ANNUAL REPORT 2007

Since 1975

BINA PURI HOLDINGS BHD

207184-X

MISSION

- To be a world class organisation achieving corporate excellence
- To be the best in our industry, committed to nation building, adding value 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

CONTENTS

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting of the Company will be held at Ground Floor, Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan on Wednesday, 28 May 2008 at 11.00 a.m. to transact the following business:

AGENDA

1. To receive the Audited Accounts for the year ended 31 December 2007 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 Dr. Tony Tan Cheng Kiat **Resolution 3**
   2.3 YBhg. Dato' Anad Krishnan a/l Muthusamy **Resolution 4**

3. To approve the final dividend of 4% less 26% income tax in respect of the financial year ended 31 December 2007. **Resolution 5**

4. To ratify and approve directors' annual fees of RM243,000.00 **Resolution 6**

5. To re-appoint Messrs Moores Rowland as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**

Special business

To consider and if thought fit, pass the following resolutions as ordinary resolutions:

Ordinary Resolutions

6. **Proposed Renewal of 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 6 May 2008 which are necessary for their day-to-day operations with :

   6.1 Sea Travel and Tours Sdn. Bhd. and New Hoong Wah Holdings Sdn. Bhd. **Resolution 8**
   6.2 Kumpulan Melaka Berhad **Resolution 9**

   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;

   (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 the 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.

Notice of Dividend Entitlement and Payment

NOTICE IS ALSO HEREBY GIVEN that the final dividend, if approved, will be paid on 18 August 2008 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 1 August 2008.

A Depositor shall qualify for entitlement only in respect of:

(a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 1 August 2008 in respect of transfers; and
(b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

TOH GAIK BEE
MAICSA 7005448
Group Company Secretary

Selangor Darul Ehsan
Date: 6 May 2008

NOTES:

1. *A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 ("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 at least 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 Notes on Special Business:
Proposed renewal of shareholders' mandate for recurrent related party transactions
The ordinary resolutions 8 and 9, 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 6 May 2008 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)

DIRECTORS WHO ARE SEEKING RE-ELECTION AT THE SEVENTEENTH ANNUAL GERERAL MEETING

The details of the three (3) Directors seeking re-election are set out in their respective profiles which appear in the Profile of Directors from pages 7 and 9 of this Annual Report. The details of their interest in the securities of the Company are set out in the Analysis of Shareholdings disclosed in page 107 of this Annual Report.

Group Corporate Structure

BINA PURI HOLDINGS BHD.
(207184-X)

Construction Division

- **100%** Bina Puri Sdn. Bhd. (23296-X)
  - **100%** Bina Puri Construction Sdn. Bhd. (181471-P)
    - **100%** Bina Puri Development Sdn. Bhd. (645395-X)
    - **100%** Bina Puri Vietnam Co. Ltd. (43/GP-BV)
    - **60%** Latar Project Management Sdn. Bhd. (409396-U)
  - **100%** Bina Puri Machinery Sdn. Bhd. (250807-M)
  - **100%** Easy Mix Sdn. Bhd. (242217-D)
    - **100%** Bina Puri Properties Sdn. Bhd. (246157-M)
  - **70%** Karseng Industries & Engineering Sdn. Bhd. (163448-U)
  - **12%** Ideal Heights Properties Sdn. Bhd. (127701-D)
- **100%** Bina Puri Infrastructure Pte. Ltd. (38706)
- **100%** Bina Puri (B) Sdn. Bhd. (formerly known as Dynacorp Sdn. Bhd.) (RC/00006344)
- **99.97%** Bina Puri Pakistan (Private) Ltd. (0062406)
- **80%** Bina Puri (Libya) Sdn. Bhd. (212673-H)
- **60%** Bina Puri Gah Sdn. Bhd. (721968-H)
- **60%** DPBS-BPHB Sdn. Bhd. (656041-T)
  - **55%** Konsortium DPBSH-BPHB-AGSB Sdn. Bhd. (661791-X)
- **51%** Konsortium Bina Puri - Panzana Enterprise Sdn. Bhd. (383940-P)
- **50%** KL-Kuala Selangor Expressway Bhd. (409881-W)
- **49%** Bina Puri Holdings (Thailand) Ltd. (0105547046786)
  - **51%** Bina Puri (Thailand) Ltd. (0105547057486)
- **40%** Konsortium Bina Puri - Panzana (Nilai) Sdn. Bhd. (453355-P)

Manufacturing/Quarry Division

- **100%** Maskimi Sdn. Bhd. (107999-M)
  - **100%** Maskimi Venture Sdn. Bhd. (377437-V)
  - **90%** Maskimi Polyol Sdn. Bhd. (405559-D)
  - **70%** KM Quarry Sdn. Bhd. (409397-V)
  - **65%** Hamay Glass Sdn. Bhd. (85650-M)
  - **51%** Sungai Long Industries Sdn. Bhd. (198655-D)
    - **100%** Sungai Long Bricks Sdn. Bhd. (332315-X)
      - **100%** Sungai Long Plaster Industries Sdn. Bhd. (386217-U)
    - **50%** Sungai Long Properties Sdn. Bhd. (245505-V)
    - **40%** Rock Processors (Melaka) Sdn. Bhd. (605068-M)

Property Development Division

- **100%** Gugusan Murni Sdn. Bhd. (231371-T)
- **70%** Aksi Bina Puri Sdn. Bhd. (426300-V)

Other Activities

- **100%** Bina Puri Plantation Sdn. Bhd. (426625-P)
- **100%** Bina Puri Juara Sdn. Bhd. (666714-H)
- **100%** Bina Puri Cambodia Ltd.
- **60%** Bina Puri Mining Ventures Sdn. Bhd. (260433-H)

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	Independent Non-Executive Director
Matthew Tee Kai Woon	Alternate Director to Tan Sri Datuk Tee Hock Seng, JP

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)
CIMB 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

Board of Directors

Profile of Directors

Dato' Mohamed Feisal Bin Ibrahim, Malaysian, aged 58, 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 and Chairman of Aliran Ihsan Resources Bhd., director of Gula Padang Terap Bhd. and also sits on the Board of various companies. He is also a member of the Supervisory Committee of the Motors Division, Sime Darby Berhad.

As at 31 March 2008, he held 5,325,900 ordinary shares of BPHB and did not have any securities holdings in any subsidiaries of BPHB.

There were no 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 and no other business arrangements with BPHB in which he has personal interests for the financial year ended 31 December 2007.

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

He attended all five (5) Board meetings held during the financial year ended 31 December 2007.

Tan Sri Datuk Tee Hock Seng, JP, Malaysian, aged 59, 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 31 years business acumen in trading, construction and development. He is responsible for the day-to-day operations of the Group.

Presently, he is an Exco member of Malaysia South-South Association and Perdana Leadership Foundation. He is also a Director of Malaysian South-South Corporation Berhad and Malaysian Industry-Government Group for High Technology ("MiGHT").

He serves as the Executive Advisor of the Malaysian Chinese Association Federal Territory State Liaison Committee and the Selangor & Federal Territory Builder Association, Chairman of Barisan Nasional Bahagian Cheras (2006-2008), Division Chairman of MCA Bahagian Cheras and Chairman of Malaysia Quarry Association. He is also the Chairman of The Federation of Hokkien Associations of Malaysia, Chinese Maternity Hospital (KL) and Confucian Secondary School, Life Honorary Chairman of The International Friendship of Eng Choon Associations, Deputy President of The Associated Eng Choon Societies of Malaysia, Vice President of Kuala Lumpur Eng Choon Hoey Kuan and Director of Tung Shin Hospital. He is also the Honorary Chairman of Young Malaysians Movement, Gerakan Belia Bersatu Malaysia and Xiang Lian Youth Association as well as a Council Member of Malaysian Bible Seminary. He is also an Elder of Elim Chapel.

He was accorded by the Construction Industry Development Board the 2005 "Most Prominent Player" award, one of the highest individual accolade recognised by the industry.

As at 31 March 2008, he held 13,717,978 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 page111 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 five (5) Board meetings held during the financial year ended 31 December 2007.

Dr Tony Tan Cheng Kiat, Malaysian, aged 60, 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 31 March 2008, he held 9,078,902 ordinary shares of BPHB and did not have any securities holdings in any subsidiaries of BPHB.

There were no 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 and no other business arrangements with BPHB in which he has personal interests for the financial year ended 31 December 2007.

He is a member of the Group Executive Committee and attended all five (5) Board meetings held during the financial year ended 31 December 2007.

Henry Tee Hock Hin, Malaysian, aged 50, 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 31 March 2008, he held 5,007,768 ordinary shares of BPHB and did not have any securities holdings in any subsidiaries of BPHB.

There were no 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 and no other business arrangements with BPHB in which he has personal interests for the financial year ended 31 December 2007.

He attended all five (5) Board meetings held during the financial year ended 31 December 2007.

Tay Hock Lee, Malaysian, aged 54, 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 31 March 2008, he held 1,611,707 ordinary shares of BPHB and did not have any securities holdings in any subsidiaries of BPHB.

There were no 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 and no other business arrangements with BPHB in which he has personal interests for the financial year ended 31 December 2007.

He attended all five (5) Board meetings held during the financial year ended 31 December 2007.

Khalid Bin Sufat, Malaysian, aged 52, was appointed to the Board of BPHB on 15 August 2001. He is an Accountant by profession and a member of the Malaysian Institute of Accountants (MIA). He is also a Fellow of the Chartered Association of Certified 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, General Manager, Consumer Banking of Malayan Banking Berhad and Executive Director of United Merchant Finance Berhad.

He had previously managed three listed companies, namely as Executive Director of Tronoh Mines Malaysia Berhad, as Deputy Executive Chairman of Furqan Business Organisation Berhad and Group Managing Director of Seacera Tiles Berhad.

His directorships in other public listed company include Amtek Holdings Bhd., Syarikat Kayu Wangi Bhd. and Malaysia Building Society Bhd. He does not have any securities holdings in BPHB or in any subsidiaries of BPHB. He is currently the Chairman of Audit Committee, Remuneration Committee and Nomination Committee.

He attended all five (5) Board meetings held during the financial year ended 31 December 2007.

Yusuf Khan bin Ghows Khan P.P.T., Malaysian, aged 66, 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 and Judicial Services as Magistrate, Senior Assistant Registrar High Court, Senior President Sessions Court, Assistant Treasury Solicitor (Housing Loan Division), Senior Federal Counsel and Chief Legal Adviser, Ministry of Defence, Malaysia cum Principal Legal Officer Armed Forces 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 all five (5) Board meetings held during the financial year ended 31 December 2007.

Dato' Anad Krishnan a/l Muthusamy, Malaysian, aged 54, was appointed to the Board of BPHB on 1 May 2005. A lawyer by profession, Dato' Anad graduated with a Bachelor of Law (Hons) from the University of Singapore 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 31 March 2008, 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.

He attended all five (5) Board meetings held during the financial year ended 31 December 2007.

Matthew Tee Kai Woon, Malaysian, aged 33, was appointed as Alternate Director to YBhg. Tan Sri Datuk Tee Hock Seng, JP on 18 December 2007. He is a Chartered Accountant and has been admitted as a member of the Malaysian Institute of Accountants (MIA). He is also a Certified Financial Planner and a member of the Certified Practising Accountant, Australia.

He was the Administrator of the Chinese Maternity Hospital from 2001 to 2003 and was previously attached to PriceWaterhouseCoopers in the audit department. He is currently the Vice President of Master Builders Association Malaysia and a council member of Malaysian Steel Structural Association. He also holds directorships in several other companies.

As at 31 March 2008, he held 293,200 ordinary shares of BPHB and did not have any securities holdings in any subsidiaries of BPHB.

There were no 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 and no other business arrangements with BPHB in which he has personal interests for the financial year ended 31 December 2007.

There is 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.
3. Matthew Tee Kai Woon is the son of Tan Sri Datuk Tee Hock Seng, JP, nephew of Tay Hock Lee and Tee Hock Hin and grandnephew of Dr Tony Tan Cheng Kiat.

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.

Dato' Mohamed Feisal bin Ibrahim, D.P.M.P

Executive Chairman's Statement

"I am pleased to present Bina Puri Holdings Berhad's Annual Report and Financial Statements for the Company and the Group in respect of the year ended 31 December 2007."

Grace Garden Condominium, Kota Kinabalu, Sabah.

FINANCIAL RESULTS

For the year ended 31 December 2007, Bina Puri Holdings Berhad's results for the year were satisfactory, we recorded a 24% increase in our revenue of RM607.9 million as compared to RM491.6 million recorded in 2006. Correspondingly, profit before tax increased by 33% to RM8.5 million as compared with the RM6.4 million recorded in the previous year, while earnings per share ended at 8.60 sen (2006 : 6.33 sen).

FOUNDATION FOR GROWTH

We achieved several milestones in 2007, which I believe positions our Group for solid prospects in terms of our future growth.

- We are proud recipients of the Contractors Award 2007, presented by Construction Industry Development Board (CIDB) in recognition of our operational skills for the construction of a 39-storey building for 180 units of the Capital Square Condominiums in Kuala Lumpur.

- We have completed a number of projects in Malaysia with total value of RM611.5 million, among these, Grace Gardens Condominiums, Sabah in February 2007, the Jalan Sipitang-Tenom roadworks, Sabah, in April 2007, the Capital Square Condominiums and Retail Centres as well as the Signature Offices in Kuala Lumpur in June 2007, and the Pavement and Rehabilitation works in Cheras for the Grand Saga highway in September 2007.

- On the international front, we have managed to secure projects in Middle East and South Asia. In United Arab Emirates, the Group with our joint venture partner, Syarikat Permodalan Kebangsaan Berhad, secured the construction works worth of equivalent to RM444 million for 2 Towers of a residential, commercial and recreational development in May 2007. We were also awarded the contract of about RM186 million for the construction of 174 units of housing for Defence Raya Golf and Country Club, Lahore, Pakistan in August 2007.

BUSINESS OUTLOOK AND PROSPECTS 2008

Bina Puri Holdings Berhad remains committed to its objectives of delivering a steady growth in earnings to our shareholders.

For 2008 and in the medium term, the construction industry in Malaysia is expected to show stable prospects. The Government's planned expenditure as highlighted in the Ninth Malaysia Plan (9MP) is expected to take place at the pace that we saw for the Eighth Malaysia Plan. We see the construction industry as being relatively unaffected by the obvious slowdown in the US economy.

Our Group continues to pursue diversification in our portfolio of construction jobs. This means that our earnings within Malaysia are well balanced between the public sector and private sector, while our international operations are mainly in Thailand, other ASEAN countries, Middle Eastern and South Asian countries.

Further for long term sustainability, Bina Puri Holdings Bhd together with our partner secured the toll concession from the Government of Malaysia for the KL-Kuala Selangor Expressway.

180 units of Capital Square Condominium, Kuala Lumpur.

We are already aggressively bidding for more international orders and will continue to pursue new projects both locally and internationally to spread out our sources of revenue. Also, the construction sector has to deal with the challenges of an unprecedented increase since late 2007 in the cost of construction materials, principally for steel bars, cement supplies, and for transportation expenses. Our Group has responded to these with internal initiatives taken to enhance performance, and we are optimistic that our Group will be able to consistently deliver value to our clients and remain competitive to deliver well-completed projects despite the adverse outlook in the prices of construction materials supplies.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Our main mandate is the expansion of Bina Puri's business base but we also take seriously the need to be a responsible corporate citizen. Our Corporate Social Responsibility programme has been designed to give back to society some of our good fortune.

The Bina Puri Group of Companies believes in maintaining good community relations and we have set up regular care activities. This takes place in many forms including providing financial aid to poor and needy members of society. We have sponsored special community events and have contributed to social activities where our staff are actively involved.

