
Dato' Anad Krishnan a/l Muthusamy	(Member)
Dato' Mohamed Feisal bin Ibrahim	(Member)
Tan Sri Datuk Tee Hock Seng, JP	(Member)

Nomination Committee

Khalid bin Sufat	(Chairman)
Yusuf Khan bin Ghows Khan	(Member)
Dato' Anad Krishnan a/l Muthusamy	(Member)

GROUP COMPANY SECRETARY

Toh Gaik Bee
MAICSA 7005448

REGISTERED OFFICE

Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1
Bukit Idaman, 68100 Selayang
Selangor Darul Ehsan
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

Messrs. Moores Rowland
Wisma Selangor Dredging,
7th Floor, South Block
142-A, Jalan Ampang, 50450 Kuala Lumpur
Tel : 03 2161 5222
Fax : 03 2161 3909

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
Stock name : BPuri
Stock code : 5932
Listing date : 6 January 1995

Profile of Directors



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

Dato' Mohamed Feisal Bin Ibrahim, Malaysian, aged 55, 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 is a director of Aliran Ihsan Resources Bhd., Malaysian Industry-Government Group for High-Technology ("MiGHT") and also sits on the Board of various companies.

As at 29 April 2005, he held 4,938,000 ordinary shares of BPHB and did not have any securities holdings in any subsidiaries of BPHB.

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 90 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 2004.



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

Tan Sri Datuk Tee Hock Seng, JP, Malaysian, aged 56, 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 representing Malaysian South-South Corporation Berhad, Exco member of Malaysia South-South Association, Vice President of Master Builders Association Malaysia, President of the Selangor & Federal Territory Builder Association and member of the Board of Trustee of Perdana Leadership Foundation.

He serves as the Deputy Chairman of the Malaysian Chinese Association, 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, The International Friendship of Eng Choon Associations, The Associated Eng Choon Societies of Malaysia, 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 29 April 2005, he held 12,334,878 ordinary shares of BPHB and did not have any securities holdings in any subsidiaries of BPHB.

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 90 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 2004.

Profile of Directors

DR TONY TAN CHENG KIAT (*Founder Director*)

Dr Tony Tan Cheng Kiat, Malaysian, aged 57, 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 as a private property developer in Australia. With his wide experience, he has brought much progress to the group.

As at 29 April 2005, he held 9,078,902 ordinary shares of BPHB and did not have any securities holdings in any subsidiaries of BPHB.

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 90 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.

He attended three (3) of the four (4) Board meetings held during the financial year ended 31 December 2004.



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

Henry Tee Hock Hin, Malaysian, aged 47, 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 29 April 2005, he held 4,833,768 ordinary shares of BPHB and did not have any securities holdings in any subsidiaries of BPHB.

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 90 of the Annual Report, there are no other business arrangements with BPHB in which he has personal interests.

He attended all four (4) Board meetings held during the financial year ended 31 December 2004.



Profile of Directors



TAY HOCK LEE (*Non-Executive Director*)

Tay Hock Lee, Malaysian, aged 51, 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 29 April 2005, he held 1,596,707 ordinary shares of BPHB and did not have any securities holdings in any subsidiaries of BPHB.

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 90 of the Annual Report, there are no other business arrangements with BPHB in which he has personal interests.

He attended all four (4) Board meetings held during the financial year ended 31 December 2004.



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

Yusuf Khan bin Ghows Khan, Malaysian, aged 63, 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 a member of the Audit Committee, Remuneration Committee and Nomination Committee.

He attended two (2) of the four (4) Board meetings held during the financial year ended 31 December 2004.

Profile of Directors

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

Khalid Bin Sufat, Malaysian, aged 49, was appointed to the Board of BPHB on 15 August 2001. He is a Chartered Accountant by profession and a member of the Malaysian Institute of Accountants (MIA). He is also a Fellow of the Association of Chartered Accountants, UK and also a member of the Malaysian Institute of Certified Public Accountants (MICPA).

He had 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.

He had previously managed two listed companies, namely as Executive Director of Tronoh Mines Malaysia Berhad in 2002 and Furqan Business Organisation Berhad as their Managing Director / Deputy Executive Chairman from Feb 2003 to Dec 2003.

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 Audit Committee, Remuneration Committee and Nomination Committee.

He attended all four (4) Board meetings held during the financial year ended 31 December 2004.



DATO' ANAD KRISHNAN A/L MUTHUSAMY (*Independent Non-Executive Director*)

Dato' Anad Krishnan a/l Muthusamy, Malaysian, aged 51, was appointed to the Board of BPHB on 1 May 2005. A lawyer by profession, Dato' Anad graduated from the University of Singapore with a Bachelor of Law (Hons) in 1978 and was subsequently called to the Malaysian Bar. Dato' Anad is currently in private practice. He is a director of several private limited companies.

As at 30 April 2005, he held 10,000 ordinary shares of BPHB and did not have any securities holdings in any subsidiaries of BPHB.

He is a member of the Audit Committee, Remuneration Committee and Nomination Committee.



There are no family relationship 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 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 Tee Hock Hin.

Save as disclosed, none of the Directors has

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

Executive Chairman's Statement



Dato' Mohamed Feisal Ibrahim
Executive Chairman

Dear Shareholders,

On behalf of the board of Bina Puri Holdings Bhd (the company), I am pleased to present to you the annual report and audited financial statements of the company and the Group for the financial year ended 31 December 2004.

Year 2004 has been a challenging year for the Group due to the high and unstable oil prices, high construction materials prices and the lower number of mega projects that were awarded by the Government. This has resulted in a very competitive environment for the Malaysian construction industry as a whole.

FINANCIAL RESULTS

Despite the difficult circumstances, the Group has been able to generate commendable turnover and profit figures. The Group has achieved revenue of RM409.188 million and profit before tax of RM5.451 million respectively.

HUMAN RESOURCES

In realizing our corporate vision which is to be a leading global corporation in all our core businesses, attaining regional excellence in our investments, being recognized for our high standard of quality products and services, the management and staff have to excel together with the Group. Amongst other platform, we provide various training programmes throughout the year for all management and staff to participate.

We are committed in helping Malaysia to realise the Vision to be an industrialised and developed nation by year 2020 with our undivided commitment, professionalism and reliability. Toward this end, we hold on strongly to the belief that only with the support of a pool of dedicated, well qualified, highly motivated and experienced team, we are able to 'live' our vision.

OUTLOOK AND PROSPECT

We noted from the Budget 2005 speech that was announced by the Finance Minister in September 2004, there will be less allocation to the Development Expenditure as compared to previous years in order to address the issue of reducing the fiscal deficit. The Government has to strike a balance between prudent financial management and also in sustaining growth, to attain a gradual reduction of the fiscal deficit from 5.3% of GDP in 2003 to 4.5% in 2004 and to 3.8% in 2005.

The global economy is foreseen to grow at a moderate rate in the year 2005 due to the continuation hike of oil prices, increasing inflationary pressures, possible interest rate hikes and a potential slowdown or meltdown in China's economy. Consequently, Malaysia's economy is expected to grow at a slower rate of 6 per cent in 2005 as compared to 7 per cent in year 2004. The manufacturing and service sectors are expected to lead the economy with a record growth of 12.1% and 7.4% respectively in year 2004. The construction sector recorded a sluggish pace in year 2004 and is expected to grow at 1.8% in 2005 with the civil engineering and housing development sub-sectors to be more productive.

The outlook of Malaysia's economy would have an impact on the Group's financial performance for the coming years. To cushion the impact, the Group has already ventured into overseas market since 1997. We are confident that our business ventures in overseas such as in Thailand and India would contribute to the Group's financial results. The recent announcement by our Prime

Minister, Y.A.B. Dato' Seri Abdullah Bin Hj. Ahmad Badawi that an allocation of RM2.4 billion has been brought forward from the Ninth Malaysian Plan to implement projects in 2005, which is the final year under the Eight Malaysian Plan, would be a boost to the Malaysian construction industry and of course to the Malaysian economy as a whole.

CORPORATE DEVELOPMENT

In Thailand, we have secured projects for the Main and Auxillary Works for the Proposed Factory expansion at Samutprakarn, Thailand through our subsidiary, Bina Puri (Thailand) Ltd and the Housing Development project in Kukatpally, Hyderabad, India was secured together with our Joint Venture partner in India.

At the domestic front, the Group has successfully secured a number of construction and development projects in the end of 2004 such as the 15-storey Hotel Complex in Sibu, Sarawak and the Sipitang to Tenom (Jalan Pantai Kemabong) road project in Sabah. Recently, we were awarded the Construction and Completion of the Condominium Project in Capital Square, Jalan Munshi Abdullah, Kuala Lumpur and the Main Building works of Retail Centre & Offices of Capital Square Development.

DIVIDEND

We are taking various measures to ensure competitive operations plus a more profitable Group performance in the coming years. Due to the financial prudence to create better value for the Group in the future, the Board of Directors has recommended that no dividend be paid for the year under review.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to express our gratitude to the management team and all employees for their strong commitment and contribution towards the continued success of our Group. The Board would also like to thank our shareholders, customers, business partners, media and the financial community for their continued support to the Group.

Finally, I would also like to record an appreciation to the Board of Directors for their counsel and understanding over the years, and I look forward to their continued support in the future.

DATO' MOHAMED FEISAL IBRAHIM, D.P.M.P
Executive Chairman

Group Managing Director's Review of Operations



Tan Sri Datuk Tee Hock Seng, JP
Group Managing Director

During the year under reviewed, the Group continued to operate under sound financial principles and business strategies. I am pleased to announce that in 2004, most divisions within the Group have achieved profitability despite the presence of challenges affecting Malaysia's economy such as oil prices volatility. The divisions that recorded the highest profits were from the construction, quarry and ready mix concrete and polyol divisions.

CONSTRUCTION DIVISION

The Construction Division continues to be the main contributor to the Group's financial performance with 75% of the Group's total turnover amounting to RM 324.369 million. The profit before tax registered by this division in the year 2004 was RM5.199 million

In the year 2004, the Group have successfully completed a few major projects and added new ones to the book order. Currently, our book order value stands above RM 1 billion with twelve on-going projects in Malaysia while overseas projects in Thailand and India with balance of works stood at RM 540 million.

The local projects that were completed include the construction of Sin Chew New Printing Press building, the design and road building project from Kunak to Semporna in Sabah. In India, we had successfully completed the Manglawar-Chittograph road project in Rajasthan six months ahead of schedule.

In 2005, we expect to complete the Nangoh - Paitan road project in Sabah; the road project from Jalan Simpang Lee Rubber to UIA in Selangor; the Kupang - Gerik road project; the Felda Bentong bungalow project in Bentong, Pahang and the construction of Bintulu Port Authority Building project in Bintulu, Sarawak.

For the new project in 2004, we managed to secure and add to our order book the construction projects of a 15-storey Hotel Complex in Sibu, Sarawak valued at RM 54.4 million and the Sipitang Tenom (Jalan Pantai Kemambong) highway project in Sabah with contract value of RM 227.3 million in the year 2004. In early 2005, we managed to secure the Construction and Completion of Remaining Works of Condominium in Capital Square, Jalan Munshi Abdullah, Kuala Lumpur and the Main Building works of Retail Centre & Offices of Capital Square Development which had a contract value of RM182 million.

At the international front, Bina Puri (Thailand) Ltd had successfully secured the Main and Auxillary Works for the Proposed Factory Expansion at Samutprakarn in the fourth quarter of 2004 with total contract value of RM 12.0 million. We also managed to secure additional works of RM 29.6 million in relation to the on going At-Grade Road project at the New Bangkok International Airport, Thailand. In India, we have secured the Housing Development project in Kukatpally, Hyderabad with estimated gross revenue of RM 150 million.

QUARRY AND READY MIX CONCRETE DIVISION

This division recorded better results in the year under review with revenue of RM 90.023 million and profit before tax of RM 0.963 million as compared to the preceding corresponding year of RM 89.492 million and RM 0.726 million respectively. The improvement in revenue was due to the reactivation of the quarry operation of K M Quarry Sdn Bhd.

POLYOL DIVISION

The Polyol Division had achieved an excellent year, by turning around the results from the previous corresponding year. Its revenue had improved by 122% to RM 11.042 million and profit before tax generated was RM 107,000 as compared to the previous year's loss before tax of RM 0.983 million.

This division would continue to put in more efforts in developing its export market to the Asean region and Middle East to boost its revenue and profitability. Although the profit is minimal as compared to our Group profit, it shows that with the right management, the persistently and faith we have in this division is finally paying off. The Group has high expectation on this division to be listed on the Mesdaq market in the future.

GOING FORWARD

The Construction Division will continue to spearhead the growth of the Group as this is our "branded button". We will continue to explore overseas ventures and we hope our overseas offices in India, Indonesia, Thailand and Vietnam can grow and further contribute to the Group in the future. We also look forward to the implementation of our toll concession Lebuhraya Assamjawa Taman Rimba Templer. This will hopefully take off by the 3rd quarter of 2005 at its earliest.

We expect more contribution from the property division during the year with the launch of the Jesselton Condominium in Kota Kinabalu, Sabah our first foray into the high end apartments in that region.

ACKNOWLEDGEMENT

Allow me to convey my gratitude to the shareholders for their trust in the Group's strategic business ventures. Your continuous support and commitment has seen us through another yet successful financial year.

I would also like to thank the Board of Directors, Management and Staff for their continuous hard work and commitment to the Group. Our achievements would not be possible without their dedication as a team.

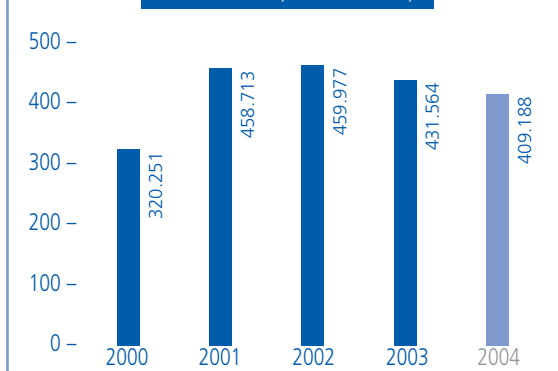
To our clients, sub-contractors, consultants, the financial community, business partners, the government agencies and last but not least, the Board of Directors, your support is much heartfelt and appreciated.

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

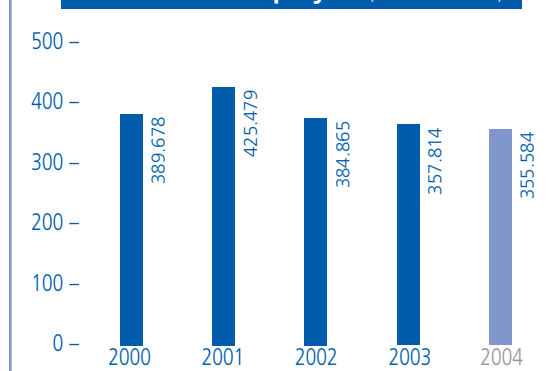
Group Financial Highlights

	2004 RM'000	2003 RM'000	2002 RM'000	2001 RM'000	2000 RM'000
Revenue	409,188	431,564	459,977	458,713	320,251
Profit before taxation	5,451	10,284	11,522	9,236	5,738
Profit for the year	4,737	4,108	6,400	5,765	2,385
Dividend (Net)	-	864	-	-	-
Issued share capital	80,727	80,000	40,000	40,000	40,000
Shareholders' equity	62,956	57,492	15,169	8,769	3,004
Total assets employed	355,584	357,814	384,865	425,479	389,678
Net earnings per share (sen)	5.89	7.62	16.00	14.41	5.96
Net tangible assets per share (RM)	0.78	0.72	0.38	0.22	0.08
Share price (RM)					
- High	1.63	1.33	1.95	1.14	2.11
- Low	1.01	0.72	0.91	0.605	0.90

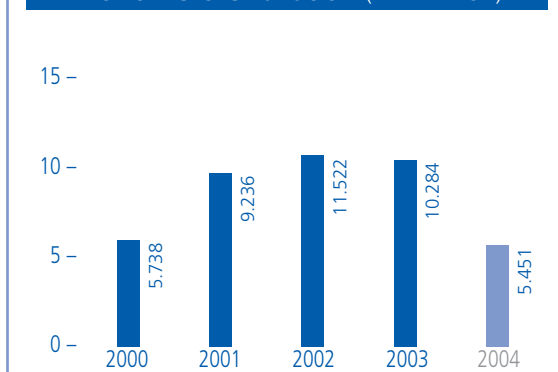
Revenue (RM Million)



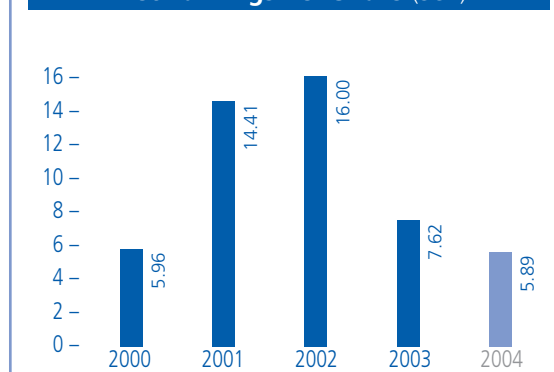
Total Assets Employed (RM Million)



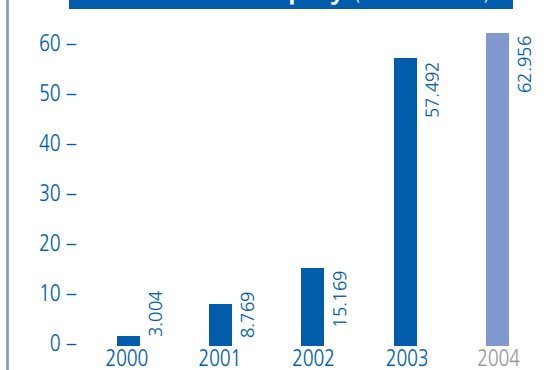
Profit Before Taxation (RM Million)



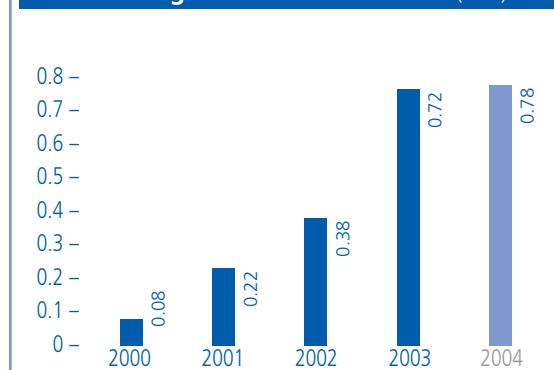
Net Earnings Per Share (Sen)



Shareholders' Equity (RM Million)



Net Tangible Assets Per Share (RM)



Our Corporate Office, Wisma Bina Puri



Calendar of Events 2004 / 2005



14 March 2004



29 May 2004



10 June 2004



22 June 2004

March 2004

14 March 2004

Successful completion of Malaysian Ambassador's Residence in Beijing, China. Bina Puri Sdn Bhd, a wholly owned subsidiary of Bina Puri Holdings Bhd is the design and build contractor for the project.

May 2004

29 May 2004

The Malaysian Embassy and Ambassador's Residence building in Beijing, China was graciously officiated by the Prime Minister of Malaysia, YAB Dato' Seri Abdullah Ahmad Badawi.

June 2004

10 June 2004

Bina Puri Group of Companies participated in the MBAM Builders Convention Exhibition at Sunway Pyramid Convention Centre. Y.B Dato' Seri S. Samy Vellu, Minister of Works Malaysia officiated the convention and exhibition.

22 June 2004

Maskimi Venture Sdn Bhd, a subsidiary of Bina Puri Holdings Bhd was recognized as a gold member of the Gold Priority Club Membership by MCIS-Zurich Insurance Bhd.

Calendar of Events 2004 / 2005

25 June 2004

Bina Puri (Thailand) Ltd was awarded the Demolition & Site Preparation works by Morakot Industries Public Company Limited. The total contract sum is Baht 48,300,000.00 (which is equivalent to RM 4.83 million).

30 June 2004

Bina Puri Holdings Bhd held its 13th Annual General Meeting at Wisma Bina Puri, Selayang, Selangor Darul Ehsan.

AUGUST 2004

17 August 2004

Bina Puri Sdn Bhd, a wholly owned subsidiary of Bina Puri Holdings Bhd was awarded a contract 'For the Proposed 15 Storey Hotel Complex on Lot 2095 (Amalgation & Subdivision of Lot 616, 989 & Part of State Land on Lot 615), Block 4, Sibu Town District, Jalan Kampung Nyabor, Sibu from Regalia Ritz Enterprise Sdn Bhd. The total contract value is RM 54.4 million

17 August 2004

Bina Puri Construction Sdn Bhd successfully completed the construction and development of the New Printing Press at Lot 50 & 51, Seksyen 13, Petaling Jaya Selangor for Pemandangan Sinar Sdn Bhd.

30 August 2004

The Government of Malaysia through JKR Sabah awarded a RM 227.3 million contract 'Membina Jalan Sipitang-Tenom (Jalan Pantai-Kemabong) to Konsortium DPBSH-BPHB-AGSB Sdn Bhd, a subsidiary of Bina Puri Holdings Bhd.



30 June 2004



17 August 2004



17 August 2004

Calendar of Events 2004 / 2005

SEPTEMBER 2004

30 September 2004

Official Visit by YAB Dato' Seri Tajol bin Rosli, The Menteri Besar of Perak to our project site at the East-West Road, Package IV from Kupang to Gerik.

OCTOBER 2004

2- 4 October 2004

Visit by delegation of Management Authority for Southern Area Development of Ho Chi Minh City, Vietnam to Bina Puri Holdings Bhd.

DECEMBER 2004

12 December 2004

Bina Puri Group of Companies held its Family Fest 2004 at Stadium Juara, Kompleks Sukan Bukit Kiara, Kuala Lumpur. A total of 1036 staff and family members attended the Family Fest. YB Datuk Ong Tee Keat, Deputy Minister of Youth & Sports Malaysia officiated the event.

27 December 2004

Bina Puri Holdings Bhd through Madhucon-Bina Puri Consortium received Letter of Award from Andhra Pradesh Housing Board (APHB), India for the development of 9.04 acres of prime land near High Tech City of Hyderabad, India. The total development value of the project is estimated at Rs1,800 million (approximately RM150 million).

28 December 2004

Bina Puri Machinery Sdn Bhd a wholly owned subsidiary of Bina Puri Holdings Bhd was awarded the "Earthworks and Associated Works to the Proposed Forest Resort Development in Rawang, Gombak" by Spanland Sdn Bhd. The total contract sum for the above works is RM 9.180 million



12 December 2004



2 - 4 October 2004

Calendar of Events 2004 / 2005



29 January 2005



28 February 2005



28 March 2005

JANUARY 2005

25 January 2005

Bina Puri Group of Companies participated in the 5th Minister's Forum on Infrastructure Development in Asia Pacific Exhibition held at the Putrajaya Convention Centre. The ceremony was officiated by YB Datuk Seri S. Samy Vellu, Minister of Works, Malaysia.

29 January 2005

Official Visit by Y. Bhg Tan Sri Dato' Ir Zaini Omar, Ketua Pengarah Kerjaraya Malaysia to East-West Road, Titi-Karangan-Gerik, Package IV (Kupang- Gerik).

FEBRUARY 2005

28 February 2005

10 most outstanding staff were conferred the 'Best Employee Award 2004' and Sg Long Industries Sdn Bhd was awarded the 'Best Plant Award for 2004'. YB Dato' Ahmad Zahid Hamidi, the Deputy Minister of Tourism Malaysia presented the award to the winners.

MARCH 2005

28 March 2005

Bina Puri-Zublin JV was awarded two (2) contracts the "Construction and completion of remaining works for proposed construction and completion of 1 block of 180 units Condominium 1 on Lot 160, Section 40, Jalan Raja Abdullah/Jalan Munshi Abdullah, Kuala Lumpur" and " The Proposed Retail Centre and Signature Offices of Capital Square Development on Lot 159, Section 40, Jalan Raja Abdullah/Jalan Munshi Abdullah, Kuala Lumpur" by Capital Square Sdn Bhd. Total contract value for the above is RM 182 million.

Quarry Operations at Sungai Long Industries Sdn Bhd



Audit Committee Report

Khalid bin Sufat (Chairman)	Independent Non-Executive Director
Yusuf Khan bin Ghows Khan	Independent Non-Executive Director
Dato' Anad Krishnan a/l Muthusamy (appointed on 1.5.2005)	Independent Non-Executive Director
Lim Joo Kiat (resigned on 1.5.2005)	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 (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 2004, the Committee met a total four (4) times. The following is the attendance record of the Audit Committee members:

Khalid bin Sufat	Independent Non-Executive Director	4/4
Yusuf Khan bin Ghows Khan	Independent Non-Executive Director	4/4
Lim Joo Kiat (resigned on 1.5.2005)	Independent Non-Executive Director	4/4

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 upon 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 2005, 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 recognises the need for companies to be more efficient and well-managed and continues to implement the recommendations of the Malaysian Code of Corporate Governances ("the Code"). The code sets out principles and best practices on structures and processes that companies may use in their operations towards achieving the optimal governance framework. The Board realises that good governance practices are important to safeguard the interests of all stakeholders and enhance shareholders' value. The Group has complied with the best practices in the Code and will continue to apply its principles.

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 2004, the Board met four (4) times. Details of attendance of Directors at the Board Meetings are as follow:

Attendance at Board Meetings

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	4/4
Yusuf Khan bin Ghows Khan	2/4
Khalid bin Sufat	4/4
Lim Joo Kiat (resigned on 1.5.2005)	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.

Corporate Governance Statement

1. DIRECTORS (Cont'd)

(d) Group Executive Committee

The Group Executive Committee was established in January 1997 and 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.

(e) Audit Committee

The Audit Committee was established in June 1995. Please refer to the Audit Committee report on pages 23 to 25.

(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 ongoing 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 2004 are as follows:

i Aggregate remuneration of Directors categorised into appropriate components:

	Basic Salary	Director's Fee	Performance Related Pay	Retirement Benefits	Total
Executive Directors	1,177	36	200	25	1,438
Non-Executives Directors	305	236	50	22	613
	1,482	272	250	47	2,051

ii Aggregate remuneration of each Director

	Basic Salary	Director's Fee	Performance Related Pay	Retirement Benefits
RM0 to RM50,000				
RM50,001 to RM100,000				3
RM100,001 to RM150,000				1
RM150,001 to RM200,000				
RM200,001 to RM250,000				
RM250,001 to RM300,000				1
RM300,001 to RM350,000				
RM350,001 to RM400,000	1			
RM400,001 to RM450,000		1		
RM450,001 to RM500,000			1	
RM500,001 to RM550,000				
RM550,001 to RM600,000	1			

Corporate Governance Statement

1. DIRECTORS

(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. The Board is encouraged to attend continuous education programme to further enhance their skills and knowledge.

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 29 and 30 of the Annual Report.

(c) Relationship with Auditors

The functions of the Audit Committee in relation to the external auditors are disclosed in pages 23 to 25 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 announcement made to the Bursa Malaysia Securities 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 dialogues with shareholders. Extraordinary General Meetings are held as and when required.

Statement On Internal Controls

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 Group's operations.

2. Responsibility for risk and internal controls

The Board of Directors and the senior management recognised 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 Group's system of internal control, and has established processes for identifying, evaluating and managing the significant risks faced by the Group. The Board of Directors endeavours 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 recognised 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 the "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

BDO Governance Advisory Sdn Bhd ("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 report to the Audit Committee on a quarterly basis. Our review of the internal controls in the key activities of the Group's business is on the basis of a three-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 is based on the risk profiles of the major business units of the Group.

BDOGA has completed nine (9) internal control reviews according to the annual internal audit plan and the overall opinion on the areas reviewed is satisfactory.

4. Other key elements of internal control

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

- * The Board of Directors has put in place an organisation structure, which formally defines lines of responsibility and delegation of authority.
- * Internal control procedures are set out in a series of policies and procedures, ISO manuals and the staff handbook.
- * The Corporate Development department 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.
- * Quarterly performance reports provide Management and the Board of Directors with comprehensive information on financial performance and key business indicators.
- * The Management monitors the quarterly results of the Group against budget and in the event of major variances, Management will take appropriate action.

Statement On Internal Controls

5. Weakness in internal control 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 Group continues to take measures to strengthen the internal control environment.

6. Additional Compliance Information

- (a) There were no proceeds raised by the Company from any corporate proposals which required Securities Commission's approval during the financial year.
- (b) There has been no share buy-backs in the financial year.
- (c) There are no American Depositary Receipt or Global Depositary Receipt Programmes sponsored by the Company.
- (d) There were no sanctions and/or penalties imposed on the Company or its subsidiaries, directors or management by the relevant regulatory bodies.
- (e) There were no non-audit fees paid to external auditors for the financial year.
- (f) The result for the financial year do not differ by 10% or more from the unaudited results previously released. The Company has not released or announced any estimated profit, financial forecast or projection during the financial year.
- (g) The Company has not issued any profit guarantee in the financial year.
- (h) None of the Directors and major shareholders has any material contract with the Company and/or its subsidiaries during the financial year under review.

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.

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 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 detection of fraud and other irregularities and material misstatements

East West Road, Titi Karang, Gerik, Package IV (Kupang - Gerik)



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Directors' Report

For The Year Ended 31 December 2004

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 2004.

PRINCIPAL ACTIVITIES

The principal activities of the Company are provision of project management services and investment holding. The principal activities of the subsidiary companies are indicated in Note 3 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 tax	4,839	11,521
Minority interests	(102)	-
Net profit for the year	4,737	11,521

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year and the directors do not recommend any dividend for the current financial year.

RESERVES AND PROVISIONS

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

Directors' Report (Cont'd)

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 727,200 new ordinary shares of RM1 each at par for cash from the exercise of Options under the Employees' Share Option Scheme ("ESOS").

No debentures were issued by the Company during the financial year.

EMPLOYEES' SHARE OPTION SCHEME

During the financial year, the Company granted options to eligible employees including executive directors of the Group to subscribe up to 10% of the issued and paid-up share capital of the Company under the Scheme approved by the shareholders of the Company at the Extraordinary General Meeting held on 30 June 2003 and the relevant authorities. The Scheme became operative on 1 December 2003 for a period of five years and the options may be exercised between 1 December 2003 and 30 November 2008.

The option price for each share shall be at a discount of not more than ten percent (10%) from the weighted average market price of the shares of the five (5) market days immediately preceding the date of offer or the par value of the shares, whichever is higher.

The consideration is payable in full on application and the options granted do not confer any rights to participate in any share issue of any other companies of the Group.

The movements in the options during the financial year to take up unissued new ordinary shares of RM1 each at an exercise price of RM1.00 per share are as follows:

	Number of options over ordinary shares
At 1 January 2004	-
Granted	7,962,100
Non-acceptance	(775,700)
Exercised	(727,200)
At 31 December 2004	6,459,200

Directors' Report (Cont'd)

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 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, Tan Sri Datuk Tee Hock Seng, JP, Mr Tay Hock Lee and Mr Lim Joo Kiat retire from the board at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS IN SHARES

According to the register of directors' shareholdings required to be kept under Section 134 of the Companies Act, 1965, none of the directors held any shares or had any interests in shares in the Company and its related corporations during the financial year except as follows :

	Number of ordinary shares of RM1 each			
	At 1-1-2004	Bought	Sold	At 31-12-2004
The Company				
Dato' Mohamed Feisal bin Ibrahim	4,560,000	48,000	-	4,608,000
Tan Sri Datuk Tee Hock Seng, JP	11,786,878	548,000	-	12,334,878 *
Dr Tan Cheng Kiat	8,753,902	-	15,000	8,738,902 *
Tee Hock Hin	4,455,768	48,000	-	4,503,768 *
Tay Hock Lee	1,633,707	-	37,000	1,596,707

* includes beneficial interest held under nominee companies

Directors' Report (Cont'd)

DIRECTORS' INTERESTS IN SHARES (Cont'd)

	Number of options over ordinary shares			
	At 1-1-2004	Granted	Exercised	At 31-12-2004
Dato' Mohamed Feisal bin Ibrahim	-	240,000	48,000	192,000
Tan Sri Datuk Tee Hock Seng, JP	-	240,000	48,000	192,000
Dr Tan Cheng Kiat	-	240,000	-	240,000
Tee Hock Hin	-	240,000	48,000	192,000

By virtue of their interests in shares in the Company, all the above directors are deemed to be interested in shares of the subsidiary companies to the extent the Company has an interest.