Some of the notable CSR initiatives by the Group during the year were:-

- Our Undergraduate Scholarship Awards for deserving students - our commitment to educating underprivileged students
- Our Education Incentives for school students who excelled in examinations for the PMR, SPM, STPM and Advanced Diplomas
- Our medical aid for heart patient - through a contribution to Yayasan Bakti Khidmat Masyarakat Malaysia

Visit to Orphanage Home at Chon Buri, Bangkok, Thailand.


Retail Centre and Signature Offices of Capital Square, Kuala Lumpur.

- Our participation in a "Fast to Fund" for the Palestine, Spastic Children Association of Federal Territory and Selangor, and the Tabung Pendidikan Tahfiz Al-Quran Malaysia

DIVIDENDS

The Board has recommended a final dividend of 4% per share less 26% income tax for the financial year ended 31 December 2007 making the total dividend declared for the current financial year to 6% per share (5% in 2006), subject to the approval of the shareholders at the forthcoming Annual General Meeting.

ACKNOWLEDGEMENTS

The achievements of Bina Puri Berhad are attributed to our pool of dedicated and committed employees. On behalf of the Board of Directors, I wish to express my deepest gratitude to the management team and our staff for their unwavering support and commitment. I also like to convey my appreciation to the financiers, business partners and the relevant approving authorities that have graciously supported our Group in achieving our objectives.

Finally, I extend my warmest appreciation and gratitude to my fellow Board members for their guidance and assistance and the shareholders for your continued support and confidence in us.

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

Tan Sri Datuk Tee Hock Seng,
PSM, PGDK, ASDK, JP

Group Managing Director's Review of Operations

"In 2007, the Group registered a record revenue of RM607 million and a net profit attributable to shareholders of the Company of RM7.0 million, its highest since 1995. We trust we will achieve better results in the coming years."

OVERVIEW

In 2007, the Group registered a record revenue of RM607 million and a net profit attributable to shareholders of the Company of RM7.0 million, its highest since 1995. We trust we will achieve better results in the coming years.

Our growth path has become significantly international as we take hold of opportunities in fast growing markets for the construction business that are in the ASEAN region and in the Middle East. We currently have on-going projects in Abu Dhabi, Brunei, Pakistan and Thailand which contribute to more than half of our order books.

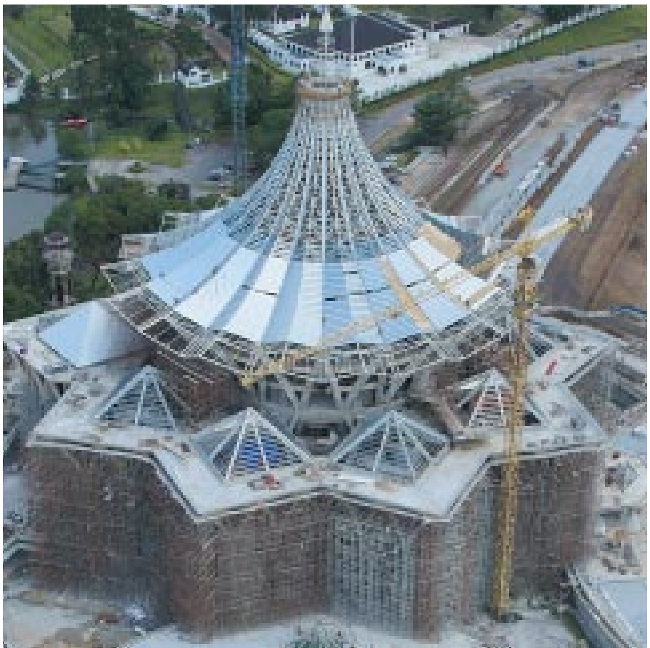
To continually be competitive and relevant, we need to be good at technological innovation, adaptable to changing market needs and to deliver quality works despite escalating raw material costs.

Our commitment to building shareholders' value, our experienced operations staff together with our long standing ties with suppliers and subcontractors are part of our core values and operations that have contributed to Bina Puri's success over the years.

CONSTRUCTION DIVISION

In 2007, we managed to increase our order book to RM2.0 billion from RM1.6 billion in 2006.

The Malaysian Government through its Ninth Malaysia Plan (9MP) introduced several mega projects such as the Iskandar Malaysia, Northern Corridor Economic Region (NCER) and East Coast Economic Region (ECER). These projects are expected to keep Malaysia's construction sector busy for next five years. The local construction sector registered a growth of 4.6% after consecutive declines since 2003.



Dewan Undangan Negeri at Petrajaya, Kuching, Sarawak.

Kolej Universiti Islam Selangor (KUIS), Bangi, Selangor.

During the financial year under review, the challenges faced by Bina Puri were to sustain high energy prices and increases in building material costs, i.e. steel bars and cement. The construction division recorded a higher revenue of RM456.7 million in 2007 as compared to RM404.0 million in 2006. Profit before tax reduced to RM1.5 million as compared to RM6.1 million recorded in 2006. The lower than expected profit before tax was mainly a result of higher energy and material costs.

ON GOING PROJECTS

We will be completing within this year the construction of the State Administrative Centre, the new Dewan Undangan Negeri at Petrajaya, Kuching, Sarawak. The design of the 9 storey State Legislative Assembly building has unique elements of Sarawak's heritage with intelligent building automation, multimedia communication facilities and environmental friendly features.

NEW PROJECTS - MALAYSIA

The construction division is confident of securing more projects listed under the 9th Malaysia Plan with more Federal and State projects being rolled out in the next 4 years.

Bina Puri with its experienced project managers and sound fundamentals will be able to benefit by securing medium to large scale projects.

Nearly completion - A Space Condominium at On Nut, Suan Luang District, Bangkok, Thailand.

174 units of villas at the Defence Raya Golf and Country Club, Lahore, Pakistan.

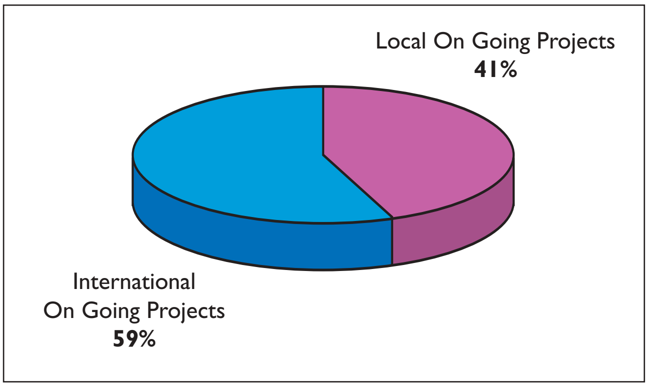
NEW PROJECTS - INTERNATIONAL

With our established presence in Thailand we have been awarded in January 2008 the construction contract of a high-end condominium in Sukhumvit, Bangkok by S & S Sukhumvit Co. Ltd, a Capital Land project. We have also been actively bidding for projects that will enhance the Group's profitability and reputation in the countries we operate in.

The list of new major projects secured during 2007 is as follows:-

No	New Major Projects	Contract Sum RM Equivalent (Million)
Thailand		
1	6 Blocks of 7-Storey & 2 Blocks of 8-Storey Condominium at On Nut Suang Luang District, Bangkok, Thailand	64
2	5-storey apartment building for the National Housing Authority in Hatai Rat, Bangkok, Thailand	36
3	5-storey apartment building under the Low Cost Housing Project at Wat Si Warinoi, Samut Prakan District, Bangkok, Thailand for the National Housing Authority of Thailand.	74
4	3 blocks of 8-storey condominium buildings at Asoke-Ratchada, Din Daeng Road, Bangkok, Thailand	25
5	3 storey apartment buildings under the Low Cost Housing Project in Saraburi Province Bangkok, Thailand for the National Housing Authority of Thailand.	81
Brunei Darussalam		
6	Brunei Economic Development Board involving advance works at the Sungai Liang Industrial Park, Belait District.	33
Pakistan		
7	Defence Housing Authority (DHA) Lahore for the construction of villas at the Defence Raya Golf and Country Club.	186
Abu Dhabi, United Arab Emirates		
8	Construction of 2 Towers of Phase 1, Plot 1, Zone B Residential, Commercial and Recreational Development at Al Ream Island. The project is scheduled for completion by September 2009	444
	Total	**943**

ONGOING PROJECTS - LOCAL & INTERNATIONAL FOR YEAR 2007



PROPERTY DIVISION

The Property Division recorded revenue in 2007 of RM35.6 million and profit before tax of RM2.6 million as compared to the previous year of RM7.4 million and RM0.6 million respectively. The improved performance is attributable to progressive profits from sales realized on our high-end Jesselton condominium in Kota Kinabalu, Sabah.

We have also launched Phase 2 of Taman Malawa Jaya in Kota Kinabalu which comprises of 4-storey walk-up apartments totaling 96 units.

QUARRY OPERATIONS AND CONSTRUCTION MATERIALS DIVISION

The quarry and ready mix concrete division recorded revenues in 2007 of RM107.9 million, 63% higher as compared to RM66.2 million last year. Profit before tax was RM3.3 million as compared to RM1.5 million recorded in the previous year. The increase in revenues and profit before tax is attributed to additional projects secured by the Group. Effective cost control measures and enhanced production efficiencies has also contributed to this Division's performance for the year under review.

POLYOL DIVISION

Maskimi Polyol Sdn Bhd which uses a "green" product, vegetable oil based polyurethane (PU) registered revenue of RM23.3 million and profit before tax of RM1.0 million, as compared to RM17.1 million and RM94,000 respectively recorded in year 2006. We are delighted that our investment in this division is finally bearing showing positive results.

In June 2007, Maskimi Polyol Sdn Bhd finally made a breakthrough in the PU flexible foam industry and it is now an active supplier in this steadily expanding and lucrative business.

We remain optimistic that going forward, this Division will contribute to the Group's growth.

Taman Melawa Jaya, Phase 2, Sepangar Bay, Kota Kinabalu, Sabah.

Maskimi Polyol factory at Kajang, Selangor.

PROSPECTS

The coming year promises to be a busy and eventful one. While executing the many projects that are on-hand, we are aggressively bidding for new orders within and outside Malaysia.

After long delay we finally in February 2008, together with our partner secured on revised terms the Toll Concession from the Government of Malaysia for the KL-Kuala Selangor Expressway ("Expressway"). The Expressway is a 33 KM dual carriageway running from Taman Rimba Templer to AssamJawa. The construction of the Expressway is expected to commence by 3rd Quater of 2008. This Concession will be for 40 years.


Board of Directors and the Senior Management of Bina Puri Group of Companies.

Despite uncertainties regarding the impact of a slowdown in the US economy in 2008, Malaysia's economic growth is expected to remain encouraging with an expected 5.5% - 6% p.a. GDP increase in 2008. Within this context we believe the demand for construction contractors in Malaysia remains favourable for the key suppliers, as operating capacity continues to be stretched given an increasing orientation in the industry to existing and new clients in overseas markets.

APPRECIATION

Throughout the year, our management and staff have displayed exemplary commitment, professionalism and a great passion for success and excellence. They have responded well to the challenges of a competitive and more international operating environment. I want to express my deep appreciation for the teamwork and dedication.

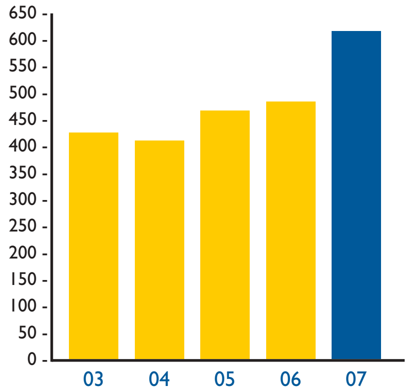
Bina Puri also enjoys the support of our business partners, suppliers, contractors, bankers and various government authorities. I express our Group's sincere thanks to all of you.

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

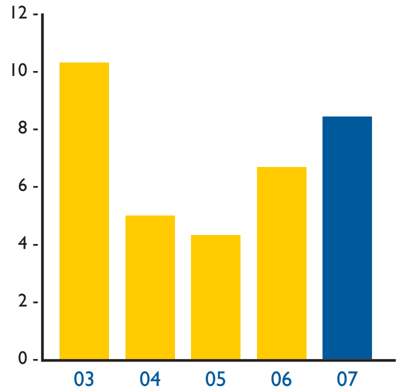
Group Financial Highlights

Group Financial Highlights	2007 RM'000	2006 RM'000	2005 RM'000	2004 RM'000	2003 RM'000
Revenue	607,869	491,571	464,768	409,188	431,564
Profit before taxation	8,528	6,409	4,917	5,385	10,219
Profit attributable to the shareholders of the Company	7,020	5,122	4,054	4,737	4,108
Dividends paid (Net)	2,979	2,330	1,748	–	864
Issued share capital	82,666	80,925	80,925	80,727	80,000
Equity attributable to Shareholders of the Company	73,766	67,984	65,460	62,956	57,492
Total assets	500,043	616,555	500,111	355,584	357,814
Earnings per share (sen)	8.60	6.33	5.01	5.89	7.62
Net assets per share attributable to Shareholders of the Company (RM)	0.89	0.84	0.81	0.78	0.72
Share price (RM)					
- High	1.41	0.90	1.23	1.63	1.33
- Low	0.63	0.60	0.66	1.01	0.72

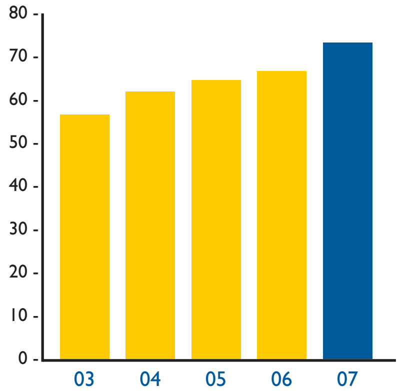
Revenue (RM Million)



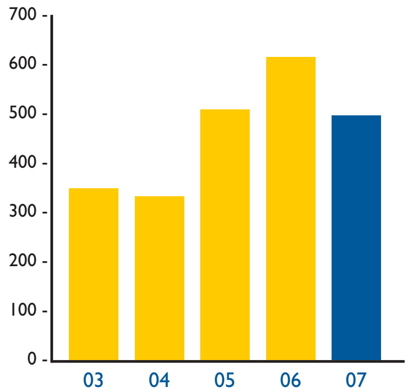
Profit Before Taxation (RM Million)



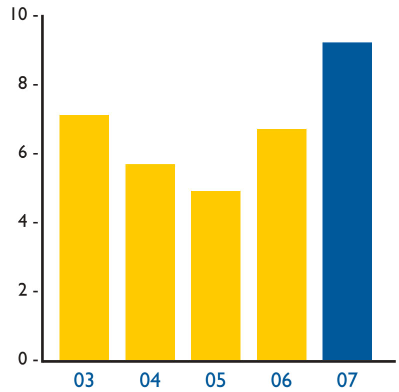
Shareholders' Equity (RM Million)



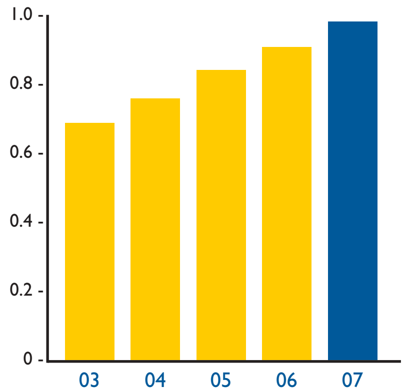
Total Assets (RM Million)



Earnings Per Share (Sen)



Net Assets Per Share (RM)



Calendar of Events 2007-2008

1 APRIL 2007
The successful completion of Jalan Sipitang-Tenom, Sabah. The work involved construction of two-lane single carriageway covering a distance of 54km including five bridges and one underpass with contract value of RM227.3 million.

5 JUNE 2007
The 16th Annual General Shareholders Meeting was held on Tuesday, 5 June 2007 Wisma Bina Puri, Selayang, Selangor. The meeting was chaired by Executive Chairman, YBhg Dato' Mohamed Feisal bin Ibrahim.

JUNE 2007
Maskimi Polyol Sdn Bhd, a subsidiary of Bina Puri Holdings Bhd penetrated into the PU Flexible Foam using Natural Oil Polyol (NOP).

30 JUNE 2007
Bina Puri - Zublin JV had successfully completed the construction of the Retail Centre and Signature Office with contract sum of RM106.6 million. The project comprises of 2 blocks of 5-storey signature office namely block A&D, 2 blocks of 4-storey signature offices namely block B & C and 1 block of 4-storey retail centre with total build up of 430,400 sq ft.

18 JUNE 2007
SPK-Bina Puri JV, a joint venture company between Pembinaan SPK Sdn Bhd and Bina Puri Holdings Bhd signed a Contract Agreement with Al Tamouh Investments LLC for "The Execution and Implementation of Phase 1 Plot 1 Zone B Residential, Commercial and Recreational Development of Al Reem Island, Abu Dhabi, United Arab Emirates" with the total contract value of AED490.7 million (approximately RM444 million).

29 AUGUST 2007
Bina Puri secured the Proposed Housing Development Phase VI for Defence Housing Authority (DHA) in Lahore, Pakistan. The project involves the construction of villas at the Defence Raya Golf & Country Club. The work is sub-contracted from BRD Construction Sdn Bhd with contract sum of about RM186 million (PKR 3.2 billion).

31 AUGUST 2007

Bina Puri (Thailand) Ltd, a member company of Bina Puri Holdings Bhd signed a contract agreement with Areeya Property Plc, in the name of "BINA PURI-TRANSKON-DIMARA JV" to undertake the construction of 3 blocks of 8-storey condominiums known as the "A-Space project" (ASOKE-RACHADA) with a contract sum of Thai Baht 233.93 million (approximately RM 25.32 million).

30 OCTOBER 2007

Bina Puri secured two contracts in Brunei involving the Advance Works at the Sungai Liang Industrial Park, Belait District, Brunei Darusalam. Both contracts are expected to be completed by August 2008 with total contract sum of about RM33.58 million (B$14.6 million).

16 DECEMBER 2007

Capital Square Condominium project won the Contractor Award G7 in the Malaysian Industry Excellent Award (MCIEA) 2007, with stiff competition from other reputable projects in Malaysia.

The award presentation was held at Kuala Lumpur Convention Centre, YBhg Tan Sri Datuk Tee Hock Seng, JP, Group Managing Director represented Bina Puri - Zublin JV to receive the award.

16 SEPTEMBER 2007

Chief Minister of Sarawak, YAB Pehin Sri Abdul Taib Mahmud officiated the topping-up ceremony of the new state-of-the-art Dewan Undangan Negeri (DUN) Complex in Petrajaya, Kuching, Sarawak. The project is expected to be completed in June 2008.

8 NOVEMBER 2007

Bina Puri (Thailand) Ltd, a member company of Bina Puri Holdings Bhd has signed a contract agreement with Tanayong Public Company Limited, to undertake the construction 3-storey apartments in Saraburi Province (Koak Yea), Thailand, under the "Low Cost Housing Project" for the National Housing Authority of Thailand (NHA). The total contract sum is Thai Baht 744 million (approximately RM 81 million).

24 JANUARY 2008

Bina Puri Thailand Ltd completed the 1st Phase of Bangplee Project comprising of 22 blocks, 4-storey walk up apartments.

The handing over ceremony was held at the project site and were attended by Mr Chanyut Kosirinond, Acting Permanent Secretary, Minister of Social Development and Human Security of Thailand, HE Mr Surapol Channoi, Deputy Governor, National Housing Authority of Thailand, HE Dato' Shaarani bin Ibrahim, Ambassador of Malaysia to Kingdom of Thailand and En Zaid Zakaria, General Manager, International Division, Construction Industry Development Board of Malaysia CIDB.

31 JANUARY 2008
Bina Puri (Thailand) Ltd, a member company of Bina Puri Holdings Bhd received a letter of confirmation from S&S SUKHUMVIT CO., LTD to undertake the construction of 2 blocks of 18 & 22 stories Residential Condominium at Sukhumvit 101/1, Bangkok, Thailand. The total contract sum is Thai Baht 812 million (approximately RM 81 million).

26 FEBRUARY 2008
A total of 9 staff of Bina Puri Group of Companies were awarded the Best Employee Award 2007.

28 FEBRUARY 2008
KL-Kuala Selangor Expressway Berhad (formerly known as Lebuhraya Assamjawa Taman Rimba Berhad), a unit of Bina Puri Holdings Bhd entered into a Supplemental Agreement with The Government of Malaysia ("the Government") to vary the terms and conditions of the Concession Agreement signed with the Government on 10 November 1997 to grant KL-Kuala Selangor Expressway Berhad a toll concession. The concession period has been revised to 40 years.

Audit Committee Report

Member of the Committee	Designation in the Company
Khalid bin Sufat (Chairman)	Independent Non-Executive Director
Yusuf Khan bin Ghows Khan	Independent Non-Executive Director
Dato' Anad Krishnan a/l Muthusamy	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. All the Audit Committee members must be non-executive directors with a majority of them being Independent Directors. The composition of the Audit Committee shall meet the independence and requirements of the Listing Requirements of Bursa Malaysia Securities Berhad and other rules and regulations of the Securities Commission.

(b) At least one member of the Audit Committee:

i. is a member of the Malaysian Institute of Accountants; or

ii. if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and
- must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
- must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or

iii. fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad.

(c) In the event of any vacancy in the Audit Committee, the Directors shall within three (3) months of that event, appoint such new members to make up the minimum number of three (3) members.

(d) An Alternate Director shall not be appointed as a member of the Audit Committee.

CHAIRMAN

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

ATTENDANCE AT MEETINGS

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

The Audit Committee is able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

SECRETARY

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

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 2007, the Committee met a total five (5) times. The following is the attendance record of the Audit Committee members:

Audit Committee members	Designation	No. of meetings attended
Khalid bin Sufat	Independent Non-Executive Director	5/5
Yusuf Khan bin Ghows Khan	Independent Non-Executive Director	5/5
Dato' Anad Krishnan a/l Muthusamy	Independent Non-Executive Director	5/5

AUTHORITY

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

(b) to review with the external auditor, his evaluation of the system of internal controls;

(c) to review with the external auditor, his audit report;

(d) to review the assistance given by the Company's officers to the external auditor;

(e) to review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;

(f) 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;

(g) 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;

(h) to review any related party transactions that may arise within the Company or Group;

(i) to recommend and consider the nomination and appointment of external auditors as well as their audit fee;

(j) to consider any letter of resignation from the external auditor and any questions of resignation or dismissal;

(k) to consider any other functions as may be agreed to by the Committee and the Board of Directors.

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 Audit Committee Report and its recommendations to the Board for inclusion in the Annual Report;

(b) Reviewed the Statement on Internal Control and Statement on Corporate Governance and its recommendations to the Board for inclusion in the Annual Report;

(c) Reviewed the external auditor's audit plan and report for the year;

(d) Reviewed the external auditor's evaluation of the system of internal controls;

(e) Reviewed the internal audit reports, recommendations, programmes and plans for the year under review and management's response;

(f) Reviewed the results of follow-up audits conducted by the Internal Auditors on the Management's implementation of audit recommendations;

(g) Reviewed the annual report and audited financial statements of the Company and the Group prior to the submission to the Board for 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 FRS and other legal requirements;

(h) Reviewed the quarterly unaudited financial results announcements before recommending them for Board approval;

(i) Reviewed related party transactions that may arise within the Company or the Group;

(j) Considered and recommended to the Board for approval of the audit fees payable.

STATEMENT BY AUDIT COMMITTEE ON THE COMPANY'S EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

Appendix 9C, Part A (26) of the Listing Requirements of Bursa Securities Malaysia Berhad requires a Statement by the Audit Committee in relation to the allocation of share options pursuant to any share scheme for employees as stated in paragraph 8.21A. The Audit Committee is satisfied that the allocation of options pursuant to the Company's ESOS during the financial year ended 31 December 2007 is in accordance with the criteria set out in the ESOS bye-laws.

INTERNAL AUDIT FUNCTION

The Company has outsourced the internal audit function to a professional firm to develop a strategic Internal Audit Plan covering years 2006 to 2008, subject to review annually. The role of the internal auditor is to review the adequacy and the integrity of the Company's internal control system and recommend controls to manage identified risks.

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 on Corporate Governance ("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 2007, the Board met five (5) times. Details of attendance of Directors at the Board Meetings are as follows:-

Attendance at Board Meetings

Directors	No. of meetings attended
Dato' Mohamed Feisal bin Ibrahim	5/5
Tan Sri Datuk Tee Hock Seng, JP	5/5
Dr. Tony Tan Cheng Kiat	5/5
Henry Tee Hock Hin	5/5
Tay Hock Lee	5/5
Yusuf Khan bin Ghows Khan	5/5
Khalid bin Sufat	5/5
Dato' Anad Krishnan a/l Muthusamy	5/5

(c) **Appointment and Re-election of the Board of Directors**

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

All the 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 Listing Requirements of Bursa Malaysia Securities Berhad.

(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 in pages 22 to 24.

(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 2007 are as follows:

i. Aggregate remuneration of directors categorised into appropriate components:

In RM '000	Salaries	Fees	Bonus	EPF/ Socso	Benefits-in-kind	Total
Executive Directors	1,447	37	286	150	55	1,975
Non-Executive Directors	468	206	56	64	27	821
Total	1,915	243	342	214	82	2,796

ii. Aggregate remuneration of each Director

Range of remuneration	No. of Directors Executive	No. of Directors Non-Executive
RM0 - RM50,000		
RM50,001 - RM100,000		3
RM100,001 - RM150,000		
RM150,001 - RM200,000		
RM200,001 - RM250,000		1
RM250,001 - RM300,000		
RM300,001 - RM350,000		
RM350,001 - RM400,000		
RM400,001 - RM450,000		1
RM450,001 - RM500,000		
RM500,001 - RM550,000	1	
RM550,001 - RM600,000		
RM600,001 - RM650,000		
RM650,001 - RM700,000	1	
RM700,001 - RM750,000		
RM750,001 - RM800,000	1	
Total	**3**	**5**

(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. During the year, all the Directors attended training endorsed by Bursa Malaysia Securities Berhad.

The training programmes attended by the directors during the year 2007 are as follows:-

1. Forensic Accounting and Investigation
2. Regional Conference 2007 - Southern Malaysia : Driving Regional Economic Growth
3. The Malaysian Code on Take-Overs and Mergers : Issues and Challenges
4. The Practical Aspects in conducting General Meeting of Public Listed Companies
5. Audit Committee Role and Internal Audit Function
6. Corporate Governance and Media
7. Adopting Corporate Social Responsibility Initiatives

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 judgement and estimates.

(b) **Internal Control**

The statement on internal control is set out in pages 30 and 31 of the Annual Report.

(c) **Relationship with Auditors**

The functions of the Audit Committee in relation to the external auditors are disclosed in page 23 of the Annual Report.

4. SHAREHOLDERS' COMMUNICATION AND INVESTOR RELATIONS

(a) **Dialogue with Investors**

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

i. The Annual Report

ii. The various disclosures and announcements made to the Bursa Malaysia Securities Berhad including the Quarterly Results and Annual Results; and

iii. BPHB's website at www.binapuri.com.my

(b) **Annual General Meeting**

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

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

5. ADDITIONAL COMPLIANCE INFORMATION

(a) **Utilisation of Proceeds**

There were no proceeds raised by the Company from any corporate proposals during the financial year ended 31 December 2007.

(b) **Share Buy-Back**

There was no share buy-back exercise for the financial year ended 31 December 2007.

(c) **Options, Warrants or Convertible Securities Exercised**

There were no options, warrants or convertible securities exercised during the financial year ended 31 December 2007.

(d) **American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")**

There was no ADR or GDR Programme sponsored by the Company.

(e) **Sanctions and/or Penalties Imposed**

There were no sanctions and/or penalties imposed on the Company or its subsidiaries, directors or management by the relevant regulatory bodies.

(f) **Non-Audit Fees**

The amount of non-audit fees paid to a company affiliated to the auditors' firm by the Company and its subsidiaries for the financial year ended 31 December 2007 was RM61,500.

(g) **Variation of Results**

The results for the financial year ended 31 December 2007 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 said financial year.

(h) **Profit Guarantee**

The Company has not issued any profit guarantee in the financial year ended 31 December 2007.

(i) **Material Contracts**

None of the directors and major shareholders has any material contract with the Company and/or its subsidiaries during the financial year under review.

(j) **Revaluation Policy on Landed Properties**

The Group did not adopt a policy on regular revaluation of its landed properties.

Internal Control Statement

The Malaysian Code of Corporate Governance ("the Code") stipulates that the Board of listed companies should maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. Pursuant to paragraph 15.27(b) of the Bursa Malaysia Listing Requirements, the Board of Directors ("the Board") is pleased to provide the following statement, which outlines the nature, scope and status of the Group's internal control for the year ended 31 December 2007.

The Board affirms the overall responsibility for maintaining a sound system of internal controls and for reviewing their adequacy and integrity so as to safeguard shareholders' investments and the Group's assets. However, it should be noted that any system of internal control is designed to manage rather than to eliminate the risk of failure to achieve business objectives. Accordingly, the internal control system can only provide reasonable and not absolute assurance against material misstatement or loss, and risks should be continually monitored and managed at all times.

KEY INTERNAL CONTROL FEATURES

The following key internal control mechanisms are in place in the governance of the Group's operations:-

- Clearly defined operating structure and lines of responsibilities. Various Board and Management Committees have been established to assist the Board in discharging its duties including:-
  - Group Executive Committee
  - Audit Committee
  - Nomination Committee
  - Remuneration Committee
  - ESOS Committee

  A process of hierarchical reporting is in place to establish accountability in the business operations.

- Policies and procedures are developed to cover various operational areas to ensure accountability and proper segregation of duties and made available to all staff as guidance in their day-to-day work. The policies and procedures are regularly reviewed and updated when necessary.

- Delegated Authority Limits are established for various financial and non-financial transactions and regularly reviewed and revised to ensure their effectiveness.

- Adequate insurance of major assets e.g. buildings, machinery and site equipment in the major operating subsidiary companies is in place to ensure that the Group is sufficiently covered against any mishap that will result in material losses to the Group.

- An ISO 9001:2000 Quality Management System, which is subject to regular review and improvement, continually manages and controls the quality requirement of the Group's products and services.

- Frequent sites visits by the contract officers and project management team are established in monitoring the progress of projects undertaken by the Group. The ongoing performances of each business operating unit are reviewed on a monthly basis and the performance reviews are reported to the Board on a quarterly basis.

- A standardised performance management system is developed to continually appraise and reward the employees of the Group. Emphasis is also placed on enhancing the quality and capability of human assets through training and development programmes developed, which enhance their ability to operate efficiently and monitor the system of controls effectively.

- A Safety Committee is in place and is in compliance with Section 30(1) of Occupational Safety and Health Act, 1994.

ASSURANCE MECHANISM

The Group had established an Audit Committee with the primary objective of assisting the Board to review the adequacy and integrity of the Group's internal control and management information systems. In discharging its duties, the internal audit function of the Group is outsourced to BDO Governance Advisory Sdn. Bhd. ("BDOGA").

BDOGA independently reviews the adequacy and integrity of the system of internal controls and reports to the Audit Committee on a quarterly basis. The annual audit plan covering the key activities of the Group is tabled to the Audit Committee for discussion and approval.

For year 2007, BDOGA has completed four (4) internal control reviews according to the annual audit plan. The audits conclude that systems of internal control exist throughout the Group. The weaknesses and their impacts to the business organisation, audit's recommendations, Management's rectification action plans and follow-up actions taken arising from the audits were promptly reported to the Audit Committee.

GOING FORWARD

The Board is committed to continually strengthen the transparency and efficiency of its operations. This will be supported by an assessment independent of operations on the adequacy and integrity of the controls by BDOGA, the external party outsourced to oversee the internal audit function of the Group. Other initiatives deemed necessary will be considered from time to time in order for ensuring that the control environment remains reasonably secure.