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

	Number of ordinary shares of RM1 each			At 31-12-2004
	At 1-1-2004	Bought	Sold	
Tan Sri Datuk Tee Hock Seng, JP	1,820,000	-	-	1,820,000

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 as disclosed in Notes 24 and 31 to the financial statements) 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.

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.

Directors' Report (Cont'd)

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 values 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.
- (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.

Directors' Report (Cont'd)

AUDITORS

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

Signed on behalf of the directors in accordance
with a resolution of the directors

DATO' MOHAMED FEISAL BIN IBRAHIM
Director

TAN SRI DATUK TEE HOCK SENG, JP
Director
26 April 2005

Report Of The Auditors To The Members

We have audited the financial statements set out on pages 41 to 101. 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 has provided us with a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up:
 - (i) so as to give 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 2004 and of their results and cash flows for the year ended on that date; and
 - (iii) in accordance with applicable approved accounting standards; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by 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' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 3 to the financial statements.

We are satisfied that the financial statement 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.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under Section 174(3) of the Act.

MOORES ROWLAND

No. AF: 0539

Chartered Accountants

GAN MORN GHUAT

No. 1499/5/05 (J)

Partner

26 April 2005

Balance Statements - 31 December 2004

		Group		Company	
	Note	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
PROPERTY, PLANT AND EQUIPMENT	2	75,355	88,375	20,259	23,147
SUBSIDIARY COMPANIES	3	-	-	40,559	16,693
ASSOCIATED COMPANIES	4	2,431	1,916	233	*
OTHER INVESTMENTS	5	2,129	1,889	1,089	849
LAND HELD FOR PROPERTY DEVELOPMENT	6	20,807	11,019	-	-
EXPRESSWAY DEVELOPMENT EXPENDITURE		14,577	10,982	5,163	3,263
CURRENT ASSETS					
Inventories	7	7,422	7,612	-	-
Property development costs	8	4,841	-	1,561	-
Gross amount due from customers	9	49,438	38,271	9,669	7,809
Trade and other receivables	10	132,939	121,389	1,239	2,119
Amount owing by subsidiary companies	11	-	-	39,866	36,610
Amount owing by associated companies	12	3,395	3,159	1,216	1,744
Tax recoverable		3,374	2,862	2,034	997
Fixed and time deposits	13	17,042	25,754	108	7,779
Cash and bank balances	14	21,834	44,586	1,171	726
		240,285	243,633	56,864	57,784
Less:					
CURRENT LIABILITIES					
Gross amount due to customers	9	15,506	23,507	-	-
Trade and other payables	15	134,535	120,522	2,470	2,149
Amount owing to subsidiary companies	11	-	-	31,341	25,279
Amount owing to associated companies	12	1,827	10,142	-	-
Hire purchase liabilities	16	2,792	3,985	-	-
Bank borrowings	17	99,183	111,705	8,925	8,504
Tax payable		5,146	6,666	-	-
		258,989	276,527	42,736	35,932
NET CURRENT (LIABILITIES)/ASSETS		(18,704)	(32,894)	14,128	21,852
		96,595	81,287	81,431	65,804
Financed by:					
SHARE CAPITAL	18	80,727	80,000	80,727	80,000
SHARE PREMIUM		3,288	3,288	3,288	3,288
MERGER RESERVE		40	40	-	-
OTHER CAPITAL RESERVES	19	15,932	15,932	-	-
ACCUMULATED LOSS		(37,031)	(41,768)	(6,316)	(17,837)
SHAREHOLDERS' EQUITY		62,956	57,492	77,699	65,451
MINORITY INTERESTS		12,002	12,400	-	-
LONG TERM AND DEFERRED LIABILITIES					
Hire purchase liabilities	16	1,954	2,360	-	-
Bank term loans	20	17,251	-	3,489	-
Deferred tax liabilities	21	2,432	3,008	243	353
Deferred contract revenue		-	6,027	-	-
		21,637	11,395	3,732	353
		96,595	81,287	81,431	65,804

* Represents RM4

Notes to and forming part of the financial statements are set out on pages 48 to 101
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Income Statements

For The Year Ended 31 December 2004

		Group		Company	
	Note	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Gross revenue	22	409,188	431,564	5,424	5,048
Cost of sales	23	(366,751)	(384,085)	(2,354)	(1,552)
Gross profit		42,437	47,479	3,070	3,496
Other operating income		11,045	6,912	739	527
Selling and distribution expenses		(4,292)	(3,358)	-	-
Administrative and general expenses		(38,159)	(32,977)	(8,905)	(8,107)
Profit/(Loss) from operations	24	11,031	18,056	(5,096)	(4,084)
Finance costs	25	(6,270)	(9,079)	(570)	(3,003)
Investment income	26	442	787	18,467	16,226
Share of results of associated companies		248	520	-	-
Profit before tax		5,451	10,284	12,801	9,139
Tax expense					
- Company and its subsidiaries	27	(546)	(6,140)	(1,280)	(4,654)
- Associated companies		(66)	(65)	-	-
Profit after tax		4,839	4,079	11,521	4,485
Minority interests		(102)	29	-	-
Net profit for the year		4,737	4,108	11,521	4,485
Net dividend per share (sen)		-	2.16		
Earnings per share (sen)	28				
- basic		5.89	7.62		
- fully diluted		5.80	-		

Notes to and forming part of the financial statements are set out on pages 48 to 101
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Consolidated Statement of Changes in Equity

For The Year Ended 31 December 2004

	Share capital RM'000	Share premium RM'000	Merger reserve RM'000	Other capital reserves RM'000	Accumulated loss RM'000	Total RM'000
At 1 January 2003	40,000	4,209	40	15,932	(45,012)	15,169
Issue of share capital - rights issue of 1 for 1	40,000	-	-	-	-	40,000
Share issue expenses	-	(921)	-	-	-	(921)
Net profit for the year	-	-	-	-	4,108	4,108
Interim dividend paid of 3% less 28% tax	-	-	-	-	(864)	(864)
At 31 December 2003	80,000	3,288	40	15,932	(41,768)	57,492
Issue of share capital - ESOS	727	-	-	-	-	727
Net profit for the year	-	-	-	-	4,737	4,737
At 31 December 2004	80,727	3,288	40	15,932	(37,031)	62,956

Statement of Changes in Equity

For The Year Ended 31 December 2004

	Share capital RM'000	Share premium RM'000	Accumulated loss RM'000	Total RM'000
At 1 January 2003	40,000	4,209	(21,458)	22,751
Issue of share capital - rights issue of 1 for 1	40,000	-	-	40,000
Share issue expenses	-	(921)	-	(921)
Net profit for the year	-	-	4,485	4,485
Interim dividend paid of 3% less 28% tax	-	-	(864)	(864)
At 31 December 2003	80,000	3,288	(17,837)	65,451
Issue of share capital - ESOS	727	-	-	727
Net profit for the year	-	-	11,521	11,521
At 31 December 2004	80,727	3,288	(6,316)	77,699

Cash Flow Statements

For The Year Ended 31 December 2004

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	5,451	10,284	12,801	9,139
Adjustments for:				
Depreciation	10,889	11,815	666	662
Property, plant and equipment written off	195	49	24	-
(Gain)/Loss on disposal of property, plant and equipment	(846)	74	2	-
Goodwill on acquisition written off	-	40	-	-
Gain on disposal of investment in subsidiary companies	(42)	-	(10,865)	-
Gain on disposal of other investments	(28)	(62)	(28)	-
Share of results of associated companies	(248)	(520)	-	-
Bad debts written off	3,500	-	-	-
Allowance for doubtful debts	1,643	1,999	1,916	3,645
Allowance for doubtful debts written back	(1,116)	(623)	-	-
Deferred project expenditure written off	1,036	-	1,036	-
Unrealised gain on foreign exchange	(14)	(13)	-	-
Dividend income	(17)	-	(7,562)	(16,000)
Interest income	(3,776)	(765)	(12)	(226)
Interest on bank term loan waived	(1,558)	-	-	-
Interest expenses	6,666	10,991	570	3,003
Hire purchase term charges	466	780	-	-
Operating profit/(loss) before working capital changes	22,201	34,049	(1,452)	223
Changes in inventories	190	(3,556)	-	-
Changes in property development costs	(2,597)	-	683	-
Changes in receivables	(28,284)	30,987	(2,984)	2,071
Changes in payables	(2,046)	12,441	321	(3,337)
Cash (utilised in)/generated from operations	(10,536)	73,921	(3,432)	(1,043)
Development costs incurred on land held for property development	(9,788)	(10)	-	-
Expressway development expenditure	(3,595)	(1,144)	(1,900)	-
Interest paid	(6,666)	(10,991)	(570)	(3,065)
Tax paid	(3,154)	(3,749)	(699)	-
Net cash (used in)/from operating activities	(33,739)	58,027	(6,601)	(4,108)

Cash Flow Statements (Cont'd)

For The Year Ended 31 December 2004

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(6,997)	(1,816)	(54)	(199)
Purchase of new subsidiary companies, net of cash (Note 29)	161	-	-	-
Purchase of additional investments in subsidiary companies	-	(40)	(4,035)	-
Purchase of investments in associated companies	(333)	(300)	(233)	-
Purchase of other investments	(1,040)	(804)	(1,040)	(500)
Proceeds from disposal of property, plant and equipment	3,875	640	6	7
Proceeds from disposal of other investments	828	763	828	-
Dividends received from an associated company	-	250	-	-
Dividends received from other investments	17	-	15	-
Interest received	3,776	765	12	226
Advances to subsidiary companies	-	-	(6,776)	(3,430)
Repayment from/(Advances to) associated companies	282	(581)	(47)	(7)
Withdrawal/(Placement) of fixed and time deposits	12,764	2,991	7,723	(226)
Net cash from/(used in) investing activities	13,333	1,868	(3,601)	(4,129)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares	727	40,000	727	40,000
Shares issued to minority shareholders	899	-	-	-
Payment of share issue expenses	-	(921)	-	(921)
Advances from subsidiary companies (Repayments to)/Advances from associated companies	- (141)	- 101	6,062 -	6,833 -
Dividend paid to shareholders of the Company	-	(864)	-	(864)
Dividend paid to minority interests	(1,641)	-	-	-
Bank term loan raised	49,332	-	3,850	-
Repayment of bank borrowings	(49,163)	(73,875)	(2,459)	(31,797)
Payment of hire purchase instalments	(3,959)	(5,164)	-	-
Hire purchase term charges paid	(466)	(780)	-	-
Net cash (used in)/from financing activities	(4,412)	(41,503)	8,180	13,251
NET CHANGE IN CASH AND CASH EQUIVALENTS	(24,818)	18,392	(2,022)	5,014
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	28,346	9,954	(2,401)	(7,415)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	3,528	28,346	(4,423)	(2,401)

Cash Flow Statements (Cont'd)

For The Year Ended 31 December 2004

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Represented by:				
TIME DEPOSITS	4,052	-	52	-
CASH AND BANK BALANCES	21,834	44,586	1,171	726
BANK OVERDRAFTS	(22,358)	(16,240)	(5,646)	(3,127)
	3,528	28,346	(4,423)	(2,401)

During the financial year, the Group acquired property, plant and equipment amounting to RM9,409,000 (2003 : RM4,517,000) of which RM2,360,000 (2003 : RM2,010,000) was financed under hire purchase. An amount of RM6,997,000 (2003 : RM1,816,000) was paid by cash and the balance of RM52,000 (2003 : RM691,000) remained unpaid and included in other payables. The Company acquired property, plant and equipment by cash.

Notes To And Forming Part Of The Financial Statements

For The Year Ended 31 December 2004

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

The measurement bases applied in the preparation of the financial statements include cost, amortised cost, recoverable value, realisable value and fair value as indicated in the accounting policies set out below. Accounting estimates are used in measuring these values.

(b) Subsidiary companies

A subsidiary company is a company in which the Company has the power to control the financial and operating policies so as to obtain benefits from its activities.

The Company's interests in subsidiary companies are stated at cost less accumulated impairment loss. The investments are written down when there is an impairment loss on the value of such investments. The impairment loss is charged to the income statement.

(c) Basis of consolidation

The consolidated financial statements include the audited financial statements of the Company and all its subsidiary companies made up to the end of the financial year. All material inter-company transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised gains on transactions are eliminated in full and unrealised losses are also eliminated in full unless cost cannot be recovered. The financial statements of the 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 ("MAS") No. 2 - Accounting for Acquisitions and Mergers. 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 MAS No. 2 have been retained.

Under the acquisition method of accounting, the results of the subsidiary companies acquired or disposed of are included in the consolidated financial statements 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.

Under the merger method of accounting, the results of the subsidiary companies acquired during the year are accounted for on a full year basis irrespective of the date of merger. The difference between the nominal value of shares issued plus any cash paid as consideration for the merger and the nominal value of the share capital of the subsidiary company acquired is reflected as merger reserve.

Notes To And Forming Part Of The Financial Statements (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Associated companies

Associated companies are defined as 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 in their management, but not control, over the financial and operating policies.

Investments in associated companies are stated at cost less accumulated impairment loss. The investments are written down when there is an impairment loss on the value of such investments. The impairment loss is charged to the income statement.

The Group's share of the results of the associated companies is accounted for in the consolidated income statement using the equity method of accounting in place of dividends received. On the consolidated balance sheet, the Group's share of post-acquisition results and reserves of the associated companies is added to the cost of investments which reflects the Group's share of the net assets of the associated companies.

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. When 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 post-acquisition results and reserves of the associated companies accounted for are based on the latest audited financial statements made up to the end of the financial year.

(e) Goodwill on acquisition

The difference, if any, between the acquisition cost and the fair values of attributable net assets acquired is reflected in the financial statements as either goodwill or discount on acquisition. 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. However, if the amount is immaterial, it is written off in the income statement in the year of acquisition. Discount on acquisition is retained in the consolidated balance sheet and will be credited to the income statement over a suitable period decided in relation to the particular circumstances which give rise to it, otherwise, it is credited to the income statement in the year of acquisition. Goodwill is stated at cost less accumulated amortisation and accumulated impairment loss. The carrying amount and amortisation periods are reviewed annually, and goodwill is written down when its value has deteriorated or when it ceases to have a useful life. The policy for the recognition and measurement of impairment loss is in accordance with Note 1(p).

Notes To And Forming Part Of The Financial Statements (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Property, plant and equipment

(i) Measurement basis

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

(ii) Depreciation

Freehold land is not amortised while leasehold land and buildings are amortised on the straight line basis over the remaining lease periods of between 16 and 95 years.

Depreciation is calculated to write off the cost of other property, plant and equipment on a straight line basis over their expected economic useful lives at the following annual rates:

Buildings	2%
Quarry face development	12%
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%

(g) Assets acquired under hire purchase agreements

Assets financed by hire-purchase arrangements which transfer substantially all the risks and rewards of ownership to the Group, are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. On initial recognition, assets acquired by way of hire-purchase are stated at an amount equal to the lower of their fair values and the present values of the minimum hire-purchase payment at the inception of the hire purchase agreements. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

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

(h) Other investments

Other investments which are held for long term, are stated at cost less accumulated impairment loss. The investments are written down when there is an impairment loss on the value of such investments. The impairment loss is charged to the income statement.

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified under non-current assets and is stated at cost less accumulated impairment loss. The policy for the recognition and measurement of impairment loss is in accordance with Note 1(p).

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Notes To And Forming Part Of The Financial Statements (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(j) 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 of tolling operations, the cumulative expenditure incurred is amortised to the income statement over the concession period.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined principally on the weighted average and specific identification bases appropriate to the type of inventory. In the case of work-in-progress and finished goods, cost comprises direct materials, direct labour, other direct charges and an appropriate proportion of factory overheads. The net realisable value is considered to be the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated selling expenses.

(l) Property development costs

Property development costs comprise land and development costs which includes cost directly attributable to the development activities and other costs that can be allocated on a reasonable basis to such activities as well as interest expenses incurred during the period of development.

Property development revenue and expenses are recognised in the income statement using the percentage of completion method, which is applied in circumstances where the outcome of the development activities can be reliably estimated. The stage of completion is estimated by the proportion of cost incurred to-date bear to estimated total costs, and for this purpose only those costs that reflect actual development work performed are included as costs incurred to-date.