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:

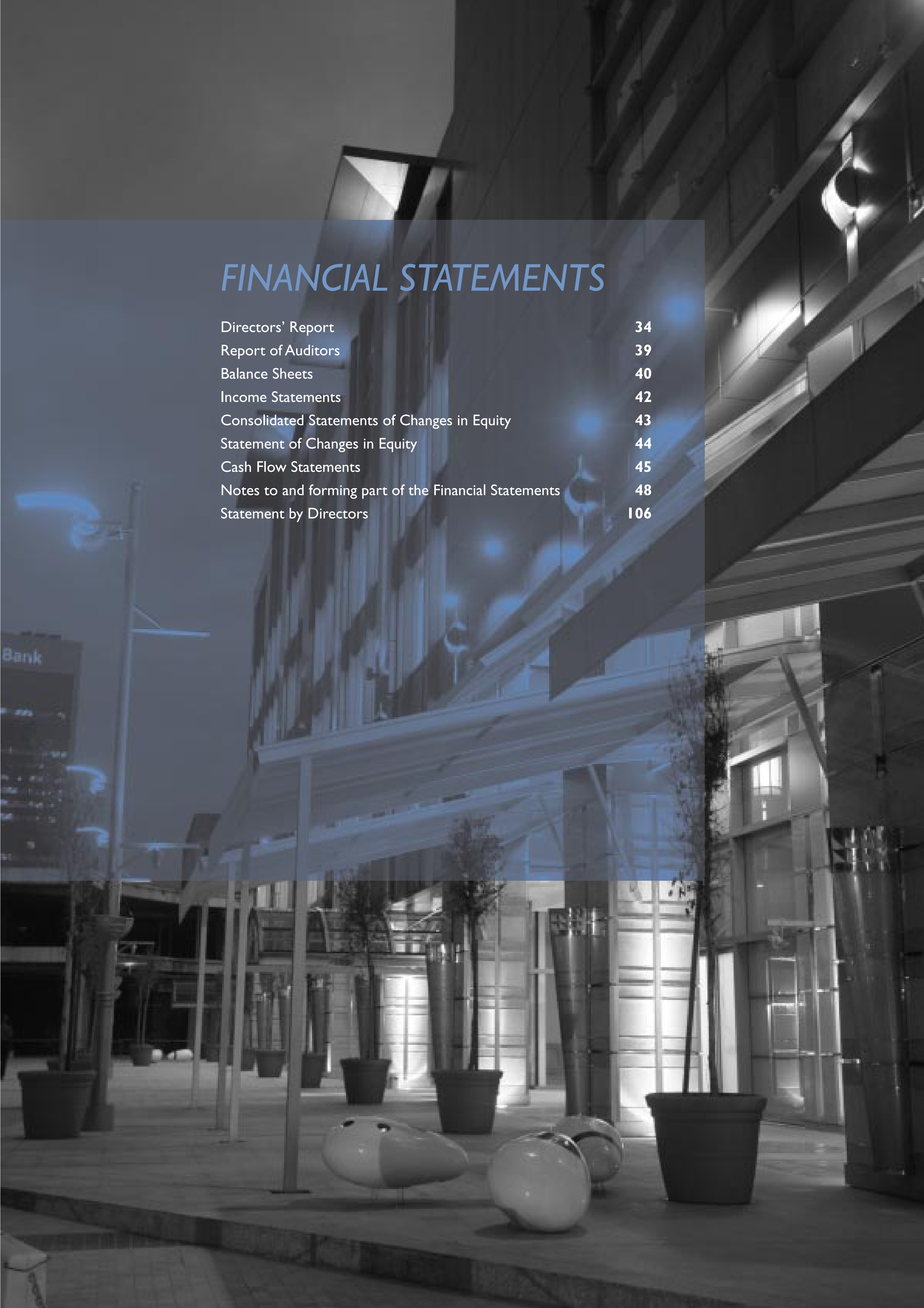
1. selected suitable accounting policies and applied them consistently;

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 the Company have adequate resources to continue in operational existence for the foreseeable future and that the Group and the 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.



FINANCIAL STATEMENTS

Directors' Report

For the year ended 31 December 2007

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 2007.

PRINCIPAL ACTIVITIES

The principal activities of the Company are provision of project management services and investment holding. The principal activities of the subsidiaries are indicated in Note 6 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
Net profit for the year	7,976	10,077
Attributable to:		
Shareholders of the Company	7,020	10,077
Minority interests	956	–
	7,976	10,077

DIVIDENDS

Dividends paid or declared by the Company since the end of the previous financial year were as follows:

(a)	In respect of the financial year ended 31 December 2006 as disclosed in the directors' report of that year - Final dividend of 3% less 27% tax paid on 28 June 2007	RM1,772,380
(b)	In respect of the financial year ended 31 December 2007 - Interim dividend of 2% less 27% tax paid on 28 December 2007	RM1,206,872

The directors now recommend the payment of a final dividend of 4% less 26% tax amounting to RM2,447,000 for the financial year ended 31 December 2007 subject to approval of the shareholders at the forthcoming annual general meeting.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the financial statement.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 1,740,900 new ordinary shares of RM1.00 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

In 2004, 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 RM1.00 each at an exercise price of RM1.00 per share are as follows:

	Number of options over ordinary shares
At 1 January 2007	4,707,100
Granted	2,596,200
Exercised	(1,740,900)
Lapsed	(227,900)
At 31 December 2007	5,344,500

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 (alternate: Matthew Tee Kai Woon, appointed on 18-12-2007)
Dr Tony Tan Cheng Kiat
Tee Hock Hin
Tay Hock Lee
Yusuf Khan Bin Ghows Khan
Khalid Bin Sufat
Dato' Anad Krishnan A/L Muthusamy

In accordance with the Company's Articles of Association, Tan Sri Datuk Tee Hock Seng, JP, Dr Tony Tan Cheng Kiat and Dato' Anad Krishnan A/L Muthusamy retire by rotation 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 or its related corporations during the financial year except as follows:

	Number of ordinary shares of RM1 each			
	At 1-1-2007 / Date of appointment	Bought	Sold	At 31-12-2007
The Company				
Dato' Mohamed Feisal Bin Ibrahim	5,238,000	67,900	–	5,305,900
Tan Sri Datuk Tee Hock Seng, JP	13,539,578	180,300^	–	13,719,878#
Dr Tony Tan Cheng Kiat	9,078,902	–	–	9,078,902*
Tee Hock Hin	4,833,768	154,000	–	4,987,768*
Tay Hock Lee	1,596,707	15,000	–	1,611,707
Dato' Anad Krishnan A/L Muthusamy	10,000	–	–	10,000*
Matthew Tee Kai Woon	238,100	–	(15,100)	223,000

^ bought under own name and Tee Hock Seng Holdings Sdn Bhd
# includes beneficial interest held through nominee companies and indirect holding through Tee Hock Seng Holdings Sdn Bhd
* includes beneficial interest held under nominee companies

By virtue of his interests in shares in the Company, Tan Sri Datuk Tee Hock Seng, JP is deemed to be interested in shares in all the subsidiaries to the extent the Company has an interest.

	Number of options over ordinary shares			
	At 1-1-2007 / Date of appointment	Granted	Exercised	At 31-12-2007
Dato' Mohamed Feisal Bin Ibrahim	192,000	67,900	(67,900)	192,000
Tan Sri Datuk Tee Hock Seng, JP	192,000	67,900	(144,000)	115,900
Dr Tony Tan Cheng Kiat	240,000	67,900	–	307,900
Tee Hock Hin	192,000	67,900	(144,000)	115,900
Tay Hock Lee	–	156,000	(15,000)	141,000
Matthew Tee Kai Woon	28,600	–	–	28,600

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

	Number of ordinary shares of RM1 each			
	At 1-1-2007	Bought	Sold	At 31-12-2007
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 30 and 37 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.

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 there were no known bad debts but 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 it necessary to write off any 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 subsidiaries 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 subsidiaries which has arisen since the end of the financial year.

(d) No contingent or other liability of the Company or its subsidiaries 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 subsidiaries 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.

OTHER STATUTORY INFORMATION (cont'd)

(f) In the opinion of the directors:

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Moores Rowland, 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

21 April 2008

Report of the Auditors to the Members

Financial Statements - 31 December 2007

We have audited the financial statements of the Company set out on pages 40 to 105. These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. 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 assessing the accounting principles used and significant estimates made by the directors as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards for Entities Other Than Private Entities so as to give a true and fair view of:

   (i) the state of affairs of the Group and of the Company at 31 December 2007 and of their results and cash flows for the year ended on that date; and

   (ii) 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; and

(b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and by the subsidiaries 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 6 to the financial statements.

We are satisfied that the financial statement of the subsidiaries 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 subsidiaries were not subject to any qualification, and in respect of subsidiaries incorporated in Malaysia, did not include any comment made under section 174(3) of the Act.

MOORES ROWLAND
No. AF: 0539
Chartered Accountants

GAN MORN GHUAT
No. 1499/5/09 (J)
Partner

Kuala Lumpur
21 April 2008

Balance Sheets

31 December 2007

	Note	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	3	**58,544**	52,292	**20,133**	19,073
Prepaid lease payments	4	**2,034**	2,144	**635**	643
Investment properties	5	**1,135**	1,680	**–**	–
Investments in subsidiaries	6	**–**	–	**40,738**	40,619
Investments in associates	7	**4,157**	2,023	**946**	790
Investment in jointly controlled entity	8	**857**	–	**–**	–
Other investments	9	**7,381**	1,411	**6,486**	465
Land held for property development	10	**10,257**	10,257	**–**	–
Expressway development expenditure		**14,309**	19,919	**–**	6,318
Deferred tax assets	11	**853**	1,200	**–**	–
		99,527	90,926	**68,938**	67,908
CURRENT ASSETS					
Inventories	12	**5,123**	7,168	**–**	–
Property development costs	13	**15,967**	18,118	**3,137**	5,181
Gross amount due from customers	14	**94,265**	49,855	**2,607**	666
Trade and other receivables	15	**232,751**	401,589	**18,697**	19,349
Amount owing by subsidiaries	16	**–**	–	**38,174**	25,196
Amount owing by associates	17	**15,407**	7,573	**12,103**	5,462
Amount owing by a jointly controlled entity	8	**505**	–	**505**	–
Current tax assets		**3,071**	4,487	**139**	2,819
Fixed and time deposits	18	**18,486**	17,026	**1,616**	56
Cash and bank balances	19	**14,941**	19,813	**349**	550
		400,516	525,629	**77,327**	59,279
TOTAL ASSETS		**500,043**	616,555	**146,265**	127,187
EQUITY					
Share capital	20	**82,666**	80,925	**82,666**	80,925
Share premium, non-distributable		**3,288**	3,288	**3,288**	3,288
Merger reserve, non-distributable		**40**	40	**–**	–
Other capital reserves, non-distributable	21	**15,682**	15,682	**–**	–
(Accumulated loss)/Unappropriated profit		**(27,910)**	(31,951)	**19,674**	12,576
Equity attributable to shareholders of the Company		**73,766**	67,984	**105,628**	96,789
Minority interests		**11,470**	10,664	**–**	–
TOTAL EQUITY		**85,236**	78,648	**105,628**	96,789

	Note	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
NON-CURRENT LIABILITIES					
Government grant	22	**90**	101	**–**	–
Hire purchase liabilities	23	**6,445**	3,843	**247**	186
Bank term loans	24	**2,747**	99,276	**1,178**	2,937
Deferred tax liabilities	25	**652**	663	**124**	200
		9,934	103,883	**1,549**	3,323
CURRENT LIABILITIES					
Gross amount due to customers	14	**260**	2,258	**–**	1,349
Trade and other payables	26	**212,193**	172,245	**10,652**	6,430
Amount owing to subsidiaries	16	**–**	–	**328**	5,991
Amount owing to associates	17	**7,799**	223	**–**	–
Hire purchase liabilities	23	**3,156**	1,994	**60**	33
Bank borrowings	27	**181,177**	255,342	**28,048**	13,272
Current tax liabilities		**288**	1,962	**–**	–
		404,873	434,024	**39,088**	27,075
TOTAL LIABILITIES		**414,807**	537,907	**40,637**	30,398
TOTAL EQUITY AND LIABILITIES		**500,043**	616,555	**146,265**	127,187

Notes to and forming part of the financial statements are set out on pages 48 to 105
Auditors' Report - page 39

Income Statements

For the year ended 31 December 2007

	Note	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Gross revenue	28	**607,869**	491,571	**47,804**	35,080
Cost of sales	29	**(563,774)**	(453,857)	**(26,826)**	(11,835)
Gross profit		**44,095**	37,714	**20,978**	23,245
Other operating income		**4,711**	7,136	**598**	2,565
Selling and distribution expenses		**(5,376)**	(3,883)	**–**	–
Administrative and general expenses		**(33,481)**	(29,182)	**(11,246)**	(7,867)
Profit from operations	30	**9,949**	11,785	**10,330**	17,943
Finance costs	31	**(5,062)**	(5,531)	**(670)**	(701)
Investment income	32	**666**	421	**377**	916
Share of results of					
- associates		**2,118**	(266)	**–**	–
- jointly controlled entity		**857**	–	**–**	–
Profit before tax		**8,528**	6,409	**10,037**	18,158
Tax (expense)/income	33	**(552)**	(1,228)	**40**	(720)
Net profit for the year		**7,976**	5,181	**10,077**	17,438
Attributable to:					
Shareholders of the Company		**7,020**	5,122	**10,077**	17,438
Minority interests		**956**	59	**–**	–
Net profit for the year		**7,976**	5,181	**10,077**	17,438
Earnings per share (sen)	34				
- basic		**8.60**	6.33		
- fully diluted		**–**	–		
Net dividend per ordinary share (sen)	35	**3.60**	2.88	**3.60**	2.88

Notes to and forming part of the financial statements are set out on pages 48 to 105
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Consolidated Statement of Changes in Equity

For the year ended 31 December 2007

	Attributable to equity holders of the Company							
	Share capital RM'000	Share premium RM'000	Merger reserve RM'000	Other capital reserves RM'000	Accumulated loss RM'000	Total RM'000	Minority interests RM'000	Total RM'000
At 1 January 2006	80,925	3,288	40	15,932	(34,993)	65,192	10,779	75,971
Transfer from capital reserves	–	–	–	(250)	250	–	–	–
Net gains/(losses) recognised directly in equity	–	–	–	(250)	250	–	–	–
Net profit for the year	–	–	–	–	5,122	5,122	59	5,181
Total recognised income and expenses for the year	–	–	–	(250)	5,372	5,122	59	5,181
Dividends paid								
- Dividend of the Company (Note 35)	–	–	–	–	(2,330)	(2,330)	–	(2,330)
- Dividends of subsidiaries	–	–	–	–	–	–	(174)	(174)
At 31 December 2006	80,925	3,288	40	15,682	(31,951)	67,984	10,664	78,648
Issue of share capital								
- ESOS	1,741	–	–	–	–	1,741	–	1,741
Acquisition of additional shares in a subsidairy from minority interests	–	–	–	–	–	–	(27)	(27)
Net loss recognised directly in equity	–	–	–	–	–	–	(27)	(27)
Net profit for the year	–	–	–	–	7,020	7,020	956	7,976
Total recognised income and expenses for the year	–	–	–	–	7,020	7,020	929	7,949
Dividends paid								
- Dividend of the Company (Note 35)	–	–	–	–	(2,979)	(2,979)	–	(2,979)
- Dividends of subsidiaries	–	–	–	–	–	–	(123)	(123)
At 31 December 2007	**82,666**	**3,288**	**40**	**15,682**	**(27,910)**	**73,766**	**11,470**	**85,236**

Notes to and forming part of the financial statements are set out on pages 48 to 105
Auditors' Report - page 39

Statement of Changes in Equity

For the year ended 31 December 2007

	Share capital RM'000	Share premium RM'000	(Accumulated loss) / Unappropriated profit RM'000	Total RM'000
At 1 January 2006	80,925	3,288	(2,532)	81,681
Net profit for the year	–	–	17,438	17,438
Dividends paid (Note 35)	–	–	(2,330)	(2,330)
At 31 December 2006	80,925	3,288	12,576	96,789
Issue of share capital - ESOS	1,741	–	–	1,741
Net profit for the year	–	–	10,077	10,077
Dividends paid (Note 35)	–	–	(2,979)	(2,979)
At 31 December 2007	**82,666**	**3,288**	**19,674**	**105,628**

Notes to and forming part of the financial statements are set out on pages 48 to 105
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Cash Flow Statements

For the year ended 31 December 2007

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	**8,528**	6,409	**10,037**	18,158
Adjustments for:				
Allowance for diminution in value of other investments	**35**	166	**–**	–
Amortisation of government grant	**(11)**	(7)	**–**	–
Amortisation of prepaid lease payment	**110**	109	**8**	8
Depreciation of property, plant and equipment	**7,615**	8,538	**760**	746
Property, plant and equipment written off	**30**	37	**–**	–
Gain on disposal of property, plant and equipment	**(1,154)**	(1,813)	**(6)**	(13)
Gain on disposal of investment properties	**(5)**	–	**–**	–
Gain on partial disposal of investment in subsidiary	**(50)**	–	**(50)**	–
Gain on disposal of investment in associate	**–**	(250)	**–**	–
Gain on disposal of other investments	**(16)**	–	**–**	–
Loss on disposal of expressway development project	**1,700**	–	**1,700**	–
Share of results of				
- associates	**(2,118)**	266	**–**	–
- jointly controlled entity	**(857)**	–	**–**	–
Allowance for doubtful debts	**69**	701	**–**	–
Allowance for doubtful debts written back	**(36)**	(1,134)	**(25)**	(204)
Bad debts written off	**–**	67	**–**	–
Unrealised loss/(gain) on foreign exchange	**40**	(15)	**20**	–
Dividend income	**(4)**	(1)	**(296)**	(150)
Interest income	**(1,444)**	(339)	**(31)**	(766)
Interest expenses	**11,095**	7,719	**1,392**	956
Hire purchase term charges	**423**	353	**13**	10
Operating profit before working capital changes	**23,950**	20,806	**13,522**	18,745
Changes in inventories	**2,045**	(297)	**–**	–
Changes in property development costs	**2,151**	(5,320)	**2,044**	1,255
Changes in receivables	**124,232**	(110,919)	**(7,719)**	(16,332)
Changes in payables	**46,057**	(5,617)	**1,882**	2,528
Cash generated from/(utilised in) operations	**198,435**	(101,347)	**9,729**	6,196
Expressway development expenditure	**(1,213)**	(1,294)	**(505)**	(409)
Interest paid	**(11,095)**	(7,719)	**(1,392)**	(956)
Tax paid	**(474)**	(5,966)	**–**	(899)
Tax refund	**–**	–	**2,723**	–
Net cash from/(used in) operating activities	**185,653**	(116,326)	**10,555**	3,932

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	**(8,366)**	(4,370)	**(690)**	(93)
Purchase of new subsidiaries, net of cash (Note 36)	**–**	–	**(6)**	–
Purchase of additional investments in subsidiaries	**–**	–	**(114)**	#
Purchase of additional investment in associate	**(156)**	–	**(156)**	–
Purchase of other investments	**(6,021)**	(72)	**(6,021)**	–
Proceeds from disposal of property, plant and equipment	**1,381**	10,988	**7**	13
Proceeds from disposal of investment properties	**550**	–	**–**	–
Proceeds from partial disposal of investment in subsidiary	**25**	–	**25**	–
Proceeds from disposal of associate	**–**	500	**–**	–
Proceeds from disposal of other investments	**31**	–	**–**	–
Dividends received from subsidiaries	**–**	–	**73**	108
Dividends received from associate	**140**	–	**140**	–
Dividends received from other investments	**4**	1	**4**	–
Interest received	**1,444**	339	**31**	766
(Advances to)/Repayment from subsidiaries	**–**	–	**(6,225)**	7,869
(Advances to)/Repayment from associates	**(2,545)**	2,179	**(1,810)**	1,549
Advances to a jointly controlled entity	**(505)**	–	**(505)**	–
Net placement of fixed and time deposits	**(1,368)**	(2,663)	**(1,468)**	–
Net cash (used in)/from investing activities	**(15,386)**	6,902	**(16,715)**	10,212
CASH FLOWS FROM FINANCING ACTIVITIES				
Shares issued to minority shareholders	**(27)**	–	**–**	–
Government grant received	**–**	108	**–**	–
Proceeds from issue of shares	**1,741**	–	**1,741**	–
Repayment to subsidiaries	**–**	–	**(5,663)**	(14,654)
Repayment to associates	**–**	(108)	**–**	–
Dividends paid to shareholders of the Company	**(2,979)**	(2,330)	**(2,979)**	(2,330)
Dividends paid to minority interests	**(123)**	(174)	**–**	–
(Repayment)/Drawdown of bank borrowings, net	**(172,142)**	125,131	**14,163**	3,244
Payment of hire purchase instalments	**(2,543)**	(2,825)	**(52)**	(31)
Hire purchase term charges paid	**(423)**	(353)	**(13)**	(10)
Net cash (used in)/from financing activities	**(176,496)**	119,449	**7,197**	(13,781)
NET CHANGES IN CASH AND CASH EQUIVALENTS	**(6,229)**	10,025	**1,037**	363
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	**(2,686)**	(12,711)	**(5,924)**	(6,287)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**(8,915)**	(2,686)	**(4,887)**	(5,924)

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Represented by:				
TIME DEPOSITS	**92**	–	**92**	–
CASH AND BANK BALANCES	**14,941**	19,813	**349**	550
BANK OVERDRAFTS	**(23,948)**	(22,499)	**(5,328)**	(6,474)
	(8,915)	(2,686)	**(4,887)**	(5,924)

During the financial year, the Group and the Company acquired property, plant and equipment amounting to RM14,124,000 (2006: RM8,213,000) and RM1,821,000 (2006: RM93,000) respectively, of which RM4,767,000 (2006: RM3,207,000) for the Group and RM140,000 (2006: Nil) for the Company were financed under hire purchase. An amount of RM8,366,000 (2006: RM4,370,000) and RM690,000 (2006: RM93,000) respectively for the Group and the Company were paid by cash and the balance of RM991,000 (2006: RM636,000) of the Group remained unpaid and included in other payables.

\# Represents RM61

Notes to and forming part of the financial statements are set out on pages 48 to 105
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1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board. The significant accounting policies adopted are consistent with those of the previous financial year.

The Group has not opted for early adoption of the following revised Financial Reporting Standards ("FRSs") which are effective for financial periods beginning on or after 1 July 2007:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The Group will adopt these FRSs from the financial year beginning 1 January 2008. These FRSs are not expected to have significant financial impact on the financial statements of the Group when they are adopted.

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

The measurement bases applied in the preparation of the financial statements of the Group and of the Company 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.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia (RM) which is also the functional currency of the Group. The financial statements of foreign operations that have a functional currency other than RM have been translated and are presented in RM. Unless otherwise indicated, the amounts in these financial statements have been rounded to the nearest thousand.

(b) Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Information about significant areas of critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is described in Note 5, classification of investment properties.

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are in the following notes:

- Note 6 : Measurement of impairment loss on investments in subsidiaries
- Note 15 : Allowance for doubtful debts on receivables

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Subsidiaries

Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's balance sheet, investments in subsidiaries are stated at cost less accumulated impairment losses, unless the investment is classified as held for sale or included in a disposal group that is classified as held for sale. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the income statement.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all its subsidiaries made up to the end of the financial year. Uniform accounting policies are adopted for like transactions and events in similar circumstances. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

All subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

All intra-group balances, transactions, income and expenses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only. Unrealised profits and losses resulting from intra-group transactions that are recognised in assets are also eliminated in full. The temporary differences arising from the elimination of unrealised profits and losses are recognised in accordance with Note 1(z).

Acquisitions of subsidiaries are accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of a business combination to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed and equity instruments issued, plus any costs directly attributable to the acquisition. The excess of the cost of a business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities recognised, over the Group's cost of a business combination is recognised immediately in the consolidated income statement after reassessment.

Minority interests represent the portion of profit or loss and net assets of subsidiaries, attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Company. Minority interests are presented separately in the consolidated balance sheet within equity while minority interests in the profit or loss of the Group are separately disclosed in the consolidated income statement.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting unless they are classified as held for sale or included in a disposal group that is classified as held for sale. Under the equity method, the investments in associates are carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associates. The Group's share of the net profit or loss of the associates is recognised in the consolidated income statement. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such change. In applying the equity method, unrealised gains and losses on transactions between the Group and the associates are eliminated to the extent of the Group's interests in the associates. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associates. The associates are equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associates.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investments are acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-tem interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has an obligation or has made payments on behalf of the associate.

In applying the equity method of accounting, the post-acquisition results and reserves of the associates accounted for are based on the most recent available audited financial statements of the associates and where the date of the audited financial statements used is not coterminous with that of the Group, the share of results is derived from the last audited financial statements available and management financial statements made up to the end of the accounting year. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's balance sheet, investments in associates are stated at cost less accumulated impairment losses unless they are classified as held for sale or included in a disposal group that is classified as held for sale.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the income statement.

(f) Intangible assets

(i) Goodwill

Goodwill, if any, acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Intangible assets (cont'd)

(ii) 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 and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure incurred during the development of the intangible asset.

Capitalised development expenditure, considered to have finite useful life, is stated at cost less accumulated amortisation and accumulated impairment loss.

Capitalised development expenditure is amortised over its commercial production period or 5 years, whichever is lower, on a straight line basis. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at least at each balance sheet date.

(g) Jointly controlled entity

The Company has interests in a joint venture which is a jointly controlled entity. Joint ventures are contractual arrangements whereby two or more parties undertake an economic activity that is subject to a joint control. The jointly controlled entities are joint ventures that involve the establishment of separate entities in which each venturer has an interest.

Investments in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting as described in Note 1 (e).

In the balance sheet, investments in jointly controlled entities are stated at cost less accumulated impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the income statement.

(h) Property, plant and equipment

(i) Measurement basis

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in the income statement.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

(ii) Depreciation

Freehold land and capital work-in-progress are not depreciated. Leasehold 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 the straight line basis to their residual values over their expected economic useful lives at the following annual rates:

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

Capital work-in-progress will only be depreciated when the assets are ready for their intended use.

The residual values, useful lives and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

(i) Leases

(i) Finance Leases - 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 payments 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.

(ii) Operating leases

The Group as lessee

Lease payments under operating lease are recognised as an expense on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessors are, if any, recognised as a reduction of rental expense over the lease term on a straight-line basis.

Land which normally has an indefinite economic life and held under a leasehold title to which the title is not expected to pass to the Group at the end of the lease term is treated as an operating lease. Payments made on entering into or acquiring a leasehold land that is treated as an operating lease are accounted for as prepaid lease payments.

The Group's leasehold land is amortised over the remaining lease periods of between 10 and 91 years in accordance with the pattern of benefits provided.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Leases (Cont'd)

(ii) Operating leases (Cont'd)

The Group as lessor

Assets leased out under operating leases are presented on the balance sheet as investment properties. Rental income from operating leases is recognised on a straight line basis over the lease term. Initial direct costs incurred in entering into lease arrangements are included as part of the carrying value of the leased asset and recognised on a straight line basis over the lease term.

(j) Investment properties

Investment properties are properties which are held either to earn rentals or for capital appreciation or for both and are measured initially at cost, including transaction costs. Subsequent to initial recognition, the investment properties are stated at fair value. The fair value, which is determined by the directors, is arrived at by reference to market evidence of transaction prices for similar properties and reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair value of the investment properties are recognised as income or expense in the income statement in the period in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or for both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

An investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the financial year in which they arise.

(k) 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(r).

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.

(l) 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.

(m) Other investments

Other investments are stated at cost less any diminution in value of the investments. An allowance for diminution in value is made if the directors are of the opinion that there is a decline in the value of such investments which is other than temporary. The diminution in value is charged to the income statement. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) 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. Cost comprises landed costs of goods purchased and in the case of work-in-progress and finished goods, comprises direct materials, direct labour, other direct charges and an appropriate proportion of factory overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

(o) Property development costs

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

(p) Construction contracts

The Group's construction contracts comprise 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.

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.

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

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.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Construction contracts (Cont'd)

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).

(q) Receivables

Receivables are stated at anticipated realisable values. Known bad debts are written off and an estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

(r) Impairment of assets

The carrying amounts of assets other than financial assets, other investments, deferred tax asset, inventories and assets arising from construction contracts and property development activities 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. For goodwill that has an indefinite useful life, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are charged to the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit or groups of units on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments to the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each balance sheet date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

Any subsequent increase in 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.

(s) 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 in the notes to the financial statements. 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.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) Payables

Payables are stated at cost and are recognised when there is a contractual obligation to deliver cash or another financial asset to settle the obligation.

(u) Government grants

Government grants are recognised at their fair value in the balance sheet as deferred income where there is reasonable assurance that the grant will be received and all conditions attached to the grant will be complied with. Grants that compensate the Group for expenses incurred are recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Grants that compensate the Group for the cost of an asset are recognised as income on a systematic basis over the useful life of the asset.

(v) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the functional currency of the primary economic environment in which the entity operates ("the functional currency").

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in the income statement for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operations, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in the income statement. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operations, are recognised in the income statement for the period. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operations, regardless of the currency of the monetary item, are recognised in the income statement of the Company or the individual financial statements of the foreign operations, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are recognised in income statement for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(v) Foreign currencies (Cont'd)

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency other than the presentation currency of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rates prevailing at the balance sheet date;

- Income and expenses for each income statement are translated at average exchange rates for the year, which approximate the exchange rates at the dates of the transactions; and

- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the balance sheet date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rates prevailing at the date of acquisition.

(w) 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

Revenue from construction contracts is recognised on the percentage of completion method where the outcome of the contracts can be reliably estimated.

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

(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

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and discounts and is recognised in the income statement when significant risks and rewards of ownership have been transferred to the customers.

(iv) Management fee

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

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(w) Revenue recognition (Cont'd)

(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 using 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 income, rental income from investment properties and other rental income are recognised on a time proportion basis over the lease term.

(x) Employees benefits

(i) Short-term benefits

Salaries, 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 and other staff related expenses are charged to the income statement as and when incurred.

(ii) Defined contribution plan

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.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(y) Borrowing costs

All interest and other costs incurred in connection with borrowings are expensed as incurred as part of finance costs except to the extent that they are directly attributable to the acquisition and construction of development properties or construction contracts, in which case, they are capitalised as part of the property development costs or contract costs.

Finance costs comprise interest paid and payable on borrowings. 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.

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 liabilities.

(z) Tax expense

The tax expense in the income statement comprises current tax and deferred tax. Current tax is an estimate of tax payable in respect of taxable profit for the year based on tax rate enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax 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 liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit.

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, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Current and deferred tax is recognised as an income or an expense in the income statement or is credited or charged directly to equity if the tax relates to items that are credited or charged, whether in the same or different period, directly to equity.

(aa) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, bank overdrafts, fixed and time deposits which exclude those pledged to secure banking facilities 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.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(bb) Financial instruments

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

(i) Financial instruments recognised in the balance sheet

The recognised financial instruments of the Group comprise other investments, cash and cash equivalents, 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.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's overall financial risk management objectives and policies 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. 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.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(i) Credit risk (Cont'd)

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.

(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 rates.

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.

(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 diminution in the carrying values and allowances are made for such diminution in value which is other than temporary.

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 other than its functional currency 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.