Where the outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on development project, including costs to be incurred over the defect liability period, is recognised as an expense immediately.

Property development costs which is not recognised as an expense, are recognised as an asset and are measured at the lower of cost and net realisable value.

(m) Gross amount due from/to customers

On the balance sheet, contracts work-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).

Notes To And Forming Part Of The Financial Statements (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(n) Receivables

Receivables are stated at their nominal values and an allowance is made for any receivables considered to be doubtful of collection. Known bad debts are written off.

(o) Payables

Payables are stated at their nominal values which are the fair values of the consideration to be paid in the future for goods and services received.

(p) Impairment of assets

The carrying amounts of assets are reviewed 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 the estimated selling price of the asset and its value in use. Value in use is measured by discounted future cash flows expected to be generated from continuing use of the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or the cash generating unit to which it belongs exceeds its recoverable amount. The impairment loss, if any, is charged to the income statement.

Any subsequent increase in the recoverable amount of an asset is recognised as reversal of previous impairment loss and 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.

(q) Share capital

Ordinary shares are recorded at the nominal value and proceeds 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. Cost directly attributable to the issuance of the shares is accounted for as a deduction from share premium, otherwise, it is charged to the income statement.

Dividends on ordinary shares, when declared or proposed by the directors of the Company are disclosed within the components of equity. Upon approval and when paid, such dividends will be accounted for in the shareholders' equity as an appropriation of unappropriated profit in the financial year in which the dividends are paid.

(r) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies during the financial year are converted to Ringgit Malaysia at the rates of exchange ruling at the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at foreign exchange rates ruling at that date. Foreign exchange differences arising from translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies are translated to Ringgit Malaysia at the foreign exchange rates at the date of the transactions.

Notes To And Forming Part Of The Financial Statements (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(r) Foreign currencies (Cont'd)

(ii) Financial statements of foreign operations

The Group's foreign operations are not considered an integral part of the Company's operations. Accordingly, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Ringgit Malaysia at closing rates. The revenue and expenses of foreign operations are translated to Ringgit Malaysia at average exchange rates applicable throughout the year. Foreign exchange differences arising on translation are recognised directly in equity under exchange translation reserve. On disposal of the foreign operations, such translation differences are recognised in the income statement as part of the gain or loss on disposal.

The closing rates used in translation are as follows:

	2004 RM	2003 RM
USD1	3.80	3.80
SGD1	2.20	2.20
NR1	0.06	0.06
IR1	0.08	0.08
BAHT100	9.09	-
GBP1	-	6.76

(s) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and the Company and when the revenue can be measured reliably, on the following bases:

(i) Construction contracts

The Group's 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 contract 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 to date.

When the outcome of a 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 in which they are incurred.

Where it is probable that the 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 the stage of completion of contract activity, or the amounts of profits expected to arise on other unrelated contracts.

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

Notes To And Forming Part Of The Financial Statements (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(s) Revenue recognition (Cont'd)

(ii) Sale of development properties

Revenue from sale of development properties is recognised on the percentage of completion method and represents the proportionate sales value of development properties sold attributable to the percentage of development work performed during the financial year.

(iii) Sale of goods

Sale of goods is recognised when significant risks and rewards of ownership have been transferred to customers.

(iv) Management fee

Management fee is recognised on an accrual basis when services are rendered.

(v) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

(vi) Interest income

Interest income is recognised on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable. If the collectability of the interest income is in doubt, the recognition of interest income is deferred until prospect of collection becomes certain.

(vii) Hiring and rental income

Hiring and rental income is recognised on a time proportion basis over the lease term.

(t) Operating leases

Operating leases are those leases other than finance leases. Lease payments under operating leases are charged to the income statement on a time proportion basis over the lease term.

(u) Employee benefits

(i) Short term benefits

Salaries, wages, allowances, bonuses and social security contributions are recognised as an expense in the financial year in which the services are rendered by the employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlements to future compensated absences and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur. Non-monetary benefits such as medical care, housing and other staff related expenses are charged to the income statement as and when incurred.

Notes To And Forming Part Of The Financial Statements (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(u) Employee benefits (Cont'd)

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement in the financial year to which they relate.

(iii) Equity compensation benefits

The Company operates an ESOS which allows full time employees (including full time executive directors) of the Company and its subsidiaries to acquire shares of the Company. No compensation cost or obligation is recognised. When the options are exercised, equity is increased by the amount of the proceeds received.

(iv) Termination benefits

Employee termination benefits are recognised only either after an agreement is in place with the appropriate employee representatives specifying the terms of redundancy or after individual employees have been advised of the specific terms.

(v) 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 loss.

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

(w) Borrowing costs

Interest and other costs incurred in connection with borrowings are expensed as incurred as part of finance costs.

Finance costs comprise interest paid and payable on borrowings. The interest component of hire purchase payments is charged to the income statement over the hire purchase periods so as to give a constant periodic rate of interest on the remaining hire purchase and liabilities.

Borrowing costs incurred on construction contracts and development properties that take a substantial period of time for completion are capitalised into the carrying value of the assets. Capitalisation of borrowing costs will cease when the assets are completed or during extended periods in which active development is interrupted. The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on borrowings obtained specifically for the purpose of the project.

Notes To And Forming Part Of The Financial Statements (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(x) Tax expense

The tax expense in the income statement comprises current tax and deferred tax. Current tax is an estimate of tax payable at current tax rate based on profit earned during the year. Deferred taxation is recognised in full, based on the liability method for taxation deferred in respect of all material temporary differences arising from differences between the tax bases of the assets and the liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is calculated at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled. Current and deferred tax is recognised as an income or an expense and included in the income statement.

(y) Cash equivalents

Cash equivalents comprise cash and bank balances, time deposits, bank overdrafts and other 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.

(z) 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").

(aa) Financial instruments

(i) Financial instruments recognised in the balance sheet

The recognised financial instruments of the Group comprise cash equivalents, long term investments, receivables, payables, bank borrowings, hire purchase liabilities as well as ordinary share capital. These financial instruments are recognised when a contractual relationship has been established. All the financial instruments are denominated in Ringgit Malaysia, unless otherwise stated. The accounting policies and methods adopted, including the criteria for recognition and the basis of measurement applied, are disclosed above. The information on 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 to the financial statements.

(ii) Financial instruments not recognised in the balance sheet

The Group has provided unsecured guarantees in respect of banking facilities which represent present obligations existed at the balance sheet date but are not recognised in the financial statements at inception because it is not probable that an outflow of economic benefits will be required to settle the obligations.

Notes To And Forming Part Of The Financial Statements (Cont'd)

2. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land and buildings RM'000	Long term leasehold land and buildings RM'000	Short term leasehold land and buildings RM'000	Quarry face development RM'000	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
2004									
Cost									
At 1 January	5,156	49,478	3,506	1,941	56,507	43,069	8,371	9,464	177,492
Additions	1,206	3,905	65	-	831	2,791	101	510	9,409
Disposals	-	(7,599)	-	-	(5,388)	(1,579)	(15)	(52)	(14,633)
Write-off	-	-	-	-	(1,011)	-	(68)	(77)	(1,156)
Reclassification	-	-	-	-	24	-	(24)	-	-
Transfer to property development costs (Note 8)	-	(2,261)	-	-	-	-	-	-	(2,261)
At 31 December	6,362	43,523	3,571	1,941	50,963	44,281	8,365	9,845	168,851
Accumulated depreciation									
At 1 January	142	2,412	1,479	840	39,656	32,089	4,960	5,302	86,880
Charge for the year	72	370	128	450	4,192	3,986	707	984	10,889
Disposals	-	(13)	-	-	(4,135)	(1,345)	(7)	(32)	(5,532)
Write-off	-	-	-	-	(855)	-	(53)	(53)	(961)
Reclassification	-	-	-	-	3	-	(3)	-	-
Transfer to property development costs (Note 8)	-	(17)	-	-	-	-	-	-	(17)
At 31 December	214	2,752	1,607	1,290	38,861	34,730	5,604	6,201	91,259

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

2004	Freehold land and buildings RM'000	Long term leasehold land and buildings RM'000	Short term leasehold land and buildings RM'000	Quarry face development RM'000	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
Accumulated impairment loss									
At 1 January	-	2,047	-	-	-	-	138	52	2,237
Charge for the year	-	-	-	-	-	-	-	-	-
At 31 December	-	2,047	-	-	-	-	138	52	2,237
Net book value at 31 December	6,148	38,724	1,964	651	12,102	9,551	2,623	3,592	75,355
2003									
Net book value at 31 December	5,014	45,019	2,027	1,101	16,851	10,980	3,273	4,110	88,375
Depreciation charge for the year	59	367	123	420	4,732	4,488	745	881	11,815
Impairment loss for the year	-	-	-	-	-	-	-	-	-

Notes To And Forming Part Of The Financial Statements (Cont'd)

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

Company 2004	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
Cost					
At 1 January	22,286	3,092	1,371	904	27,653
Additions	-	25	29	-	54
Disposals	-	-	(35)	-	(35)
Write-off	-	(23)	(57)	-	(80)
Transfer to property development costs (Note 8)	(2,261)	-	-	-	(2,261)
At 31 December	20,025	3,094	1,308	904	25,331
Accumulated depreciation					
At 1 January	1,332	1,557	713	904	4,506
Charge for the year	217	313	136	-	666
Disposals	-	-	(27)	-	(27)
Write-off	-	(15)	(41)	-	(56)
Transfer to property development costs (Note 8)	(17)	-	-	-	(17)
At 31 December	1,532	1,855	781	904	5,072
Net book value at 31 December	18,493	1,239	527	-	20,259
2003					
Net book value at 31 December	20,954	1,535	658	-	23,147
Depreciation charge for the year	219	314	129	-	662

The title deeds to certain land and buildings of the Group and the Company with net book value of RM22,057,000 and RM2,222,000 (2003 : RM24,791,000 and RM2,247,000) respectively, have yet to be issued by the relevant authorities.

Included in property, plant and equipment of the Group is freehold land with a net book value of RM911,000 (2003 : RM911,000) held in trust by directors of certain subsidiary companies.

Notes To And Forming Part Of The Financial Statements (Cont'd)

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

The net book values of property, plant and equipment of the Group charged to licensed financial institutions for banking facilities granted to the Group are as follows:

	2004 RM'000	2003 RM'000
Freehold land and buildings	5,215	4,081
Long term leasehold land and buildings	1,566	1,605
Short term leasehold land and buildings	218	250
Plant, machinery, moulds and factory equipment	1,475	3,352
Tractors and motor vehicles	4,489	1,834
Renovation, electrical installations and furniture and fittings	802	567
	13,765	11,689

The net book values of property, plant and equipment of the Group acquired under hire purchase are as follows:

	2004 RM'000	2003 RM'000
Plant, machinery, moulds and factory equipment	1,208	1,009
Tractors and motor vehicles	6,905	9,146
Office equipment	152	40
	8,265	10,195

3. SUBSIDIARY COMPANIES

	2004 RM'000	2003 RM'000
Unquoted shares		
- at cost	40,769	16,903
- at valuation	4,264	4,264
	45,033	21,167
Less :		
Accumulated impairment losses	4,474	4,474
	40,559	16,693

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.

Notes To And Forming Part Of The Financial Statements (Cont'd)

3. SUBSIDIARY COMPANIES (Con'd)

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 surrogate cost.

The subsidiary companies, all of which are incorporated in Malaysia except where indicated, are as follows:

Subsidiaries of the Company	Gross equity interest		Principal activities
	2004 %	2003 %	
Bina Puri Sdn Bhd	100	-	Contractor of earthworks, building and road construction
Aksi Bina Puri Sdn Bhd	70	70	Property developer
Maskimi Sdn Bhd	100	100	Investment holding
Bina Puri Plantation Sdn Bhd	100	100	Investment holding
*Bina Puri Infrastructure Pte Ltd (Incorporated in India)	100	100	Contractor of road construction
Lebuhraya Assamjawa Taman Rimba Berhad	60	60	Builder of an expressway
Bina Puri HG Corporation Sdn Bhd	60	60	Investment holding
Konsortium Bina Puri-Panzana Enterprise Sdn Bhd	51	51	Inactive
Gugusan Murni Sdn Bhd	100	51	Property developer (no active development)
Bina Puri Mining Ventures Sdn Bhd (formerly known as Bina Puri-HG Power Sdn Bhd)	60	60	Dormant
*DPBS-BPHB Sdn Bhd	60	-	Investment holding and contractors of earthworks, building and road construction
Bina Puri Construction Sdn Bhd	-	100	Contractors of earthworks, building and road construction and property development
Subsidiary companies of Bina Puri Sdn Bhd			
Bina Puri Machinery Sdn Bhd	100	100	Provision of maintenance services for plant and machinery and as contractors for earthworks projects

Notes To And Forming Part Of The Financial Statements (Cont'd)

3. SUBSIDIARY COMPANIES (Con'd)

Subsidiaries of the Company	Gross equity interest		Principal activities
	2004 %	2003 %	
Bina Puri Construction Sdn Bhd	100	-	Contractors of earthworks, building and road construction and property development
Easy Mix Sdn Bhd	100	-	Producer of readymix concrete
Karseng Industries & Engineering Sdn Bhd	70	-	Property developer (no active development)
Subsidiary companies of Maskimi Sdn Bhd			
Sungai Long Industries Sdn Bhd	51	51	Quarry operator and contractor of road paving projects
K M Quarry Sdn Bhd	70	70	Quarry operator and contractor of road paving projects
Maskimi Polyol Sdn Bhd	90	90	Manufacturer of polyol
Maskimi Venture Sdn Bhd	100	100	Commission agent
Hamay Glass Sdn Bhd	60	60	Inactive
Subsidiary companies of Bina Puri Plantation Sdn Bhd			
Bina Puri Sdn Bhd	-	100	Contractor of earthworks, building and road construction
Easy Mix Sdn Bhd	-	100	Producer of readymix concrete
Karseng Industries & Engineering Sdn Bhd	-	70	Property developer (no active development)
Subsidiary company of Bina Puri HG Corporation Sdn Bhd			
Bumi Pipeline Services Sdn Bhd (formerly known as Bina Puri HG CPB Sdn Bhd)	60	60	Dormant
Subsidiary company of DPBS-BPHB Sdn Bhd			
*Konsortium DPBSH-BPHB-AGSB Sdn Bhd	55	-	Contractor of earthworks, building and road construction

Notes To And Forming Part Of The Financial Statements (Cont'd)

3. SUBSIDIARY COMPANIES (Con'd)

Subsidiaries of the Company	Gross equity interest		Principal activities
	2004 %	2003 %	
Subsidiaries companies of Bina Puri Construction Sdn Bhd			
Latar Project Management Sdn Bhd	60	60	Provision of project management services (operations suspended)
*Bina Puri Cambodia Ltd (Incorporated in Cambodia)	100	100	Inactive
*Bina Puri Development Sdn Bhd	60	-	Inactive
Subsidiary company of Easy Mix Sdn Bhd			
Bina Puri Properties Sdn Bhd (formerly known as Easicrete Precast Sdn Bhd)	100	100	Trading of building materials
Subsidiary companies of Sungai Long Industries Sdn Bhd			
Sungai Long Bricks Sdn Bhd	100	100	Manufacturer of bricks
Sungai Long Plaster Industries Sdn Bhd	-	100	Manufacturer of plaster cement
SLM Quarry (KK) Sdn Bhd (formerly known as KM Road Specialist Sdn Bhd)	-	100	Dormant
Subsidiary company of Sungai Long Bricks Sdn Bhd			
Sungai Long Plaster Industries Sdn Bhd	100	-	Manufacturer of plaster cement

* Subsidiary companies not audited by Moores Rowland or its associates.