3. PROPERTY, PLANT AND EQUIPMENT

Group 2007	Freehold land and buildings RM'000	Long term leasehold buildings RM'000	Short term leasehold 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	Capital work-in-progress RM'000	Total RM'000
Cost										
At 1 January	1,369	33,866	461	1,941	39,915	44,958	8,703	11,359	161	142,733
Additions	1,375	388	–	–	7,065	3,589	202	1,273	232	14,124
Disposals	–	–	–	–	(28)	(3,727)	–	(318)	–	(4,073)
Write-off	–	–	–	–	(17)	(140)	(162)	(191)	–	(510)
Reclassification	–	–	–	–	(350)	351	–	(1)	–	–
At 31 December	2,744	34,254	461	1,941	46,585	45,031	8,743	12,122	393	152,274
Accumulated depreciation										
At 1 January	87	1,931	219	1,941	33,010	36,699	6,162	8,155	–	88,204
Charge for the year	19	237	28	–	2,447	3,186	611	1,087	–	7,615
Disposals	–	–	–	–	(22)	(3,662)	–	(162)	–	(3,846)
Write-off	–	–	–	–	(2)	(140)	(162)	(176)	–	(480)
Reclassification	–	–	–	–	(56)	43	–	13	–	–
At 31 December	106	2,168	247	1,941	35,377	36,126	6,611	8,917	–	91,493
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 carrying amount										
At 31 December	2,638	30,039	214	–	11,208	8,905	1,994	3,153	393	58,544

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

Group 2006	Freehold land and buildings RM'000	Long term leasehold buildings RM'000	Short term leasehold 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	Capital work-in-progress RM'000	Total RM'000
Cost										
At 1 January	1,369	39,245	461	1,941	40,041	45,623	7,631	10,712	2,704	149,727
Additions	–	15	–	–	2,330	3,393	1,134	880	461	8,213
Disposals	–	(8,398)	–	–	(2,450)	(4,058)	(61)	(122)	–	(15,089)
Write-off	–	–	–	–	(6)	–	(1)	(111)	–	(118)
Reclassification	–	3,004	–	–	–	–	–	–	(3,004)	–
At 31 December	1,369	33,866	461	1,941	39,915	44,958	8,703	11,359	161	142,733
Accumulated depreciation										
At 1 January	78	2,317	191	1,740	32,190	36,409	5,517	7,219	–	85,661
Charge for the year	9	245	28	201	2,054	4,244	657	1,100	–	8,538
Disposals	–	(631)	–	–	(1,234)	(3,954)	(11)	(84)	–	(5,914)
Write-off	–	–	–	–	–	–	(1)	(80)	–	(81)
At 31 December	87	1,931	219	1,941	33,010	36,699	6,162	8,155	–	88,204
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 carrying amount										
At 31 December	1,282	29,888	242	–	6,905	8,259	2,403	3,152	161	52,292

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

Company **2007**	**Freehold land and building RM'000**	**Long leasehold 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	**–**	**19,600**	**3,131**	**1,388**	**526**	**24,645**
Additions	**1,375**	**185**	**24**	**38**	**199**	**1,821**
Disposals	**–**	**–**	**–**	**(3)**	**(53)**	**(56)**
At 31 December	**1,375**	**19,785**	**3,155**	**1,423**	**672**	**26,410**
Accumulated depreciation						
At 1 January	**–**	**1,839**	**2,482**	**1,028**	**223**	**5,572**
Charge for the year	**10**	**213**	**303**	**127**	**107**	**760**
Disposals	**–**	**–**	**–**	**(2)**	**(53)**	**(55)**
At 31 December	**10**	**2,052**	**2,785**	**1,153**	**277**	**6,277**
Net carrying amount						
At 31 December	**1,365**	**17,733**	**370**	**270**	**395**	**20,133**
2006						
Cost						
At 1 January	–	19,600	3,101	1,329	606	24,636
Additions	–	–	30	63	–	93
Disposals	–	–	–	(4)	(80)	(84)
At 31 December	–	19,600	3,131	1,388	526	24,645
Accumulated depreciation						
At 1 January	–	1,626	2,168	890	226	4,910
Charge for the year	–	213	314	142	77	746
Disposals	–	–	–	(4)	(80)	(84)
At 31 December	–	1,839	2,482	1,028	223	5,572
Net carrying amount						
At 31 December	–	17,761	649	360	303	19,073

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

The title deeds to certain land and buildings of the Group and the Company with net carrying amount of RM12,033,000 and RM2,675,000 (2006: RM11,665,000 and RM2,519,000) 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 carrying amount of RM935,000 (2006: RM935,000) held in trust by a director of the Company.

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

At net carrying amounts	2007 RM'000	2006 RM'000
Freehold land and buildings	**340**	349
Short term leasehold buildings	**28**	39
Plant, machinery, moulds and factory equipment	**3,207**	1,361
Tractors and motor vehicles	**606**	521
Renovation, electrical installations and furniture and fittings	**468**	840
Office equipment	**439**	110
	5,088	3,220

The property, plant and equipment acquired under hire purchase are as follows:

	Group		Company	
At net carrying amount	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Plant, machinery, moulds and factory equipment	**1,615**	319	**–**	–
Tractors and motor vehicles	**7,344**	6,208	**395**	303
Office equipment	**–**	524	**–**	–
	8,959	7,051	**395**	303

4. PREPAID LEASE PAYMENTS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
At 1 January	**3,921**	3,921	**775**	775
Additions	**–**	–	**–**	–
Disposal	**–**	–	**–**	–
At 31 December	**3,921**	3,921	**775**	775

4. PREPAID LEASE PAYMENTS (Cont'd)

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Accumulated amortisation				
At 1 January	**1,777**	1,668	**132**	124
Charge for the year	**110**	109	**8**	8
Disposal	**–**	–	**–**	–
At 31 December	**1,887**	1,777	**140**	132
Net carrying amount at 31 December	**2,034**	2,144	**635**	643

The title deeds to leasehold land of the Group with net carrying amount of RM1,233,000 (2006 : RM1,287,000) has yet to be issued by the relevant authorities.

Leasehold land of the Group with net carrying amount of RM165,000 (2006 : RM213,000) is charged to licensed financial institutions for banking facilities granted to the Group.

5. INVESTMENT PROPERTIES

	Group	
	2007	**2006**
	RM'000	**RM'000**
At 1 January	**1,680**	1,680
Addition	**–**	–
Disposal	**(545)**	–
Changes in fair value	**–**	–
At 31 December	**1,135**	1,680

Investment properties comprise:

Freehold land and commercial buildings	**955**	1,500
Long term leasehold industrial land	**180**	180
	1,135	1,680

The long term leasehold industrial land is charged to licensed financial institutions for banking facilities granted to a subsidiary.

5. INVESTMENT PROPERTIES (Cont'd)

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualified as an investment property. Investment property is a property held to earn rentals or for capital appreciation of for both. In making judgement, the Group considers whether a property generates cash flows largely independent of other assets held by the Group. Owner-occupied properties generate cash flows that are attributable not only to the properties, but also other assets and in the production and supply of goods and services. Judgement is also made on an individual property basis to determine whether ancillary services are so significant that the property does not qualify as an investment property. The fair value of the investment properties at the end of the financial year was determined by the directors based on various studies conducted which reasonably reflect market conditions of similar properties at the balance sheet date.

6. INVESTMENTS IN SUBSIDIARIES

	2007 RM'000	2006 RM'000
Unquoted shares		
- at cost	**40,918**	40,829
- at valuation	**4,264**	4,264
	45,182	45,093
Less:		
Allowance for diminution in value	**4,444**	4,474
	40,738	40,619

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

The 1994 valuation was a one-off exercise. It is not the Group's policy to carry out regular revaluations of its investments in subsidiaries, and accordingly, the carrying amount of the revalued investment has been retained on the basis of this one-off revaluation as surrogate cost.

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

Subsidiaries of the Company	Gross equity interest 2007 %	Gross equity interest 2006 %	Principal activities
Bina Puri Sdn Bhd	**100**	100	Contractor of earthworks, building and road construction
Aksi Bina Puri Sdn Bhd	**70**	70	Property developer
Maskimi Sdn Bhd	**100**	100	Investment holding and contractors of earthworks, building and road construction
Bina Puri Plantation Sdn Bhd	**100**	100	Inactive
*Bina Puri Infrastructure Pte Ltd (Incorporated in India)	**100**	100	Contractor of road construction
KL-Kuala Selangor Expressway Berhad	**60**	60	Builder of an expressway

6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

The subsidiaries, all of which are incorporated in Malaysia except where indicated, are as follows: (Cont'd)

Subsidiaries of the Company	Gross equity interest 2007 %	2006 %	Principal activities
Bina Puri (Libya) Sdn Bhd	**80**	100	Contractor of earthworks, building and road construction
Konsortium Bina Puri-Panzana Enterprise Sdn Bhd	**51**	51	Inactive
Gugusan Murni Sdn Bhd	**100**	100	Property developer (no active development)
Bina Puri Mining Ventures Sdn Bhd	**60**	60	Inactive
*DPBS-BPHB Sdn Bhd	**60**	60	Investment holding and contractors of earthworks, building and road construction
Bina Puri Juara Sdn Bhd	**100**	100	Investment holding
Bina Puri Gah Sdn Bhd	**60**	60	Inactive
*Bina Puri Pakistan (Private) Ltd (Incorporated in Pakistan)	**99.97**	–	Contractor of earthworks, buildings and road construction
*Bina Puri (B) Sdn Bhd (formerly known as Dynacorp Sdn Bhd, incorporated in Negara Brunei Darussalam)	**100**	–	Contractor of earthworks, buildings and road construction
Subsidiaries of Bina Puri Sdn Bhd			
Bina Puri Machinery Sdn Bhd	**100**	100	Contractors for earthworks projects
Bina Puri Construction Sdn Bhd	**100**	100	Contractors of earthworks, building and road construction and property development
Easy Mix Sdn Bhd	**100**	100	Producer of readymix concrete
Karseng Industries & Engineering Sdn Bhd	**70**	70	Property developer (no active development)
Subsidiaries of Maskimi Sdn Bhd			
Sungai Long Industries Sdn Bhd	**51**	51	Quarry operator and contractor of road paving projects
KM 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	**65**	65	Inactive

6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

The subsidiaries, all of which are incorporated in Malaysia except where indicated, are as follows: (Cont'd)

Subsidiary DPBS-BPHB Sdn Bhd	Gross equity interest 2007 %	2006 %	Principal activities
*Konsortium DPBSH-BPHB-AGSB Sdn Bhd	**55**	55	Contractor of earthworks, building and road construction
Subsidiaries 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	**100**	60	Inactive
*Bina Puri Vietnam Co. Ltd (Incorporated in Vietnam)	**100**	100	Inactive
Subsidiary of Easy Mix Sdn Bhd			
Bina Puri Properties Sdn Bhd	**100**	100	Property developer
Subsidiary of Sungai Long Industries Sdn Bhd			
Sungai Long Bricks Sdn Bhd	**100**	100	Manufacturer of bricks
Subsidiary of Sungai Long Bricks Sdn Bhd			
Sungai Long Plaster Industries Sdn Bhd	**100**	100	Manufacturer of plaster cement

* Subsidiaries not audited by Moores Rowland or its associates.

(a) Impairment test for investment in subsidiaries in the Company's financial statements

The Company reviews the carrying amounts of the investments in subsidiaries at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, impairment loss on the value of the investment is made to determine the recoverable amount of the investment.

6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(b) Key assumptions used in indicative values (value-in-use) calculations

The recoverable amount is determined based on value-in-use calculations using the approved cash flow projections by the management. The following describes the key assumptions on which management has based its cash flow projections to undertake impairment tests:

(i) Budgeted revenue

The growth rate used is the average growth rate for the last 2 years

(ii) Budgeted expenses

Expenses are budgeted to grow at the inflation rate

(iii) Discounted rate

The discounted rate used is 8%

Management believes that no reasonable possible changes in any of the key assumptions above would cause the carrying values of the investments in subsidiaries to exceed their recoverable amounts.

7. INVESTMENT IN ASSOCIATES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Unquoted shares, at cost	**1,396**	1,240	**946**	790
Group's share of post acquisition results	**2,761**	783	**–**	–
	4,157	2,023	**946**	790

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

Associate of the Company	Gross equity interest 2007 %	Gross equity interest 2006 %	Principal activities
Konsortium Bina Puri-Panzana (Nilai) Sdn Bhd	**40**	40	Contractor of road construction
Bina Puri Holdings (Thailand) Ltd (Incorporated in Thailand)	**49**	49	Investment holding
Bina Puri (Thailand) Ltd (Incorporated in Thailand)	**49**	49	Contractor of earthworks, building and road construction

7. INVESTMENT IN ASSOCIATES (Cont'd)

The associated companies, all of which are incorporated in Malaysia except where indicated, are as follows: (Cont'd)

Associates of Sungai Long Industries Sdn Bhd	Gross equity interest 2007 %	2006 %	Principal activities
Rock Processors (Melaka) Sdn Bhd	**40**	40	Quarry operator and contractor of road paving projects
Sungai Long Properties Sdn Bhd	**50**	50	Inactive

The financial year ends of the financial statements of the associates are co-terminous with that of the Group.

For the purpose of applying the equity method of accounting, the audited financial statements of the above associates and the management financial statements made up to the end of the financial year have been used.

The Group does not have any share of the associates' contingent liabilities incurred jointly with other investors or any share of contingent liabilities that arise whereby the Group is severally liable for all or part of the liabilities of the associates.

The summarised financial information of the associates at 31 December 2007 are as follows:

	Group	
Assets and liabilities	**2007 RM'000**	**2006 RM'000**
Non-current assets	**9,240**	8,647
Current assets	**266,268**	178,769
Total assets	**275,508**	187,416
Non-current liabilities	**4,437**	2,696
Current liabilities	**261,780**	180,306
Total liabilities	**266,217**	183,002
Results		
Revenue	**730,950**	191,576
Profit/(Loss) for the year	**4,204**	(1,022)

8. INVESTMENT IN JOINTLY CONTROLLED ENTITY

	Group 2007 RM'000	Group 2006 RM'000
Share of post-acquisition results	**857**	–

The Company has ownership interest of 30% (2006 : Nil) in SPK-Bina Puri Joint Venture, an unincorporated jointly controlled entity. The principal activity of the jointly controlled entity is to carry on the business of builders and contractor for general engineering and construction works.

There is no initial cost of investment in this entity.

The amount owing by the jointly controlled entity represents unsecured advances which are interest free and have no fixed terms of repayments.

The Group's share of the assets and liabilities at year end and revenue and results for the year of the jointly controlled entity is as follows:

Assets and liabilities	2007 RM'000
Non-current assets	**1,452**
Current assets	**8,844**
Total assets	**10,296**
Non-current liabilities	**61**
Current liabilities	**9,378**
Total liabilities	**9,439**
Results	
Revenue	**10,141**
Profit for the year	**857**

The unincorporated jointly controlled entity has no contingencies and capital commitments at year end.

9. OTHER INVESTMENTS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Shares quoted in Malaysia, at cost	**–**	216	**–**	–
Less:				
Allowance for diminution in value	**–**	(166)	**–**	–
	–	50	**–**	–
Shares quoted outside Malaysia, at cost	**72**	72	**–**	–
Unquoted shares, at cost	**7,237**	1,068	**6,646**	629
Less:				
Allowance for diminution in value	**434**	281	**281**	281
	6,803	787	**6,365**	348
Mutual funds and unit trusts quoted in Malaysia, at cost	**111**	107	**111**	107
Transferable corporate membership in golf and country resorts, at cost	**395**	395	**10**	10
	7,381	1,411	**6,486**	465

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Market value				
- shares quoted in Malaysia	**–**	53	**–**	–
- shares quoted outside Malaysia	**111**	72	**–**	–
- mutual funds and unit trusts quoted in Malaysia	**116**	112	**116**	112
	227	237	**116**	112

Included in the cost of unquoted shares of the Group is an amount of RM439,000 (2006: RM439,000) representing 12% equity interest in the issued and paid-up share capital of a company in which certain directors of the Company have substantial financial interests.