Notes To And Forming Part Of The Financial Statements (Cont'd)

4. ASSOCIATED COMPANIES

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Unquoted shares, at cost	683	350	233	*
Group's share of post acquisition results	1,748	1,566	-	-
	2,431	1,916	233	*
Represented by:				
Share of net assets of associated companies	2,431	1,916		

* Represents RM4

The associated companies, all of which are incorporated in Malaysia except where indicated, are as follows:

Associated companies of Company	Gross equity interest		Principal activities
	2004 %	2003 %	
Konsortium Bina Puri-Panzana (Nilai) Sdn Bhd	40	40	Contractor of road construction
Bina Puri Holdings (Thailand) Ltd (Incorporated in Thailand)	49	-	Investment holding
Bina Puri (Thailand) Ltd (Incorporated in Thailand)	49	-	Contractor of earthworks, building and road construction
Associated companies of Sungai Long Industries Sdn Bhd			
SLM Gabungan Sdn Bhd	50	50	Quarry operator and contractor of road paving projects
Rock Processors (Melaka) Sdn Bhd	40	40	Quarry operator and contractor of road paving projects
Sungai Long Properties Sdn Bhd	50	50	Ceased operations

Notes To And Forming Part Of The Financial Statements (Cont'd)

5. OTHER INVESTMENTS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Shares quoted in Malaysia, at cost	216	216	-	-
Unquoted shares, at cost	1,059	1,059	620	620
Less:				
Accumulated impairment loss	281	281	281	281
	778	778	339	339
Mutual funds and unit trusts, at cost	740	500	740	500
Transferable corporate membership in golf and country resorts, at cost	395	395	10	10
	2,129	1,889	1,089	849
Market value				
- quoted shares in Malaysia	150	293	-	-
- mutual funds and unit trusts	722	509	722	509
	872	802	722	509

Included in the unquoted shares of the Group is an amount of RM439,000 (2003 : RM439,000) representing 12% equity interest in the issued and paid up share capital of Ideal Heights Properties Sdn Bhd ("IHPSB"), a company in which certain directors of the Company have substantial financial interests.

6. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2004 RM'000	2003 RM'000
Long leasehold land, at cost		
At 1 January	5,200	5,200
Addition during the year	10,257	-
Transfer to property development cost	-	-
At 31 December	15,457	5,200
Add:		
Development costs		
At 1 January	7,319	7,309
Addition during the year	-	10
Transfer to property development costs	-	-
Overestimated in prior year	(469)	-
At 31 December	6,850	7,319
	22,307	12,519
Less:		
Accumulated impairment loss	1,500	1,500
Net carrying value at 31 December	20,807	11,019

Notes To And Forming Part Of The Financial Statements (Cont'd)

7. INVENTORIES

	Group	
	2004 RM'000	2003 RM'000
At cost		
Inventories of completed development units	3,338	4,035
Raw materials and consumables	1,662	1,275
Finished goods	2,386	2,073
	7,386	7,383
At net realisable value		
Finished goods	36	229
	7,422	7,612

8. PROPERTY DEVELOPMENT COSTS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
At 1 January				
Land	-	-	-	-
Long term leasehold land transferred from property, plant and equipment (Note 2)	2,244	-	2,244	-
Development costs	-	-	-	-
	2,244	-	2,244	-
Add:				
Development costs incurred during the year	5,388	-	-	-
	7,632	-	2,244	-
Less:				
Cost recognised as an expense in the income statement				
Recognised in previous financial years	-	-	-	-
Recognised during the year	2,791	-	683	-
	2,791	-	683	-
At 31 December	4,841	-	1,561	-

Notes To And Forming Part Of The Financial Statements (Cont'd)

9. GROSS AMOUNTS DUE FROM/TO CUSTOMERS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Cost of contracts	865,765	802,898	9,669	7,809
Attributable profit recognised to date	76,442	88,905	-	-
	942,207	891,803	9,669	7,809
Less:				
Progress billings	908,275	877,039	-	-
	33,932	14,764	9,669	7,809
Represented by:				
Gross amount due from customers	49,438	38,271	9,669	7,809
Gross amount due to customers	(15,506)	(23,507)	-	-
	33,932	14,764	9,669	7,809
Retention sums receivable from customers included in trade receivables (Note 10)	14,282	9,196	-	-
Advances received for contract work not yet performed included in other payable (Note 15)	6,317	3,919	212	-

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Gross trade receivables	133,602	153,785	-	-
Less:				
Allowance for doubtful debts	15,608	45,176	-	-
	117,994	108,609	-	-
Accrued billings on property development projects	254	-	254	-
Gross other receivables	17,078	12,740	1,128	1,215
Less:				
Allowance for doubtful debts	6,347	3,500	183	33
	10,731	9,240	945	1,182
Deposits	1,211	1,935	10	907
Prepayments	2,749	1,605	30	30
	132,939	121,389	1,239	2,119

Notes To And Forming Part Of The Financial Statements (Cont'd)

10. TRADE AND OTHER RECEIVABLES (Cont'd)

Trade receivables comprise amounts receivable from progress billings made to customers on contract works performed, sale of development properties, sale of goods, services rendered to customers and retention sums receivable. Other receivables, deposits and prepayments are from the normal business transactions of the Group.

Trade receivables are granted credit periods of between 14 and 90 days while retention sums are receivable upon the expiry of the defect liability periods of the respective construction contracts. The defect liability periods of the construction contracts are between 6 and 15 months.

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Included in trade receivables is the following:				
Amounts owing by IHPSB	2,876	6,427	-	-
Included in other receivables are the following:				
Amounts owing by IHPSB	572	831	2	-
Amount owing by a corporate shareholder of a subsidiary company	186	741	-	-
Deposits refundable by shareholders of IHPSB who				
- are directors of the Company	-	267	-	267
- is a director of the subsidiary company	-	27	-	27
- is a former director of the Company	-	234	-	234
- others	-	370	-	370

The currency profiles of the receivables are as follows:

	Group	
	2004 RM'000	2003 RM'000
Trade receivables		
- Ringgit Malaysia	132,757	152,442
- US Dollar	556	-
- Singapore Dollar	253	427
- Indian Rupee	36	177
- Nepalese Rupee	-	739
	133,602	153,785

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Other receivables				
- Ringgit Malaysia	16,354	12,111	404	936
- Indian Rupee	618	279	618	279
- Thai Baht	106	-	106	-
- Nepalese Rupee	-	350	-	-
	17,078	12,740	1,128	1,215

Notes To And Forming Part Of The Financial Statements (Cont'd)

11. AMOUNT OWING BY/TO SUBSIDIARY COMPANIES

The amount owing by the subsidiary companies comprises:

	Company	
	2004 RM'000	2003 RM'000
Trade receivables	2,678	1,285
Non-trade receivables	62,904	59,275
	65,582	60,560
Less:		
Allowance for doubtful debts	25,716	23,950
	39,866	36,610

Trade receivables are granted normal credit periods of between 30 and 90 days.

The non-trade receivables owing by the subsidiary companies are unsecured, interest free and have no fixed terms of repayment except for an amount of RM30,522,000 in the previous financial year which earned at an effective interest rate of 9% per annum. However, the recognition of interest income had been deferred in accordance with the accounting policy set out in Note 1(s)(vi).

The amount owing to the subsidiary companies is unsecured, interest free and has no fixed terms of repayment except for an amount of RM3,036,000 in the previous financial year for which interest was charged at 9% per annum

Notes To And Forming Part Of The Financial Statements (Cont'd)

12. AMOUNT OWING BY/TO ASSOCIATED COMPANIES

The amount owing by the associated companies comprises:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Trade receivables	3,046	2,528	1,113	1,688
Non-trade receivables	349	631	103	56
	3,395	3,159	1,216	1,744

Trade receivables are granted normal credit periods of between 30 and 90 days.

The amount owing to the associated companies comprises:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Trade payables	1,784	9,958	-	-
Non-trade payables	43	184	-	-
	1,827	10,142	-	-

The normal credit periods granted by the associated companies on trade payables range from 30 to 90 days.

The non-trade receivables and payables owing by/to the associated companies are unsecured, interest free and have no fixed terms of repayment.

13. FIXED AND TIME DEPOSITS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Fixed and time deposits placed with licensed banks	10,928	18,144	108	7,779
Fixed deposits placed with insurance companies	6,114	7,610	-	-
	17,042	25,754	108	7,779

Included in fixed and time deposits of the Group and the Company are an amount of RM12,990,000 and RM56,000 (2003 : the entire amount for Group and Company) respectively, which have been pledged to secure performance bonds and bank guarantee facilities issued on behalf of the Group.

The fixed and time deposits earn effective interest rates of between 2.0% and 3.7% (2003 : 2.0% and 3.7%) per annum and they have maturity periods of not more than one year.

Notes To And Forming Part Of The Financial Statements (Cont'd)

14. CASH AND BANK BALANCES

Included in cash and bank balances of the Group are:

- (a) an amount of RM4,978,000 (2003 : RM16,617,000) 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 RM31,000 (2003 : RM200,000) 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.

15. TRADE AND OTHER PAYABLES

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Trade payables	100,926	91,758	-	-
Progress billings	1,882	-	-	-
Other payables	19,582	16,570	2,278	1,941
Accruals	11,892	11,944	112	128
Sundry deposits	253	250	80	80
	134,535	120,522	2,470	2,149

Trade payables comprise amounts outstanding from trade purchases, sub-contractors claim on contract works performed and retention sums payable. Progress billings represent excess of billings to purchasers of development units over revenue recognised in the income statement. Other payables, accruals and deposits are from the normal business transactions of the Company.

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

Included in trade payables of the Group is an amount of RM641,000 (2003 : RM1,519,000) owing to IHPSB. The amount owing is unsecured, interest free and has no fixed terms of repayment.

The currency exposure profiles of payables are as follows:

	Group	
	2004 RM'000	2003 RM'000
Trade payables		
- Ringgit Malaysia	99,946	91,307
- US Dollar	980	16
- Sterling Pound	-	263
- Indian Rupee	-	172
	100,926	91,758

Notes To And Forming Part Of The Financial Statements (Cont'd)

15. TRADE AND OTHER PAYABLES (Cont'd)

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Other payables				
- Ringgit Malaysia	19,129	16,570	2,066	1,941
- Nepalese Rupee	218	-	-	-
- Thai Baht	212	-	212	-
- US Dollar	17	-	-	-
- Indian Rupee	6	-	-	-
	19,582	16,570	2,278	1,941

16. HIRE PURCHASE LIABILITIES

	Group	
	2004 RM'000	2003 RM'000
Outstanding hire purchase instalments due:		
- not later than one year	3,023	4,377
- later than one year and not later than five years	2,055	2,503
	5,078	6,880
Less:		
Unexpired term charges	332	535
Outstanding principal amount due	4,746	6,345
Less:		
Outstanding principal amount due not later than one year (included in current liabilities)	2,792	3,985
Outstanding principal amount due later than one year and not later than five years	1,954	2,360

The effective interest rates of the hire purchase liabilities are between 4% and 12% (2003 : 8% and 12%) per annum.

Notes To And Forming Part Of The Financial Statements (Cont'd)

17. BANK BORROWINGS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Revolving credits				
- secured	71,626	79,506	-	-
- unsecured	3,000	5,377	3,000	5,377
	74,626	84,883	3,000	5,377
Trust receipts, secured	988	1,798	-	-
Bank overdrafts				
- secured	16,895	15,488	-	-
- unsecured	5,463	752	5,646	3,127
	22,358	16,240	5,646	3,127
	97,972	102,921	8,646	8,504
Current portion of bank term loans (Note 20)	1,211	8,784	279	-
	99,183	111,705	8,925	8,504

The effective interest rates per annum of the bank borrowings are as follows:

	Group		Company	
	2004 %	2003 %	2004 %	2003 %
Revolving credits and trust receipts	4.51 to 9.00	4.55 to 9.00	4.75	4.55 to 9.00
Bank overdrafts	7.25 to 9.50	7.25 to 9.25	7.25 to 8.90	7.25 to 9.25

The bank borrowings are secured by the following:

- Fixed charges over those charged property, plant and equipment referred to in Note 2 and floating charges over the entire assets of certain subsidiary companies,
- A negative pledge over the assets of the Company
- Deeds of assignment over the proceeds of contracts awarded to subsidiary companies.

The unsecured bank overdrafts of subsidiary companies are guaranteed by the Company.

Notes To And Forming Part Of The Financial Statements (Cont'd)

18. SHARE CAPITAL

	2004		2003	
	Number of shares	Nominal value RM'000	Number of shares	Nominal value RM'000
Authorised Ordinary shares of RM1 each	100,000	100,000	100,000	100,000
Issued and fully paid Ordinary shares of RM1 each				
At 1 January	80,000	80,000	40,000	40,000
Rights issue of 1 for 1	-	-	40,000	40,000
Issue of shares under ESOS at RM1 per share	727	727	-	-
At 31 December	80,727	80,727	80,000	80,000

In December 2003, the Company implemented a Bina Puri Holdings Bhd's Employees' Share Option Scheme ("Scheme") for eligible employees of the Group which is governed by the Bye-Laws of the Scheme and was approved by the shareholders of the Company and the relevant authorities.

The salient features of the Scheme are:

- (a) The maximum number of shares to be offered and allotted under the Scheme shall not exceed 10% of the issued and paid-up share capital of the Company at any point in time during the duration of the Scheme.
- (b) The following persons are eligible to participate in the Scheme:
 - (i) They must be at least eighteen (18) years of age on the Date of Offer;
 - (ii) They must have been employed for a continuous period of at least one (1) year in the Group, including probation period and his employment as an Eligible Employee must have been confirmed in writing on the Date of Offer;
 - (iii) If an Eligible Employee is employed by a company which is acquired by the Group during the duration of the Scheme and becomes a subsidiary of the Company upon such acquisition, the Eligible Employee must have completed a continuous period of at least one (1) year in the Group following the date such company becomes or is deemed to be a subsidiary;
 - (iv) If an employee is not a Malaysian citizen, he must, in addition to the conditions stipulated in paragraphs (i) to (iii) above, also fulfil the following conditions:
 - (aa) the employee must be serving the Group on a full time basis; and
 - (bb) in the event that the employee is serving under an employment contract, the contract should be for a duration of at least three (3) years.
 - (v) If an employee is serving under an employment contract for a fixed duration, he must have been in the service for a continuous period of one (1) year in the Group.

Notes To And Forming Part Of The Financial Statements (Cont'd)

18. SHARE CAPITAL (Cont'd)

- (c) An employee who during the tenure of the Scheme becomes an Eligible Employee may be eligible to a grant of an Option under the Scheme which shall be decided by the Option Committee.
- (d) No option shall be granted for more than 500,000 new ordinary shares to any Eligible Employee. The maximum number of Options granted to Executive Directors and senior management of the Group shall not exceed 50% of the total number of options available under the Scheme, and the number of options granted to any individual Executive Director or selected employee who, either singly or collectively through his/her associates (as defined in the Companies Act, 1965), hold 20% or more of the issued and paid-up share capital of the Company, shall not exceed 10% of the total number of options available under the Scheme.
- (e) The option price for each share shall be at a discount of not more than ten percent (10%) from the weighted average market price of the shares for the five (5) market days immediately preceding the date of offer or the par value of the shares, whichever is higher.
- (f) An offer shall be valid for a period of sixty (60) days from the date of offer or such longer period as may be determined by the Option Committee on a case-by-case basis at its discretion. An offer shall be accepted by an Eligible Employee within the offer period by written notice to the Option Committee accompanied by a non-refundable sum of RM1.00 as consideration. If the offer is not accepted in the manner aforesaid, such offer shall automatically lapse upon the expiry of the offer period and become null and void and be of no further force and effect.
- (g) The new ordinary shares to be allotted upon any exercise of options under the Scheme shall, upon allotment and issue, rank pari passu in all respects with the then existing ordinary shares. However, the new ordinary shares so issued shall not be entitled to any dividend or other distributions declared, made or paid prior to the date of exercise of the Options.
- (h) The Scheme shall continue to be in force for a duration of up to five (5) years commencing the date of lodgement. Upon the expiry of the Scheme, all unexercised options shall become null and void unless the Scheme is extended for a further five (5) years upon recommendation of the Option Committee.
- (i) These options may be exercised at any date during the Option Period not later than 30 November 2008 subject to the following maximum limits:

No. of options granted	% to be exercised year 1	% to be exercised year 2	% to be exercised year 3	% to be exercised year 4	% to be exercised year 5
10,000 and below	50	50	-	-	-
10,001 to 50,000	30	30	40	-	-
above 50,000	20	20	20	20	20

Options which are exercisable in a particular year but are not exercised may be carried forward to subsequent years but not later than 30 November 2008. All unexercised Options shall be exercisable in the last year of the Option Period. Any Options which remain unexercised at the expiry of the Option Period shall be automatically terminated.