Included in the cost of unquoted shares in the current financial year is 6,017,000 redeemable preference shares ("RPS") issued at RM1.00 per RPS. The RPS has a fixed dividend rate of 8% per annum and is issued by an unquoted corporation incorporated in Malaysia.

10. LAND HELD FOR PROPERTY DEVELOPMENT

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Interest in long leasehold land, at cost				
At 1 January	**10,257**	15,757	**–**	5,500
Addition/Disposal	**–**	–	**–**	–
Transfer to property development cost (Note 13)	**–**	(5,500)	**–**	(5,500)
At 31 December	**10,257**	10,257	**–**	–
Add:				
Development costs				
At 1 January	**–**	605	**–**	605
Addition	**–**	–	**–**	–
Disposal	**–**	–	**–**	–
Transfer to property development cost (Note 13)	**–**	(605)	**–**	(605)
At 31 December	**–**	–	**–**	–
Net carrying amount at 31 December	**10,257**	10,257	**–**	–

11. DEFERRED TAX ASSETS

	Group 2007 RM'000	Group 2006 RM'000
At 1 January	**1,200**	2,000
Transfer to income statement	**(347)**	(800)
At 31 December	**853**	1,200

The deferred tax assets comprise:

	Group 2007 RM'000	Group 2006 RM'000
Deductible temporary differences on		
- unused tax losses	**1,249**	523
- unabsorbed capital allowances	**362**	785
	1,611	1,308
Less:		
Taxable temporary differences		
- between net carrying amount and tax written down value of property, plant and equipment	**745**	104
- on unrealised gain on foreign exchange	**13**	4
	853	1,200

11. DEFERRED TAX ASSETS (Cont'd)

At 31 December 2007, 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.

	2007 RM'000	2006 RM'000
Deductible temporary differences on		
- unused tax losses	**8,513**	7,310
- unabsorbed capital allowances	**7,804**	7,821
	16,317	15,131
Less:		
Taxable temporary differences between net carrying amount and tax written down value of property, plant and equipment	**251**	263
	16,066	14,868

12. INVENTORIES

	Group 2007 RM'000	Group 2006 RM'000
At cost		
Inventories of completed development units	**1,293**	2,788
Raw materials and consumables	**2,168**	1,640
Finished goods	**1,662**	2,735
	5,123	7,163
At net realisable value		
Finished goods	**–**	5
	5,123	7,168

13. PROPERTY DEVELOPMENT COSTS

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At 1 January				
Land cost	**7,744**	2,244	**7,744**	2,244
Transfer from land held for property development (Note 10)	**–**	5,500	**–**	5,500
Development costs	**11,884**	15,603	**1,030**	–
	19,628	23,347	**8,774**	7,744
Add:				
Development costs incurred during the year	**34,312**	10,941	**3,850**	425
Transfer from land held for property development (Note 10)	**–**	605	**–**	605
Transfer of unsold completed units to inventories (Note 12)	**–**	(1,092)	**–**	–
	53,940	33,801	**12,624**	8,774
Less:				
Cost recognised as an expense in the income statement				
Recognised in previous financial years	**6,297**	11,155	**3,593**	1,308
Recognised during the year	**31,676**	4,528	**5,894**	2,285
	37,973	15,683	**9,487**	3,593
At 31 December	**15,967**	18,118	**3,137**	5,181

Included in land cost of the Group and the Company is a long-term leasehold land of RM5,500,000 (2006: RM5,500,000) which is charged to a licensed financial institution for banking facilities granted to a subsidiary.

14. GROSS AMOUNTS DUE FROM/TO CUSTOMERS

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cost of contracts	**972,143**	1,488,978	**30,867**	9,914
Attributable profit recognised to date	**51,122**	84,521	**1,169**	277
	1,023,265	1,573,499	**32,036**	10,191
Less:				
Progress billings	**(929,260)**	(1,525,902)	**(29,429)**	(10,874)
	94,005	47,597	**2,607**	(683)

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

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Represented by:				
Gross amount due from customers	**94,265**	49,855	**2,607**	666
Gross amount due to customers	**(260)**	(2,258)	**–**	(1,349)
	94,005	47,597	**2,607**	(683)
Retention sums receivable from customers included in trade receivables (Note 15)	**38,529**	34,793	**2,943**	1,088
Advances received for contract work not yet performed included in other payables (Note 26)	**19,062**	10,047	**47**	47

15. TRADE AND OTHER RECEIVABLES

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Gross trade receivables	**201,426**	379,273	**5,106**	10,875
Less:				
Allowance for doubtful debts	**7,531**	7,800	**–**	–
	193,895	371,473	**5,106**	10,875
Accrued billings on property development projects	**405**	561	**405**	561
Gross other receivables	**38,470**	31,026	**13,297**	8,026
Less:				
Allowance for doubtful debts	**6,315**	6,314	**151**	151
	32,155	24,712	**13,146**	7,875
Deposits	**2,116**	1,928	**9**	10
Prepayments	**4,180**	2,915	**31**	28
	232,751	401,589	**18,697**	19,349

15. 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. 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 12 and 24 months.

The collectibility of receivables is assessed on an ongoing basis. An allowance for doubtful debt is made for any account considered to be doubtful for collection. The allowance for doubtful debts is made based on a review of all outstanding accounts at the balance sheet date. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the creditworthiness and the past collection history of each customer. If the financial condition of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Other receivables, deposits and prepayments are from the normal business transactions of the Group.

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Included in receivables are amounts owing by a company in which certain directors of the Company have substantial financial interests as follows:				
- trade receivables	**882**	2,635	**–**	–
- other receivables	**2,721**	761	**5**	1

The currency profiles of the receivables are as follows:

	Group	
	2007 RM'000	2006 RM'000
Trade receivables		
- Ringgit Malaysia	**191,119**	378,801
- Pakistan Rupee	**4,778**	–
- Brunei Dollar	**4,608**	–
- Singapore Dollar	**563**	422
- US Dollar	**358**	50
	201,426	379,273

15. TRADE AND OTHER RECEIVABLES (Cont'd)

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Other receivables				
- Ringgit Malaysia	**25,350**	26,861	**1,559**	3,879
- US Dollar	**5,942**	3,476	**5,942**	3,476
- Indonesian Rupiah	**5,124**	–	**5,124**	–
- Pakistan Rupee	**1,374**	–	**–**	–
- Indian Rupee	**618**	618	**618**	618
- Thai Baht	**53**	53	**53**	53
- Vietnam Dong	**8**	18	**–**	–
- United Arab Emirates Dirham	**1**	–	**1**	–
	38,470	31,026	**13,297**	8,026

16. AMOUNT OWING BY/TO SUBSIDIARIES

The amount owing by the subsidiaries comprises:

	Company	
	2007	**2006**
	RM'000	**RM'000**
Trade receivables	**7,249**	521
Non-trade receivables	**60,217**	53,992
	67,466	54,513
Less:		
Allowance for doubtful debts	**29,292**	29,317
	38,174	25,196

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

Amount owing to subsidiaries represent non-trade payables.

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

17. AMOUNT OWING BY/TO ASSOCIATES

The amount owing by the associates comprises:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Trade receivables	**12,161**	6,872	**9,612**	4,781
Non-trade receivables	**3,246**	701	**2,491**	681
	15,407	7,573	**12,103**	5,462

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

The amount owing to the associates comprises:

	Group	
	2007 RM'000	2006 RM'000
Trade payables	**7,764**	188
Non-trade payables	**35**	35
	7,799	223

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

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

18. FIXED AND TIME DEPOSITS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Fixed and time deposits placed with licensed banks	**18,429**	13,669	**1,616**	56
Fixed deposits placed with insurance companies	**57**	3,357	**–**	–
	18,486	17,026	**1,616**	56

Included in fixed and time deposits are amounts of RM18,394,000 and RM1,524,000 (2006 : RM17,026,000 and RM56,000) for the Group and the Company respectively, which are 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% (2006 : 2.0% and 3.7%) per annum and have maturity periods of not more than one year.

19. CASH AND BANK BALANCES

Included in cash and bank balances are:

(a) an amount of RM5,393,000 and RM61,000 (2006 : RM6,169,000 and Nil) for the Group and the Company respectively, 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 RM1,143,000 (2006 : RM2,172,000) for the Group 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.

20. SHARE CAPITAL

	2007		2006	
	Number of shares '000	**Nominal value RM'000**	**Number of shares '000**	**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	**80,925**	**80,925**	80,925	80,925
Issue of shares under ESOS at RM1 per share	**1,741**	**1,741**	–	–
At 31 December	**82,666**	**82,666**	80,925	80,925

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;

20. SHARE CAPITAL (Cont'd)

The salient features of the Scheme are: (Cont'd)

(b) The following persons are eligible to participate in the Scheme: (Cont'd)

(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:

- the employee must be serving the Group on a full time basis; and

- 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.

(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 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

20. SHARE CAPITAL (Cont'd)

(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: (Cont'd)

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.

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 2007	**4,707,100**
Granted	**2,596,200**
Exercised	**(1,740,900)**
Lapsed	**(227,900)**
At 31 December 2007	**5,334,500**

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

Exercise period	Exercise price RM	Number of share options outstanding 31-12-2007
1-12-2003 to 30-11-2008	1.00	**5,334,500**

21. 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.

22. GOVERNMENT GRANT

A subsidiary was awarded a government grant of RM108,000 in the previous financial year, which represents the fair value of a factory equipment pursuant to a subgrant agreement entered between Government of Malaysia and the said subsidiary. The factory equipment is used by the subsidiary for the purpose of converting its manufacturing process using chlorofluorocarbon-free technology, and the grant received was being recognised as income over the useful life of the factory equipment.

23. HIRE PURCHASE LIABILITIES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Outstanding hire purchase instalments due:				
- not later than one year	**3,674**	2,342	**73**	41
- later than one year and not later than five years	**6,858**	4,080	**267**	166
- later than five years	**148**	75	**–**	41
	10,680	6,497	**340**	248
Less:				
Unexpired term charges	**1,079**	660	**33**	29
Outstanding principal amount due	**9,601**	5,837	**307**	219
Less:				
Outstanding principal amount due not later than one year (included in current liabilities)	**3,156**	1,994	**60**	33
Outstanding principal amount due later than one year	**6,445**	3,843	**247**	186

The effective interest rates of the hire purchase liabilities are between 2.45% and 9.31% (2006 : 2.45% and 12.00%) per annum.

24. BANK TERM LOANS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Bank term loan bearing effective interest rate of 8.00% (2006 : 8.00%) per annum, repayable by 120 monthly instalments commencing September 2004	**1,524**	3,259	**1,524**	3,259
Bank term loan bearing effective interest rate of 5% per annum	**–**	189,269	**–**	–
Bank term loan bearing effective interest rate of 7% (2006 : 7%) per annum, repayable by 108 monthly instalments commencing November 2005	**1,636**	1,823	**–**	–
Bank term loan bearing effective interest rate of 8.25% (2006 : 7.50%) per annum, repayable by 72 instalments	**126**	61	**–**	–
Balance carried forward	**3,286**	194,412	**1,524**	3,259

24. BANK TERM LOANS (Cont'd)

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Balance brought forward	**3,286**	194,412	**1,524**	3,259
Less:				
Repayments due within 12 months (included in current liabilities, Note 27)	**539**	95,136	**346**	322
Repayments due after 12 months	**2,747**	99,276	**1,178**	2,937

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 RM189,269,000 of the Group in the previous financial year was secured by assignment of contract proceeds from a project of a subsidiary. The loan was 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.

The bank term loan of RM1,636,000 (2006 : RM1,823,000) of a subsidiary is secured by a first party legal charge over the leasehold land and building of the said subsidiary.

The bank term loan of RM126,000 (2006 : RM61,000) of a subsidiary is secured by way of specific debenture incorporating a fixed charge over certain assets of the said subsidiary.

25. DEFERRED TAX LIABILITIES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
At 1 January	**663**	1,223	**200**	145
Transfer (to)/from income statement	**(11)**	(560)	**(76)**	55
At 31 December	**652**	663	**124**	200

25. DEFERRED TAX LIABILITIES (Cont'd)

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
The deferred tax liabilities comprise:				
Taxable temporary differences:				
- between net carrying amount and tax written down value of property, plant and equipment	**795**	526	**124**	200
- other temporary differences	**–**	137	**–**	–
Less:				
Other deductible temporary differences	**(143)**	–	**–**	–
	652	663	**124**	200

26. TRADE AND OTHER PAYABLES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Trade payables	**148,818**	136,000	**8,986**	4,020
Progress billings	**10,449**	1,722	**–**	–
Other payables	**41,629**	26,917	**1,485**	1,915
Accruals	**10,845**	7,229	**181**	495
Sundry deposits	**452**	377	**–**	–
	212,193	172,245	**10,652**	6,430

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. 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 12 and 24 months.

Other payables, accruals and deposits are from the normal business transactions of the Company.

Included in trade payables of the Group is an amount of RM1,240,000 (2006: RM1,585,000) owing to a company in which a director of the Company has substantial financial interest. The amount owing is unsecured, interest free and has no fixed terms of repayment.

26. TRADE AND OTHER PAYABLES (Cont'd)

The currency exposure profiles of payables are as follows:

	Group	
	2007 RM'000	2006 RM'000
Trade payables		
- Ringgit Malaysia	**142,476**	134,833
- Brunei Dollar	**3,385**	–
- US Dollar	**2,021**	1,167
- Pakistan Rupee	**936**	–
	148,818	136,000

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Other payables				
- Ringgit Malaysia	**33,697**	26,575	**1,438**	1,868
- Pakistan Rupee	**7,819**	–	**–**	–
- Thai Baht	**47**	47	**47**	47
- Brunei Dollar	**28**	–	**–**	–
- Vietnam Dong	**22**	23	**–**	–
- US Dollar	**16**	16	**–**	–
- Nepalese Rupee	**–**	218	**–**	–
- Indian Rupee	**–**	38	**–**	–
	41,629	26,917	**1,485**	1,915

27. BANK BORROWINGS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Trust receipts, secured	**9,216**	3,964	**–**	–
Bankers' acceptances, unsecured	**14,915**	13,861	**–**	–
Revolving credits				
- secured	**95,526**	78,197	**19,374**	3,476
- unsecured	**37,033**	41,685	**3,000**	3,000
	132,559	119,882	**22,374**	6,476
Bank overdrafts, unsecured	**23,948**	22,499	**5,328**	6,474
	180,638	160,206	**27,702**	12,950
Current portion of bank term loans (Note 24)	**539**	95,136	**346**	322
	181,177	255,342	**28,048**	13,272

27. BANK BORROWINGS (Cont'd)

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

	Group 2007 %	Group 2006 %	Company 2007 %	Company 2006 %
Bankers' acceptances, revolving credits and trust receipts	**3.40 to 9.25**	3.40 to 9.25	**5.12 to 5.37**	5.19 to 7.61
Bank overdrafts	**7.65 to 9.25**	7.65 to 9.25	**8.50**	8.50

The bank borrowings are secured by the following:

- Fixed charges over those charged property, plant and equipment and prepaid lease payments referred to in Notes 3 and 4 respectively and floating charges over the entire assets of certain subsidiaries,
- A negative pledge over the assets of the Company,
- Deeds of assignment over the proceeds of contracts awarded to the Group.

The unsecured bank borrowings are guaranteed by the Company.