An Eligible Employee serving under an employment contract may exercise any remaining Options exercisable in the year (the particular year of which his contract is expiring) within sixty (60) days before the expiry of the employment contract if the remaining duration of the contract as at the date on which the Options are granted is less than the Option Period.

Notes To And Forming Part Of The Financial Statements (Cont'd)

18. SHARE CAPITAL (Cont'd)

The movements in the Options during the financial year to take up unissued new ordinary shares of RM1 each in the Company were as follows:

Number of options over ordinary shares	
At 1 January 2004	-
Granted	7,962,100
Non-acceptance	(775,700)
Exercised	(727,200)
At 31 December 2004	6,459,200

The terms of the share options outstanding at year end were as follows:

	Exercise price RM	Number of share options outstanding 2004
1-12-2003 to 30-11-2008	1.00	6,459,200

19. 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.

Notes To And Forming Part Of The Financial Statements (Cont'd)

20. BANK TERM LOANS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Bank term loan bearing effective interest rate of 7.25% per annum, repayable by 120 monthly instalments commencing September 2004	3,768	-	3,768	-
Bank term loan bearing effective interest rate of 8% (2003 : 8.4%) per annum, repayable on demand	932	7,533	-	-
Bank term loan bearing effective interest rate of 5% per annum	13,762	-	-	-
Term loans from a finance company bearing effective interest rate of 7% per annum, repayable by 20 monthly instalments commencing May 1996	-	565	-	-
Term loans converted from an overdraft by Danaharta Managers Sdn Bhd bearing effective interest rate of 7.4% per annum, repayable by 23 monthly instalments commencing February 2003	-	686	-	-
	18,462	8,784	3,768	-
Less: Repayments due within 12 months (included in current liabilities, Note 17)	1,211	8,784	279	-
Repayments due after 12 months	17,251	-	3,489	-

The bank term loan of the Company is secured by a first party legal charge over the leasehold land of the Company.

The bank term loan of RM932,000 (2003 : RM7,533,000) is secured by way of legal charges over the leasehold land and building of a subsidiary company and a debenture incorporating fixed and floating charges over the entire assets of the said subsidiary company. It is also guaranteed by the Company.

The bank term loan of RM13,762,000 is secured by assignment of contract proceeds from a project of a subsidiary company. The loan is repayable in 2 instalments as follows:

- 50% of the principal and interest one month after the construction completion date of the project as stipulated in the certificate of practical completion ("CPC") for the project; and
- the remaining 50% of the principal and interest one year after the issuance of CPC or on the 36th month from 28 December 2004, whichever is earlier.

Notes To And Forming Part Of The Financial Statements (Cont'd)

21. DEFERRED TAX LIABILITIES

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
At 1 January	3,008	3,339	353	339
Transfer (to)/from income statement	(576)	(331)	(110)	14
At 31 December	2,432	3,008	243	353

The deferred tax liabilities comprise:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Taxable temporary differences				
- between net book value and tax written down value of property, plant and equipment	2,404	2,134	335	353
- relating to revaluation of leasehold land held for property development	1,258	1,258	-	-
	3,662	3,392	335	353
Less:				
Deductible temporary differences on				
- unused tax losses	889	164	-	-
- unabsorbed capital allowances	109	16	92	-
- other temporary differences	232	204	-	-
	1,230	384	92	-
	2,432	3,008	243	353

At 31 December 2004, the Group has not recognised deferred tax assets arising from the following temporary differences as it is not probable that future taxable profit will be available against which the assets can be utilised.

	Group	
	2004 RM'000	2003 RM'000
Deductible temporary differences on		
- unused tax losses	12,012	14,167
- unabsorbed capital allowances	9,407	8,099
Taxable temporary differences between net book value and tax written down value of property, plant and equipment	(3,032)	(2,106)
	18,387	20,160

Notes To And Forming Part Of The Financial Statements (Cont'd)

22. GROSS REVENUE

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Contract revenue	323,470	359,912	3,259	3,916
Sale of goods	81,588	69,069	-	-
Property development revenue from sale of development units	4,130	2,583	1,156	-
Management fees	-	-	1,009	1,132
	409,188	431,564	5,424	5,048

23. COST OF SALES

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Contract costs	290,518	318,323	1,671	1,552
Cost of goods sold	72,745	63,315	-	-
Property development costs relating to development units sold	3,488	2,447	683	-
	366,751	384,085	2,354	1,552

Notes To And Forming Part Of The Financial Statements (Cont'd)

24. PROFIT/(LOSS) FROM OPERATIONS

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

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Allowance for doubtful debts	1,643	1,999	1,916	3,645
Auditors' remuneration				
- statutory audit				
- current year	146	143	20	20
- overestimated in prior year	(3)	(4)	-	-
- special audit	5	-	-	-
Bad debts written off	3,500	-	-	-
Deferred project expenditure written off	1,036	-	1,036	-
Depreciation	10,889	11,815	666	662
Directors' fees				
- directors of the Company	286	206	286	206
- directors of subsidiary company	48	-	-	-
Directors' remuneration other than fees				
- directors of the Company	1,719	1,307	991	655
- directors of subsidiary company	320	336	-	-
Loss on disposal of property, plant and equipment	-	74	2	-
Property, plant and equipment written off	195	49	24	-
Realised loss on foreign exchange	4	11	-	-
Rental expenses				
- operating leases	300	300	-	-
- land and premises	520	1,066	5	-
- motor vehicles	36	21	-	-
- machinery and equipment	10,481	9,398	-	-
Research and development expenditure	210	120	-	-

and crediting:

Allowance for doubtful debts written back	1,116	623	-	-
Bad debts recovered	200	-	200	-
Gain on disposal of property, plant and equipment	846	-	-	-
Hire of motor vehicles and machinery	976	2,668	-	-
Interest income	3,421	-	-	-
Interest on bank term loan waived	1,558	-	-	-
Rental income	1,010	989	455	463
Unrealised gain on foreign exchange	14	13	-	-

The estimated monetary value of benefits-in-kind received by the directors otherwise than in cash from the Group and the Company amounted to RM49,000 (2003 : RM53,000) and RM47,000 (RM14,000) respectively.

Notes To And Forming Part Of The Financial Statements (Cont'd)

25. FINANCE COSTS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Finance costs incurred during the year comprise:				
Hire purchase term charges	466	780	-	-
Interest expenses on bank borrowings	6,663	10,904	570	2,730
Other interest expenses	3	87	-	273
	7,132	11,771	570	3,003
Less:				
Finance costs classified in contract costs under cost of sales				
Hire purchase term charges	324	543	-	-
Interest expenses on bank borrowings	538	2,149	-	-
	6,270	9,079	570	3,003

26. INVESTMENT INCOME

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Dividend income from:				
- shares quoted in Malaysia	2	-	-	-
- mutual funds and unit trusts	15	-	15	-
- subsidiary company	-	-	7,547	16,000
	17	-	7,562	16,000
Interest income	355	765	12	226
Gain on disposal of investment in a subsidiary company	42	-	10,865	-
Gain on disposal of other investments	28	62	28	-
Goodwill on acquisition written off	-	(40)	-	-
	442	787	18,467	16,226

27. TAX EXPENSE

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Current tax expense				
- current year	1,797	6,417	1,490	4,640
- (over)/underestimated in prior years	(675)	54	(100)	-
	1,122	6,471	1,390	4,640
Deferred tax (income)/expense relating to origination and reversal of temporary differences during the year	(529)	(431)	(110)	14
Deferred tax expense (over)/under estimated in prior year	(47)	100	-	-
	(576)	(331)	(110)	14
	546	6,140	1,280	4,654

Notes To And Forming Part Of The Financial Statements (Cont'd)

27. TAX EXPENSE (Cont'd)

The numerical reconciliations between the tax expense and the product of accounting profit multiplied by the applicable tax rates are as follows:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Accounting profit (excluding share of results of associated companies)	5,203	9,764	12,801	9,139
Tax at the average tax rate of 27.6% (2003 : 27.8%) for the Group and 28% (2003 : 28%) for the Company	1,436	2,714	3,584	2,559
Add:				
Tax effect of expenses not deductible in determining taxable profit:				
Allowance for doubtful debts	70	-	536	1,021
Depreciation of non-qualifying property, plant and equipment	516	613	84	66
Other non-deductible expenses	5,367	5,864	1,501	1,013
	7,389	9,191	5,705	4,659
Less:				
Tax effect of income not taxable in determining taxable profit:				
Gain on disposal of non-qualifying property, plant and equipment	13	-	-	-
Tax exempt dividend income	-	-	386	-
Other non-taxable income	4,335	1,097	3,939	5
Deferred tax income relating to reversal of temporary differences not recognised in prior year	49	267	-	-
Deferred tax income relating to reversal of temporary differences not recognised during the year	1,388	1,841	-	-
Tax effect on utilisation of deferred tax assets during the year not previously recognised	336	-	-	-
	1,773	2,108	-	-
	1,268	5,986	1,380	4,654
Add/(Less):				
Current tax expense (over)/under- estimated in prior years	(675)	54	(100)	-
Deferred tax expense (over)/under estimated in prior year	(47)	100	-	-
Tax expense for the year	546	6,140	1,280	4,654

Notes To And Forming Part Of The Financial Statements (Cont'd)

28. EARNINGS PER SHARE

(i) Basic earnings per share

The basic earnings per share have been calculated based on the consolidated net profit for the year of RM4,737,000 (2003 : RM4,108,000) and on 80,432,000 (2003 : 53,882,000) weighted average number of ordinary shares in issue during the year is calculated as follows:

	2004 RM'000	2003 RM'000
Number of ordinary shares at 1 January	80,000	40,000
Effect of shares issued pursuant to Rights Issue	-	13,882
Effects of shares issued from ESOS between March 2004 and December 2004	432	-
Weighted average number of ordinary shares	80,432	53,882

(ii) Diluted earnings per share

The diluted earnings per share have been calculated based on the consolidated net profit for the year of RM4,737,000 (2003 : RM4,108,000) and on the weighted average number of ordinary shares that would have been issued upon full exercise of the remaining 6,459,200 (2003 : nil) options under ESOS at RM1.00 per share and adjusted for the shares that would have been issued at fair value calculated as follows:

	2004 RM'000	2003 RM'000
Weighted average number of ordinary shares as in (i)	80,432	-
Number of ordinary shares under ESOS		
- based on exercise price	6,459	-
- based on average fair value	(5,209)	-
Weighted average number of ordinary shares that would have been in issue after exercise of ESOS at fair value	81,682	-

Notes To And Forming Part Of The Financial Statements (Cont'd)

29. ANALYSIS OF ACQUISITION AND DISPOSAL OF SUBSIDIARY COMPANIES

(a) Acquisition of subsidiary companies

During the financial year, the Group acquired the following subsidiary companies:

(i) DPBS-BPHB Sdn Bhd ("DPBS")

On 30 July 2004, the Company acquired 600 ordinary shares of RM1 each, representing 60% equity interest in DPBS for a cash consideration of RM600. The principal activities of the newly acquired subsidiary are investment holding and contractors of earthworks, building and road construction. The acquisition was accounted for using the acquisition method of accounting. There was no goodwill or discount on acquisition arising from the acquisition.

(ii) Konsortium DPBSH-BPHB-AGSB Sdn Bhd ("DPBSH")

On 5 August 2004, DPBS subscribed for 550 ordinary shares of RM1 each, representing 55% equity interest in a new subsidiary company, DPBSH for a cash consideration of RM550. The principal activity of this subsidiary is contractor of earthworks, building and road construction.

(iii) Bina Puri Development Sdn Bhd ("BPDSB")

On 25 August 2004, Bina Puri Construction Sdn Bhd ("BPCSB"), a wholly-owned subsidiary of the Company, acquired 240,000 ordinary shares of RM1 each, representing 60% equity interest in BPDSB for a cash consideration of RM240,000. The newly acquired subsidiary was inactive during the financial year under review. The acquisition was accounted for using the acquisition method of accounting. There was no goodwill or discount on acquisition arising from the acquisition.

The effects of acquisition of subsidiary companies on the consolidated net profit, the consolidated financial position and consolidated cash flow statement are as follows:

(i) Effect on consolidated net profit for the year

	Subsidiaries acquired in	
	2004 RM'000	2003 RM'000
Gross revenue	16,031	-
Cost of sales	(16,031)	-
Gross profit	-	-
Other operating income	75	-
Administrative and general expenses	(337)	-
Loss before tax	(262)	-
Tax expense	-	-
Loss after tax	(262)	-
Minority interest	102	-
Decrease in Group's net profit	(160)	-

Notes To And Forming Part Of The Financial Statements (Cont'd)

29. ANALYSIS OF ACQUISITION AND DISPOSAL OF SUBSIDIARY COMPANIES (Cont'd)

(a) Acquisition of subsidiary companies (Cont'd)

(ii) Effect on consolidated financial position

	Subsidiaries acquired in	
	2004 RM'000	2003 RM'000
Non-current assets	1,184	-
Current assets	20,492	-
Non-current liabilities	(13,761)	-
Current liabilities	(5,776)	-
Minority interest	(957)	-
Increase in Group's share of net assets	1,182	-

(iii) Effect on consolidated cash flow statement

	Subsidiaries acquired in	
	2004 RM'000	2003 RM'000
Net assets acquired		
Current assets	402	-
Minority interest	(161)	-
Total purchase consideration	241	-
Less:		
Cash and cash equivalents	(402)	-
Net cash flows on acquisition	(161)	-

Notes To And Forming Part Of The Financial Statements (Cont'd)

29. ANALYSIS OF ACQUISITION AND DISPOSAL OF SUBSIDIARY COMPANIES (Cont'd)

(b) Disposal of a subsidiary company during the financial year

During the financial year, the Group disposed of SLM Quarry (KK) Sdn Bhd (formerly known as KM Road Specialist Sdn Bhd), a wholly-owned subsidiary company of Sungai Long Industries Sdn Bhd, at a nominal sum of RM2.

The effects of disposal of a subsidiary company on the consolidated net profit, the consolidated financial position and consolidated cash flow statement are as follows:

(i) Effect on consolidated net profit for the year

	— Subsidiaries — disposed in 2004	
	2004 RM'000	2003 RM'000
Gross revenue	-	-
Cost of sales	-	-
Other operating income	-	-
Administrative and general expenses	-	(5)
Loss before tax	-	(5)
Tax expense	-	-
Increase in Group's net profit	-	(5)

(ii) Effect on consolidated financial position

	— Subsidiaries — disposed in 2004	
	2004 RM'000	2003 RM'000
Current liabilities	(42)	(42)
Increase in Group's share of net assets	(42)	(42)

(iii) Effect on consolidated cash flow statement

	— Subsidiaries — disposed in 2004 2004 RM'000
Net assets disposed:	
Current liabilities	(42)
Gain on disposal of subsidiary company	42
Sale proceeds	*
Less:	
Cash and cash equivalents	-
Net cash flows on disposal	*

* Represents RM2

Notes To And Forming Part Of The Financial Statements (Cont'd)

30. EMPLOYEE INFORMATION

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Staff costs				
Salaries, wages, allowances and bonuses	27,382	26,865	2,195	1,410
Defined contribution plan				
- EPF contributions	2,878	2,894	240	154
Social security costs				
- SOCSO contributions	247	253	7	6
Other staff related expenses	4,902	2,783	157	146
	35,409	32,795	2,599	1,716

Included in the staff costs of both the Group and the Company are executive directors' remuneration of RM2,039,000 and RM991,000 (2003 : RM1,643,000 and RM655,000) respectively which are disclosed in Note 24.

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Number of employees at year end	770	755	27	19

Notes To And Forming Part Of The Financial Statements (Cont'd)

31. SIGNIFICANT RELATED PARTY TRANSACTIONS

The Group has a controlling related party relationship with its subsidiary companies.

The Group also has related party relationship with the following related parties:

(a) Associated companies of the Company:

- Konsortium Bina Puri-Panzana (Nilai) Sdn Bhd
- Bina Puri Holdings (Thailand) Ltd

(b) Associated companies of a subsidiary company

- SLM Gabungan Sdn Bhd
- Sungai Long Properties Sdn Bhd
- Rock Processors (Melaka) Sdn Bhd

(c) Subsidiary companies of SLM Gabungan Sdn Bhd

- DPBS-Sungai Long (Sabah) Sdn Bhd
- Juara Belia Sdn Bhd
- DT Transport Services Sdn Bhd

(d) Companies or a firm in which a director of the Company, Tan Sri Datuk Tee Hock Seng, JP has substantial financial interest

- Sea Travel & Tours Sdn Bhd
- New Hoong Wah Holdings Sdn Bhd

(e) A company in which a director of the Company, Dato' Mohamed Feisal bin Ibrahim has substantial financial interest

- Perkasa Sutera Sdn Bhd

(f) A company in which directors of the Company, Dr Tony Tan Cheng Kiat, Tee Hock Hin, Tay Hock Lee and Tan Sri Datuk Tee Hock Seng, JP have substantial financial interests

- Ideal Heights Properties Sdn Bhd

Notes To And Forming Part Of The Financial Statements (Cont'd)

31. SIGNIFICANT RELATED PARTY TRANSACTIONS (Cont'd)

Transactions with related parties during the year are as follows:

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Hiring of plant received from:				
- SLM Gabungan Sdn Bhd	59	29	-	-
- Rock Processors (Melaka) Sdn Bhd	95	-	-	-
Sales of quarry products to Rock Processors (Melaka) Sdn Bhd	8,786	1,316	-	-
Management fees charged to:				
- Maskimi Polyol Sdn Bhd	-	-	23	10
- Easy Mix Sdn Bhd	-	-	19	16
- Sungai Long Industries Sdn Bhd	-	-	264	180
- Bina Puri Construction Sdn Bhd	-	-	381	345
- Bina Puri Sdn Bhd	-	-	303	569
Rental income received from:				
- Bina Puri Sdn Bhd	-	-	284	284
- Bina Puri Construction Sdn Bhd	-	-	83	83
Project commission received from:				
- Bina Puri Sdn Bhd	-	-	1,023	2,510
- Bina Puri Construction Sdn Bhd	-	-	504	1,417
- DPBS-BPHB Sdn Bhd	-	-	260	-
Construction services charged by:				
- SLM Gabungan Sdn Bhd	7,309	10,103	-	-
- DPBS-Sungai Long (Sabah) Sdn Bhd	8,307	19,338	-	-
Purchase of quarry products from SLM Gabungan Sdn Bhd	72	6	-	-
Hiring charges by:				
- SLM Gabungan Sdn Bhd	16	8	-	-
- DT Transport Services Sdn Bhd	8	225	-	-
- Juara Belia Sdn Bhd	133	11	-	-
Interest charged by Bina Puri Sdn Bhd	-	-	-	273

Notes To And Forming Part Of The Financial Statements (Cont'd)

31. SIGNIFICANT RELATED PARTY TRANSACTIONS (Cont'd)

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Sub-contractor claims charged by Rock Processors (Melaka) Sdn Bhd	10,490	11,074	-	-
Security & Safety charges by Maskimi Venture Sdn Bhd	-	-	118	50
Purchase of air tickets from Sea Travel & Tours Sdn Bhd	835	607	140	120
Purchase of diesel from New Hoong Wah Holdings Sdn Bhd	4,992	5,165	-	-
Sales of goods to Perkasa Sutera Sdn Bhd	5	21	-	-
Purchase of property, plant and equipment from Ideal Heights Properties Sdn Bhd	1,206	-	-	-
Proceeds from disposal of property, plant and equipment to Rock Processors (Melaka) Sdn Bhd	1,800	-	-	-

The directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business.

Significant non-trade balances with related parties at year end are as follows:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Outstanding balances owing by:				
- Aksi Bina Puri Sdn Bhd	-	-	36	35
- Bina Puri Cambodia Ltd	-	-	797	797
- Bina Puri Construction Sdn Bhd	-	-	3,294	3,783
- Bina Puri HG Corporation Sdn Bhd	-	-	79	92
- Bina Puri Mining Ventures Sdn Bhd (formerly known as Bina Puri HG-Power Sdn Bhd)	-	-	20	18
- Bina Puri Infrastructure Pte Ltd	-	-	36	-
- Bina Puri Plantation Sdn Bhd	-	-	-	6,423
- Gugusan Murni Sdn Bhd	-	-	578	580
- Hamay Glass Sdn Bhd	-	-	26,878	17,645
- Karseng Industries & Engineering Sdn Bhd	-	-	2,985	2,081
- KM Quarry Sdn Bhd	-	-	4,437	3,995
- Latar Project Management Sdn Bhd	-	-	190	204
- Lebuhraya Assamjawa Taman Rimba Berhad	-	-	2,537	2,284
- Maskimi Polyol Sdn Bhd	-	-	1,147	924
- Maskimi Sdn Bhd	-	-	19,793	20,000
- Sungai Long Industries Sdn Bhd	-	-	73	199

Notes To And Forming Part Of The Financial Statements (Cont'd)

31. SIGNIFICANT RELATED PARTY TRANSACTIONS (Cont'd)

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Outstanding balances owing to:				
- Bina Puri Machinery Sdn Bhd	-	-	168	138
- Bumi Pipeline Services Sdn Bhd (formerly known as Bina Puri HG CPB Sdn Bhd)	-	-	38	38
- Konsortium Bina Puri-Panzana Enterprise Sdn Bhd	-	-	63	754
- Maskimi Venture Sdn Bhd	-	-	126	-
- Bina Puri Sdn Bhd	-	-	30,946	24,238
Associated companies				
Outstanding balances owing by:				
- Bina Puri Holdings (Thailand) Ltd	88	-	88	-
- SLM Gabungan Sdn Bhd	2	16	2	13
- Konsortium Bina Puri-Panzana (Nilai) Sdn Bhd	244	247	-	-
- Juara Belia Sdn Bhd	2	17	2	17
- DT Transport Services Sdn Bhd	2	347	2	21
Outstanding balances owing to:				
- SLM Gabungan Sdn Bhd	8	-	-	-
- Juara Belia Sdn Bhd	-	10	-	-
- Sungai Long Properties Sdn Bhd	35	35	-	-
- Konsortium Bina Puri-Panzana (Nilai) Sdn Bhd	-	138	-	-

Notes To And Forming Part Of The Financial Statements (Cont'd)

32. COMMITMENTS

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
(a) Capital commitments				
Approved capital expenditure in respect of				
- Contracted expressway development expenditure (revised, estimated)	1,356,940	1,340,000	550,000	550,000
- 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	-	-
- Contracted development expenditure (estimated)	-	54,267	-	54,267
	1,356,940	1,461,063	550,000	608,828

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
(b) Operating lease commitments				
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	300	600	-	-
	1,800	2,100	-	-

Notes To And Forming Part Of The Financial Statements (Cont'd)

33. CONTINGENT LIABILITIES

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
(a) Unsecured guarantees				
Guarantees given in favour of financial institutions for credit facilities granted to subsidiary companies	-	-	151,888	141,035
Guarantees given to secure hire purchase liabilities of				
- subsidiary companies	-	-	1,484	3,950
- associated company	397	1,154	-	-
Guarantees given in favour of suppliers of goods for credit terms granted to subsidiary companies	-	-	4,300	4,070
Guarantees given on behalf of associated company's performance bonds	99	3,346	-	3,346
Guarantees given for employees' housing loans	37	40	-	-
Guarantees given for performance bonds granted to subsidiary companies	-	-	31,765	60,647
Guarantees given in favour of the Government of Malaysia for financial assistance under the Industry Research and Development Grant Scheme to a subsidiary company	219	53	219	53
	752	4,593	189,656	213,101

(b) Material litigations

- (i) A writ action was filed against the Company in the Shah Alam High Court by Kimpoint Sdn Bhd ("Kimpoint") for a sum of RM8,773,437.50 purportedly owed under a contract. The Company has in turn filed a counter claim against Kimpoint for the return of a sum of RM1,226,562.50. Kimpoint has filed an appeal to the Judge in Chambers against the refusal of the Registrar to order summary judgement in favour of Kimpoint. On 30 September 2004, the Judge in Chambers dismissed Kimpoint's appeal. The trial date has yet to be fixed. At this juncture the Company's solicitors are unable to provide an opinion as to the outcome of this suit with certainty.
- (ii) On 10 July 2002, 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 Kota Kinabalu High Court for work done 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. Their claim is for the sum of RM775,961.17 and general damages to be assessed by the Court. On 19 April 2004, a pre-trial case management was held and the trial date has been fixed on 30 August 2006. The directors are advised that BPCSB has a fairly good chance of defending this suit.

Notes To And Forming Part Of The Financial Statements (Cont'd)

33. CONTINGENT LIABILITIES (Cont'd)

(b) Material litigations (Cont'd)

- (iii) 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. The arbitration proceeding by EP is for the sum of RM17,002,760, general damages, interest and cost against BPSB and Kris Heavy.

On 9 December 2003, the court dismissed BPSB's application for the declaration with cost. The appeal is pending hearing date to be fixed by Court. On 30 September 2004, BPSB filed a notice to change solicitor and on 15 October 2004, the Judge in Chambers directed for a meeting with both counsel. Meeting date has yet to be fixed. The directors are advised that BPSB has an even chance of success.

- (iv) 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.

- (v) 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 of RM94,569 against the Plaintiff and had served further and better particulars to the Plaintiff. Plaintiff's application to strike out BPCSB's further and better particulars was heard on 27 May 2004. At the hearing, the Judge in Chambers allowed the Plaintiff's application and ordered for BPCSB to serve on the Plaintiff a second further and better particulars by 26 June 2004. Therefore, the judgement in default of Plaintiff's defence obtained and filed by BPCSB was rendered nugatory. The second further and better particulars have been filed in court.

On 10 June 2004, there was suppose to be a hearing on Plaintiff's application to set aside BPCSB's judgement in default of defence. But as there was an order to serve on the Plaintiff a second further and better particulars, the hearing has been adjourned indefinitely. On 7 October 2004, the Judge in Chambers ordered for the Plaintiff to provide written submission on their application to set aside BPCSB's judgement in default of defence for which the decision was fixed on 9 November 2004. At the hearing, the Judge in Chambers allowed the Plaintiff's application to set aside BPCSB's judgement in default of defence and BPCSB is ordered to provide written submission within 14 days. At this juncture, BPCSB's solicitors are unable to provide an opinion as to the outcome of this suit with certainty.

34. SEGMENTAL ANALYSIS

(a) Primary reporting format - business segment

The Group's operations comprise the following business segments:

- (i) Construction - contractor of earthworks, building and road construction
- (ii) Property development - property developer
- (iii) Polyol manufacturing - manufacturer of polyol
- (iv) Quarry and ready mix concrete - quarry operator and producer of ready mix concrete
- (v) Glassware manufacturing - ceased operations

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.

2004	Construction		Property development		Polyol manufacturing		Quarry and ready mix concrete		Glassware manufacturing		Elimination		Consolidated	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE														
External sales	323,470		4,130		9,620		71,968		-		-		409,188	
Inter-segment sales	899		-		1,422		18,055		-		(20,376)		-	
Total revenue	324,369		4,130		11,042		90,023		-		(20,376)		409,188	
RESULTS														
Segment operating profit/(loss)	4,322	485		144		1,283		(97)		4,894			11,031	
Finance costs	(5,168)	-		(26)		(518)		(558)		-			(6,270)	
Investment income	400	-		-		42		-		-			442	
Share of results of associated companies	66	-		-		182		-		-			248	
Profit before tax													5,451	
Tax expense													(546)	
- company and its subsidiaries	(505)	(22)		-		(19)		-		-			(66)	
- associated companies	(12)	-		-		(54)		-		-				
Profit after tax													4,839	
Minority interests	27	73		(11)		(191)		-		-			(102)	
Net profit for the year													4,737	

34. SEGMENTAL ANALYSIS (Cont'd)

OTHER INFORMATION	Construction RM'000	Property development RM'000	Polyol manufacturing RM'000	Quarry and ready mix concrete RM'000	Glassware manufacturing RM'000	Elimination RM'000	Consolidated RM'000
Segment assets	298,392	34,005	6,032	52,275	8,121	(51,175)	347,650
Associated companies	457	-	-	1,974	-	-	2,431
Tax recoverable	2,093	19	-	1,262	-	-	3,374
Other investments	1,965	-	-	164	-	-	2,129
Total assets							355,584
Segment liabilities	119,439	22,530	4,770	41,947	35,066	(71,885)	151,867
Borrowings	112,983	-	-	6,643	1,555	-	121,181
Tax payables	5,101	-	-	45	-	-	5,146
Deferred tax liabilities	1,195	1,077	-	160	-	-	2,432
Consolidated total liabilities							280,626
Capital expenditure	7,042	62	75	2,230	-	-	9,409
Depreciation	6,033	14	658	2,652	1,534	(2)	10,889
Non-cash expenses other than depreciation	4,511	(2)	11	(171)	861	-	5,210

Notes To And Forming Part Of The Financial Statements (Cont'd)

34. SEGMENTAL ANALYSIS (Cont'd)

2003	Construction RM'000	Property development RM'000	Polyol manufacturing RM'000	Quarry and ready mix concrete RM'000	Glassware manufacturing RM'000	Elimination RM'000	Consolidated RM'000
REVENUE							
External sales	359,912	2,583	4,963	64,106	-	-	431,564
Inter-segment sales	2	-	-	25,386	-	(25,388)	-
Total revenue	359,914	2,583	4,963	89,492	-	(25,388)	431,564
RESULT							
Segment operating profit/(loss)	19,765	(107)	(941)	(512)	(2,187)	801	18,056
Finance costs	(7,536)	-	(129)	(727)	(2,410)	1,723	(9,079)
Investment income	751	-	-	22	14	-	787
Share of results of associated companies	42	-	-	478	-	-	520
Profit before tax							10,284
Tax expense							
- company and its subsidiaries	(5,706)	(20)	-	(414)	-	-	(6,140)
- associated companies	(15)	-	-	(50)	-	-	(65)
Profit after tax	51	(28)	107	(101)	-	-	4,079
Minority interests							29
Net profit for the year							4,108

34. SEGMENTAL ANALYSIS (Cont'd)

OTHER INFORMATION	Construction RM'000	Property development RM'000	Polyol manufacturing RM'000	Quarry and ready mix concrete RM'000	Glassware manufacturing RM'000	Elimination RM'000	Consolidated RM'000
Segment assets	301,066	32,639	4,996	10,126	52,327	(50,007)	351,147
Associates companies	144	-	-	-	1,746	-	1,916
Tax recoverable	1,638	6	-	-	1,218	-	2,862
Other investments	1,775	-	-	-	164	-	1,889
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
Tax payable	6,620	-	-	-	46	-	6,666
Deferred tax liabilities	1,324	1,082	-	-	602	-	3,008
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

Notes To And Forming Part Of The Financial Statements (Cont'd)

34. SEGMENTAL ANALYSIS (Cont'd)

(b) Secondary reporting - geographical segment

No secondary reporting geographical segment is presented as the Group operates mainly in Malaysia.

35. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's overall financial risk management objectives are to ensure that the Group creates value and maximises returns to its shareholders.

Financial risk management is carried out through risk review, internal control systems, benchmarking the industry's best practices and adherence to Group's financial risk management policies.

The Group has been financing its operations mainly from internally generated funds and bank borrowings. The Group does not find it necessary to enter into derivative transactions based on its current level of operations.

The main risks arising from the financial instruments of the Group are stated below. The management of the Group monitors its financial position closely with an objective to minimise potential adverse effects on the financial performance of the Group. The management reviews and agrees on policies for managing each of these risks and they are summarised below. These policies have remained unchanged during the financial year.

(i) Credit risk

Credit risk arises when progress billings on contract works are raised, sales are made and services are rendered on deferred credit terms.

The entire financial assets of the Group are exposed to credit risk except for cash and bank balances and deposits which are placed with licensed financial institutions in Malaysia and in foreign banks. The Group invests its surplus cash safely and profitably by depositing them with licensed financial institutions.

The Group's exposure to credit risk is monitored on an ongoing basis. The risk is managed through the application of the Group's credit management procedures which include the application of credit approvals whereby credit evaluations are performed on all customers requiring credit over a certain amount and period, adherence to credit limits, regular monitoring and follow up procedures. Concentration of credit risk with respect to trade receivables is limited due to a wide spread of customers.

The Group does not require collateral in respect of financial assets and considers the risk of material loss from the non-performance on the part of a financial counter-party to be negligible.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Notes To And Forming Part Of The Financial Statements (Cont'd)

35. FINANCIAL INSTRUMENTS (Cont'd)

(a) Financial risk management objectives and policies (Cont'd)

(ii) Interest rate risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rate.

The Group is exposed to interest rate risk in respect of its deposits placed with licensed financial institutions, bank borrowings and hire purchase liabilities.

Interest rate risk arising from deposits placements with financial institutions is managed by sourcing for the highest interest rate in the market from amongst licensed financial institutions after taking into account the duration and availability of surplus funds from the Group's operations.

Interest rate risk arising from bank borrowings is subject to floating interest rate with the interest rate spread above the bank's base lending rate agreed before the facility is accepted.

The Group considers interest rate risk on hire purchase financing to be insignificant as the interest rates and repayment terms are fixed at inception.

The effective interest rates for the interest earning financial assets and interest bearing financial liabilities at balance sheet date are disclosed in the respective notes to the financial statements.

(iii) Market risk

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

The Group's exposure to market risk is in respect of its quoted investments. The investments are monitored regularly and subject to periodic review. The investments are assessed for any potential impairment loss on the carrying value and allowance is made for such impairment.

The Group does not use derivative instruments to manage the risk as the investments are held for long term strategic purposes.

(iv) Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk as a result of transactions denominated in foreign currencies entered into by the Group. The Group's exposure to foreign currency exchange risk is monitored on an ongoing basis.

The Group has not hedged against the translation exposure as it does not form a significant proportion of the Group's gross assets.

(v) Liquidity and cash flow risk

Prudent liquidity risk management implies maintaining sufficient cash, deposits and the availability of funding through an adequate amount of committed credit facilities. The Group's exposure to liquidity and cash flow risk is monitored on an ongoing basis. Due to the nature of the business, the Group aims at maintaining flexibility in funding by keeping committed credit lines available. The concentration of liquidity and cash flow risk with respect to hire purchase liabilities and bank borrowings are minimal as the amounts recoverable from the financial assets of the Group are sufficient to meet the committed credit facilities.

Notes To And Forming Part Of The Financial Statements (Cont'd)

35. FINANCIAL INSTRUMENTS (Cont'd)

(b) Fair values

The carrying amounts of the financial assets and liabilities of the Group and of the Company at 31 December 2004 approximated their fair values except for other investment as stated below:

	Group		Company	
	Carrying amount RM'000	Fair values RM'000	Carrying amount RM'000	Fair values RM'000
Shares quoted in Malaysia	216	150	-	-
Mutual funds and unit trusts	740	722	740	722
Unquoted shares	778	*	339	*
Transferable corporate member- ships in golf and country resorts	395	*	10	*

* It is not practical to reasonably estimate the fair values of unquoted shares and golf memberships without incurring excessive costs. These investments are carried at their original costs less accumulated impairment loss in the balance sheets subject to review for impairment.

36. SUBSEQUENT EVENTS

- (a) On 3 January 2005, the Company acquired 100% equity interest, representing 2 ordinary shares of RM1 each in Darjat Juara Sdn Bhd, at a cash consideration of RM2. The newly acquired subsidiary company is currently inactive and its intended principal activity is investment holding.
- (b) On 25 April 2005, the Group disposed of Bumi Pipeline Services Sdn Bhd (formerly known as Bina Puri HG CPB Sdn Bhd), a wholly-owned subsidiary company of Bina Puri HG Corporation Sdn Bhd, at a consideration of RM100,000.

37. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements of the Group and Company were authorised for issue by the board of directors on 26 April 2005.

Statement By Directors

In the opinion of the directors, the financial statements set out on pages 41 to 101 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 2004 and of their results and cash flows for the year then ended; and
- (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 resolution of the directors

DATO' MOHAMED FEISAL BIN IBRAHIM
Director

TAN SRI DATUK TEE HOCK SENG, JP
Director
26 April 2005

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 41 to 101 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
26 April 2005

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TAN SRI DATUK TEE HOCK SENG, JP

Before me:

ROBERT LIM HOCK KEE (W092)
Commissioner for Oaths

Analysis of Shareholdings - as at 29 April 2005

Authorised Capital : RM100,000,000.00
 Issued and Paid-up Capital : RM80,875,400.00
 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	0.00
100 - 1,000	624	30.66	606,733	0.75
1,001 - 10,000	1,178	57.89	4,761,900	5.89
10,001 - 100,000	187	9.19	5,843,255	7.22
100,001 to less than 5% of issued shares	38	1.87	27,027,425	33.42
5% and above of issued shares	6	0.29	42,636,000	52.72
Total	2,035	100.00	80,875,400	100.00

Category of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1. Individual	1,757	86.34	25,056,392	30.98
2. Corporate Body				
(a) Banks, Finance Companies	1	0.05	2,000	0.00
(b) Trusts, Foundations, Charities	2	0.10	10,000	0.01
(c) Private Limited Companies	22	1.08	3,904,400	4.83
(d) Clubs, Associations, Societies	0	0.00	0	0.00
(e) Cooperatives	2	0.10	11,000	0.01
3. Government Agencies/Institutions	0	0.00	0	0.00
4. Nominees	251	12.33	51,891,608	64.16
Total	2,035	100.00	80,875,400	100.00

Additional Information on Shareholders - as at 29 April 2005

SUBSTANTIAL SHAREHOLDERS

	No. of Shares	% of Shares
Tan Sri Datuk Tee Hock Seng, JP	12,334,878*	15.25
Mayban Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Jentera Jati Sdn Bhd (41401197059B)	11,000,000	13.60
Dr. Tony Tan Cheng Kiat	9,078,902*	11.23
HLG Nominee (Asing) Sdn Bhd Qualifier : Commerzbank (SEA) Ltd for Jentera Jati Sdn Bhd	6,000,000	7.42
Dato' Mohamed Feisal Bin Ibrahim	4,938,000	6.11
Henry Tee Hock Hin	4,833,768*	5.98
Cheo Chet Lan @ Chow Sak Nam, KMN	4,257,844*	5.26
Jentera Jati Sdn Bhd	3,388,000	4.19

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

Thirty Largest Shareholders As At 29 April 2005

	No. of Shares	% of Shares
1. Mayban Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Jentera Jati Sdn Bhd (41401197059B)	11,000,000	13.60
2. RHB Capital Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Dr. Tony Tan Cheng Kiat (861025)	8,400,000	10.39
3. Cimsec Nominees (Tempatan) Sdn Bhd Qualifier : CIMB for Tan Sri Datuk Tee Hock Seng, JP (PB Retail Banking)	7,198,000	8.90
4. HLG Nominee (Asing) Sdn Bhd Qualifier : Commerzbank (SEA) Ltd for Jentera Jati Sdn Bhd	6,000,000	7.42
5. AllianceGroup Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Tan Sri Datuk Tee Hock Seng, JP (100508)	5,100,000	6.31
6. Dato' Mohamed Feisal Bin Ibrahim	4,938,000	6.11
7. Henry Tee Hock Hin	3,995,914	4.94
8. Jentera Jati Sdn Bhd	3,388,000	4.19
9. HDM Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Sivananthan A/L K Nata Raja (M10)	2,500,000	3.09
10. AllianceGroup Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Cheo Chet Lan @ Chow Sak Nam, KMN (100528)	2,201,177	2.72
11. AllianceGroup Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Cheo Chet Lan @ Chow Sak Nam, KMN	1,756,707	2.17
12. Tay Hock Lee	1,596,707	1.97
13. Tee Hock Loo	1,243,707	1.54
14. AllianceGroup Nominees (Tempatan) Sdn Bhd Qualifier : Pheim Asset Management Sdn Bhd for Employees Provident Fund	1,120,300	1.39
15. HSBC Nominees (Asing) Sdn Bhd Qualifier : HSBC-FS for Pheim-Aizawa Asia Fund	741,500	0.92
16. Cimsec Nominees (Tempatan) Sdn Bhd Qualifier : CIMB for Tang Chai Yoong (PB)	715,500	0.88
17. Dr. Tony Tan Cheng Kiat	678,902	0.84

Thirty Largest Shareholders As At 29 April 2005 (Cont'd)

	No. of Shares	% of Shares
18. PAB Nominee (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Henry Tee Hock Hin (O/A Bina Jati Sdn Bhd-Tmn Midah)	648,354	0.80
19. Malini A/P Arulampalam	609,000	0.75
20. Ang Beng Eng	541,077	0.67
21. Lee Kat Choy	501,000	0.62
22. Sakayamary A/P V.T. George	500,000	0.62
23. TA Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Chong Khong Shoong	500,000	0.62
24. Kuala Lumpur City Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Lee Kat Choy (D19)	467,870	0.58
25. Sai Yee @ Sia Say Yee	355,000	0.44
26. AllianceGroup Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Cheah Ban Seng (100469)	342,200	0.40
27. Cheo Chet Lan @ Chow Sak Nam, KMN	300,000	0.37
28. Pacific Strike Sdn Bhd	197,200	0.24
29. RC Nominees (Tempatan) Sdn Bhd Qualifier : EON Finance Berhad for Henry Tee Hock Hin (UOA)	189,500	0.23
30. Tan Kian Kok	179,133	0.22

List Of Properties - 31 Dec 2004

Location	Date of Acquisition	Description	Tenure	Year Expiry	Land / Built-up Area	Age building (years)	Usage of properties	Net Book Value As at 31 Dec 04 RM'000
HS(M) 13570 PT No. 22184 Mukim of Batu District of Gombak Selangor Darul Ehsan	1 July 1998	5 1/2 storey office building	Leasehold	2089	17,920 sq ft	7	Office	16,270
HS (M) 12980 PT No. 21686 Mukim of Batu District of Gombak Selangor Darul Ehsan	9 Feb 1995	1 unit condominium	Leasehold	2089	2,719 sq ft	12	Guest House	830
HS (M) 13457 PT No. 22071 & HS (M) 13458 PT No 22072 Mukim of Batu District of Gombak Selangor Darul Ehsan	30 June 1997	2 units 2 1/2 storey shoplot	Leasehold	2089	3,576 sq ft	11	Office	674
Master Title PM 279 Lot 52161 Mukim Batu District of Gombak Selangor Darul Ehsan	13 Nov 1997	1 unit 2 1/2 storey shoplot	Leasehold	2089	2,278 sq ft	11	Tenanted	612
HS(D) 4231, 4234, 4235, 4276 & 4282 PT 9506, 9509, 9510, 9553 & 9559 Mukim of Dengkil District of Sepang Selangor Darul Ehsan	30 Sept 1998	5 units Factory	Leasehold	2095	18,105 sq ft	8	Tenanted	2,372
Master Title HS (D) 38672 Lot No 15237 Mukim Ampang District of Ulu Langat Selangor Darul Ehsan	24 Jan 1997	1 block of 8 storey office building	Leasehold	2078	6,400 sq ft	6	Tenanted	6,494
GM806/MI/4/34 PTK No. 34, TLET 4 BGN MI - LOT 5820 GM806/MI/4/35 PTK No. 35, TLET 4 BGN MI - LOT 5820 Mukim of Sri Rusa Port Dickson	1 Jan 1997	2 units condominium	Freehold	-	1,992 sq ft	8	Guest House	365
Parcel A-1009 Storey No. 10 Block A MPAJ Square Mukim Ampang Selangor Darul Ehsan	1 April 2000	Office building	Leasehold	2093	1,085 sq ft	6	Vacant	293

List Of Properties - 31 Dec 2004 (Cont'd)

Location	Date of Acquisition	Description	Tenure	Year Expiry	Land / Built-up Area	Age building (years)	Usage of properties	Net Book Value As at 31 Dec 04 RM'000
HS(M) 5918 No. 7439 HS(M) 5919 PT No.7440 Mukim Hulu Langat District of Hulu Langat State of Selangor	27 May 2004	Semi - detached Houses	Freehold	-	303 Sq meter	1	Vacant	1,192
HS(D) 49744,49819, 49818,49814 PT 35602, 35677, 35676 35672 Mukim Kajang District of Hulu Langat	15 June 2001	4 units Shoplot	Freehold	-	6,600 sq ft	4	Vacant	2,018
HS (D) 23094 Lot No 1495 Mukim of Hulu Langat District of Ulu Langat Selangor Darul Ehsan	1 May 1990	Granite deposit area	Leasehold	2010	634 acres	-	Extracting of granite aggregates	594
Lot 925 Lot 843 Daerah Alor Gajah Mukim Melaka Pindah Melaka	12 August 1997	Vacant land	Leasehold	2033 2024	3.7 acres 2.4 acres	-	Premix plant	289
Plot A/ 692 Plot B/ 693 Plot C / 694 Daerah Alor Gajah Mukim Melaka Pindah Melaka	2 Mar 1998	Granite deposit area	Leasehold	2027 2027 2027	24.3 acres 16.3 acres 54.4 acres	-	Extracting of granite aggregates	1,068
Lot 709, 952, 954, 955, 956,958, 1060 Daerah Alor Gajah Mukim Melaka Pindah Melaka	12 August 1997	Vacant land	Freehold	-	15.4 acres	-	Weigh bridge & Crusher plant	935
HS (M) 4327 PT 2019 Mukim of Kapar District of Kelang Selangor Darul Ehsan	30 Nov 1989	Factory & office building	Leasehold	2060	2.2 acres	15	Factory	2,250
EMR 5500 Lot 3927 Mukim of Kapar District of Kelang Selangor Darul Ehsan	23 Dec 1995	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 : (603) 6136 3333
Fax : (603) 6136 9999
Website : <http://www.binapuri.com.my>
Email : 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 : (603) 6136 3333
Fax : (603) 6136 9999
Email : 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 : (603) 6137 8500
Fax : (603) 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 : (6088) 254 766
Fax : (6088) 254 788
Email : bpcsbkk@tm.net.my

Northern Region Office
No 1B Tingkat, Jalan Todak 5
Pusat Bandar Seberang Jaya
13700 Prai, Pulau Pinang, Malaysia
Tel : (604) 398 5500
Fax : (604) 398 7500
Email : bpcnorth@time.net.my

BINA PURI DEVELOPMENT SDN. BHD. (645395-X)

No 25, 1st Floor, Lot 311
Jalan Bukit Mata,
93100 Kuching, Sarawak, Malaysia
Tel : (6082) 248 766
Fax : (6082) 243 766
Email : bpdev@myjaring.net

EASY MIX SDN. BHD. (242217-D)

EASICRETE PRECAST SDN. BHD. (246157-M)

Batu 11, Jalan Hulu Langat
43100 Hulu Langat
Selangor Darul Ehsan, Malaysia
Tel : (603) 9021 5851
Fax : (603) 9021 5798
Email : easy mix@po.jaring.my

KM QUARRY SDN. BHD. (409397-V)

No 16-1, Jalan PE 35
Taman Paya Emas Fasa 2A
76450 Paya Rumpit, Melaka
Malaysia
Tel : (606) 312 4286
Fax : (606) 312 4278
E-mail : kmquarry@my.jaring.net

MASKIMI POLYOL SDN. BHD. (405559-D)

Unit 1-8, Lot 5815
Jalan Reko, 43000 Kajang
Selangor Darul Ehsan, Malaysia
Tel : (603) 8733 2078
Fax : (603) 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, Jalan Hulu Langat
43100 Hulu Langat
Selangor Darul Ehsan, Malaysia
Tel : (603) 9021 2400
Fax : (603) 9021 2425
Email : 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
Malaysia
Tel : (603) 8068 3319
Fax : (603) 8068 3309
E-mail : slmtc@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 : (6088) 254 766
Fax : (6088) 254 788
E-mail : bpcsbkk@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 Darul Ehsan, Malaysia
Tel : (603) 6138 6102
Fax : (603) 6138 7890
E-mail : ihp@po.jaring.my

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BINA PURI HOLDINGS BHD

(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 Fourteenth Annual General Meeting of Company to be held at Ground Floor, Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan on Monday, 20 June 2005 at 11.00 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 2004 and the Reports of Directors and Auditors thereon.		
2.	To re-elect YBhg. Tan Sri Datuk Tee Hock Seng, JP as Director		
3.	To re-elect Mr.Tay Hock Lee as Director		
4.	To re-elect YBhg. Dato' Anad Krishnan a/l Muthusamy as Director		
5.	To ratify and approve directors' annual fees of RM286,000.00		
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 with: 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		

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 this day of 2005

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 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 and 10, 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 27 May 2005 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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