28. GROSS REVENUE

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Contract revenue	**443,969**	385,334	**23,032**	11,836
Sale of goods	**115,882**	80,670	**–**	–
Property development revenue from sale of development units	**35,625**	7,219	**8,135**	2,546
Management fees	**12,393**	18,348	**16,637**	20,698
	607,869	491,571	**47,804**	35,080

29. COST OF SALES

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Contract costs	**430,455**	379,259	**20,932**	9,550
Cost of goods sold	**100,133**	68,946	**–**	–
Property development costs relating to development units sold	**33,186**	5,652	**5,894**	2,285
	563,774	453,857	**26,826**	11,835

30. PROFIT FROM OPERATIONS

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Profit from operations is stated after charging:				
Allowance for doubtful debts	**69**	701	**–**	–
Amortisation of prepaid lease payments	**110**	109	**8**	8
Auditors' remuneration				
- current year	**189**	175	**30**	25
- underestimated in prior year	**24**	1	**5**	–
Bad debts written off	**–**	67	**–**	–
Depreciation of property, plant and equipment	**7,615**	8,538	**760**	746
Directors' fees				
- directors of the Company	**243**	243	**243**	243
- directors of a subsidiary	**457**	49	**–**	–
Directors' remuneration other than fees				
- directors of the Company	**2,471**	2,125	**1,395**	1,227
- directors of subsidiaries	**770**	741	**–**	–
Loss on disposal of expressway development project	**1,700**	–	**1,700**	–
Loss on foreign exchange				
- realised	**–**	31	**1**	31
- unrealised	**40**	–	**20**	–
Property, plant and equipment written off	**30**	37	**–**	–
Rental expenses				
- operating leases	**300**	300	**–**	–
- land and premises	**667**	600	**–**	–
- motor vehicles	**43**	98	**–**	–
- machinery and equipment	**7,326**	11,297	**–**	–
Research and development expenditure	**–**	60	**–**	–

30. PROFIT FROM OPERATIONS (Cont'd)

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
and crediting:				
Allowance for doubtful debts written back	**36**	1,134	**25**	204
Amortisation of government grants	**11**	7	**–**	–
Bad debts recovered	**33**	69	**–**	–
Gain on disposal of property, plant and equipment	**1,154**	1,813	**6**	13
Gain on foreign exchange				
- realised	**178**	129	**–**	–
- unrealised	**–**	15	**–**	–
Hire of motor vehicles and machinery	**900**	1,365	**–**	–
Interest income	**818**	3	**–**	–
Interest expense waived by a subsidiary	**–**	–	**–**	1,087
Rental income from				
- investment properties	**195**	173	**–**	–
- others	**121**	309	**451**	449

Estimated monetary value of benefits-in-kind received by the directors otherwise than in cash are as follows:

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Directors of the Company	**82**	86	**24**	24
Directors of subsidiaries	**21**	16	**–**	–

31. FINANCE COSTS

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Finance costs incurred during the year comprise:				
Hire purchase term charges	**423**	353	**13**	10
Interest expenses on bank borrowings	**10,952**	7,719	**1,392**	956
Other interest expenses	**143**	–	**–**	–
	11,518	8,072	**1,405**	966
Less:				
Finance costs classified in contract costs under cost of sales				
Hire purchase term charges	**175**	159	**–**	–
Interest expenses on bank borrowings	**6,140**	2,382	**735**	265
Other interest expenses	**141**	–	**–**	–
	5,062	5,531	**670**	701

32. INVESTMENT INCOME

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Dividend income from:				
- shares quoted in Malaysia	**–**	1	**–**	–
- mutual funds and unit trusts	**4**	–	**4**	–
- subsidiary	**–**	–	**100**	150
- associates	**–**	–	**192**	–
	4	1	**296**	150
Interest income	**626**	336	**31**	766
Gain on disposal of investment in an associate	**–**	250	**–**	–
Gain on partial disposal of investment in a subsidiary	**50**	–	**50**	–
Gain on disposal of other investments	**16**	–	**–**	–
Gain on disposal of investment properties	**5**	–	**–**	–
Allowance for diminution in value of other investments	**(35)**	(166)	**–**	–
	666	421	**377**	916

33. TAX EXPENSE/(INCOME)

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Current tax expense				
Malaysian				
- current year	**949**	1,723	**171**	1,855
- overestimated in prior years	**(787)**	(735)	**(135)**	(1,190)
Overseas				
- current year	**54**	–	**–**	–
	216	988	**36**	665
Deferred tax expense/(income) relating to origination and reversal of temporary differences during the year	**776**	372	**(76)**	55
Deferred tax expense overestimated in prior year	**(440)**	(132)	**–**	–
	336	240	**(76)**	55
	552	1,228	**(40)**	720

33. TAX EXPENSE/(INCOME) (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	
	2007 RM'000	**2006 RM'000**	**2007 RM'000**	**2006 RM'000**
Accounting profit (excluding share of results of associates and jointly controlled entity)	**5,553**	6,675	**10,037**	18,158
Tax at the applicable tax rate of 27% (2006: 28%)	**1,499**	1,869	**2,710**	5,084
Add:				
Tax effect of expenses not deductible in determining taxable profit	**2,742**	3,003	**749**	458
Deferred tax expense relating to origination and reversal of temporary differences during the year	**–**	762	**–**	–
Deferred tax income relating to reversal of temporary differences not recognised during the year	**1,198**	566	**–**	–
Tax effect in reduction in tax rates	**48**	–	**–**	–
	5,487	6,200	**3,459**	5,542
Less:				
Tax effect of income not taxable in determining taxable profit	**3,604**	4,092	**3,364**	3,632
Tax effect of different tax rates of Subsidiaries	**104**	13	**–**	–
	1,779	2,095	**95**	1,910
Less:				
Current tax expense overestimated in prior years	**787**	735	**135**	1,190
Deferred tax expense overestimated in prior year	**440**	132	**–**	–
Tax expense/(income) for the year	**552**	1,228	**(40)**	720

Based on the prevailing tax rate of 26% applicable to dividends in the year of assessment 2008, the entire unappropriated profit of the Company at year end is covered by estimated tax credits available under section 108 of the Income Tax Act, 1967 for the distribution of dividends. The Company also has approximately RM34,812,000 (2006: RM22,383,000) in the tax exempt income accounts available for distribution of tax exempt dividends.

34. 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 RM7,020,000 (2006: RM5,122,000) and on 81,712,000 (2006: 80,925,000) weighted average number of ordinary shares in issue during the year calculated as follows:

	2007 '000	2006 '000
Number of ordinary shares at 1 January	**80,925**	80,925
Effects of shares issued from ESOS between April 2007 and December 2007	**787**	–
Weighted average number of ordinary shares	**81,712**	80,925

(ii) Diluted earnings per share

The diluted earnings per share for the financial year is not disclosed as the potential ordinary shares arising from the exercise of options under the ESOS at fair value, has anti-dilutive effect.

35. DIVIDENDS PAID

Recognised as distribution to equity holders during the year:

	2007 RM'000	2006 RM'000
Final dividend of 3% less 27% tax for the financial year ended 31 December 2006 (2006: Final dividend of 2% less 28% tax for the financial year ended 31 December 2005)	**1,772**	1,165
Interim dividend of 2% less 27% tax for the financial year ended 31 December 2007 (2006: Interim dividend of 2% less 28% tax for the financial year ended 31 December 2006)	**1,207**	1,165
	2,979	2,330
Net dividend per ordinary share (sen)	**3.60**	2.88

At the forthcoming annual general meeting, a final dividend of 4% less 26% tax amounting to RM2,447,000 (RM0.03 net per ordinary share) in respect of the financial year ended 31 December 2007 will be proposed for approval by the shareholders of the Company. The proposed final dividend is payable in respect of all ordinary shares in issue at the date of the financial statements. These financial statements do not reflect this final dividend which will be accounted for in the shareholders' equity as an appropriation of unappropriated profit in the financial year in which the dividend is paid.

36. ANALYSIS OF ACQUISITION OF SUBSIDIARIES

During the financial year, the Company acquired the following subsidiaries:

(a) Bina Puri Pakistan (Private) Ltd

The Company subscribed 9,997 ordinary shares of PKR10 each, representing 99.97% of the initial issued and paid-up share capital of Bina Puri Pakistan (Private) Ltd, a company incorporated in Pakistan, at a cash consideration of PKR99,997 (RM5,554). Bina Puri Pakistan (Private) Ltd was incorporated on 2 August 2007 and its principal activity is contractor of earthworks, building and road construction.

(b) Bina Puri (B) Sdn Bhd (formerly known as Dynacorp Sdn Bhd)

On 1 June 2007, the Company and a wholly owned indirect-subsidiary, Bina Puri Construction Sdn Bhd acquired 100% equity interest, representing 2 ordinary shares of BND1 each in Bina Puri (B) Sdn Bhd (formerly known as Dynacorp Sdn Bhd), a company incorporated in Negara Brunei Darussalam, at a cash consideration of BND2 (RM5). The principal activity of the newly acquired subsidiary is contractor of earthworks, building and road construction.

The acquisition was accounted for using the acquisition method of accounting. There is no goodwill or negative goodwill arising from the said acquisition.

In the previous financial year, the Company acquired 60% equity interest, representing 60 ordinary shares of RM1 each in Bina Puri Gah Sdn Bhd, a company incorporated in Malaysia at a cash consideration of RM60.

The effects of acquisition of the subsidiaries 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	
	2007	**2006**
	RM'000	**RM'000**
Gross revenue	**7,496**	–
Cost of sales	**7,264**	–
Profit/(Loss) before tax	**89**	(16)
Tax expense	**27**	–
Increase/(Decrease in) Group's net profit	**62**	(16)

36. ANALYSIS OF ACQUISITION OF SUBSIDIARIES (Cont'd)

(ii) **Effect on consolidated financial position**

	Subsidiaries acquired in 2007 RM'000	2006 RM'000
Non-current assets	**265**	–
Current assets	**5,383**	–
Non-current liabilities	**(105)**	–
Current liabilities	**(5,360)**	(16)
Increase/(Decrease) in Group's share of net assets	**183**	(16)

(iii) Effect on consolidated cash flow statement

	Subsidiaries acquired in 2007 RM'000	2006 RM'000
Fair value of net assets acquired		
Current assets	**6**	–
Current liabilities	**–**	–
Total purchase consideration	**6**	–
Less:		
Cash and cash equivalents	**–**	–
Net cash flows on acquisition	**6**	–

37. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2007 RM'000	**2006 RM'000**	**2007 RM'000**	**2006 RM'000**
Salaries, wages, allowances and bonuses				
- Executive directors	**2,961**	2,665	**1,245**	1,095
- Other employees	**29,622**	29,439	**3,487**	2,727
Defined contribution plan				
- EPF contributions	**3,367**	3,366	**537**	454
Social security costs				
- SOCSO contributions	**338**	340	**29**	24
Other staff related expenses	**3,621**	4,559	**238**	241
	39,909	40,369	**5,536**	4,541

38. RELATED PARTY DISCLOSURES

(a) The Group has a controlling related party relationship with its subsidiaries referred to in Note 6.

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

- Associates
- Jointly controlled entity
- Companies in which a director of the Company has financial interest
- Former associate

(c) In addition to information disclosed elsewhere in the financial statements, the Group has the following significant transactions with the related parties during the financial year:

	Group		Company	
	2007 RM'000	**2006 RM'000**	**2007 RM'000**	**2006 RM'000**
Sales of quarry products to associate	**1,846**	2,804	**–**	–
Management fees charged to:				
- subsidiaries	**–**	–	**4,244**	2,350
- associate	**12,393**	18,348	**12,393**	18,348
Rental income received from subsidiaries	**–**	–	**367**	367
Project commission received from subsidiaries	**–**	–	**896**	1,446
Repayment of advances from subsidiaries	**–**	–	**–**	7,869
Repayment of advances from associates	**–**	2,179	**–**	1,549

38. RELATED PARTY DISCLOSURES (Cont'd)

(c) In addition to information disclosed elsewhere in the financial statements, the Group has the following significant transactions with the related parties during the financial year: (Cont'd)

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Consultancy fee charged by a subsidiary	–	–	168	168
Construction services charged by				
- associate	5,275	2,682	–	–
- former associates	–	4,260	–	–
Hiring charges by former associates	–	1,424	–	–
Sub-contractor claims charged by an associate	532	1,145	–	–
Security and safety charges by a subsidiary	–	–	216	162
Purchase of air tickets from a company in which a director of the Company has substantial financial interest	1,052	886	614	239
Purchase of diesel from a company in which a director of the Company has substantial financial interest	3,238	3,278	–	–
Repayment of advances to subsidiaries	–	–	5,663	14,654
Advance to subsidiaries	–	–	6,225	–
Advance to jointly controlled entity	505	–	505	–
Advance to associates	2,545	–	1,810	–
Repayment of advances to associates	–	108	–	–

Information regarding outstanding balances arising from related party transactions at year end are disclosed in Notes 8, 15, 16, 17 and 26.

(d) Compensation of key management personnel

(i) The remuneration of directors and other members of key management personnel of the Group and the Company during the year comprises:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Short-term employee benefits	6,061	5,363	2,526	2,192
Post employment benefits				
- defined contribution plan	586	556	312	227
	6,647	5,919	2,838	2,419

38. RELATED PARTY DISCLOSURES (Cont'd)

(d) Compensation of key management personnel (Cont'd)

(ii) Options granted under ESOS to the directors and other members of key management personnel of the Group and the Company are as follows:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
At 1 January	**1,376**	1,376	**608**	608
Granted	**839**	–	**183**	–
Exercised	**(816)**	–	**(371)**	–
Lapsed	**–**	–	**–**	–
At 31 December	**1,399**	1,376	**420**	608

39. COMMITMENTS

(a) Capital commitments

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Approved capital expenditure in respect of contracted expressway development expenditure (estimated)	**806,940**	1,356,940	**–**	550,000

(b) Operating lease commitments

The Group as lessee

The Group leased a land under non-cancellable operating leases for its operations. The lease has a tenure of 10 years, with an option to renew the lease after the expiry of the lease. Increases in lease payments, if any, after the expiry date, are negotiated between the Group and the lessor which will normally reflect market rentals. The above lease does not include any contingent rentals.

39. COMMITMENTS (Cont'd)

The future aggregate minimum lease payments under these non-cancellable operating leases are as follows:

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Future minimum lease payments				
- payable not later than one year	**300**	300	**–**	–
- payable later than one year and not later than five years	**600**	900	**–**	–
	900	1,200	**–**	–

40. CONTINGENT LIABILITIES

(a) Unsecured guarantees

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Guarantees given in favour of financial institutions for credit facilities granted to				
- subsidiaries	**–**	–	**247,103**	420,069
- associates	**74**	82	**–**	–
Guarantees given for performance bonds granted to				
- subsidiaries	**–**	–	**58,993**	58,993
- associate	**27,612**	40,444	**27,612**	40,444
Guarantees given in favour of suppliers of goods for credit terms granted to subsidiaries	**–**	–	**6,383**	2,451
Guarantees given to secure hire purchase liabilities of				
- subsidiaries	**–**	–	**4,470**	308
- former associate	**72**	256	**–**	–
Guarantees given in favour of the Government of Malaysia for financial assistance under the Industry Research and development Grant Scheme to a subsidiary	**–**	978	**–**	978
	27,758	41,760	**344,561**	523,243

40. CONTINGENT LIABILITIES (Cont'd)

(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 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. Kimpoint applied to amend their Statement of Claim to which the Company objected. On 18 December 2006, the court dismissed with costs Kimpoint's application to amend the Statement of Claim and on 20 December 2006, Kimpoint filed notice of appeal. Court fixed 30 April 2008 for show cause of the case. At this juncture, the Company's directors have been advised that there is an even chance of defending the matter.

(ii) On 27 October 2000, an originating summons was filed in the Kuala Lumpur High Court by a subsidiary, namely, Bina Puri Sdn Bhd ("BPSB") against EP Engineering Sdn Bhd ("EP") and Kris Heavy Engineering & Construction Sdn Bhd ("Kris Heavy") seeking an injunction/declaration that BPSB is not a party to arbitration proceedings commenced by EP against BPSB and Kris Heavy.

On 28 February 2005, the arbitration proceedings were proceeded upon by EP for the sum of RM17,002,760, general damages, interest and cost against BPSB and Kris Heavy and the continued proceedings were scheduled from 12 November to 23 November 2007 and 10 December to 14 December 2007. On the appeal for a declaration that BPSB is not a party to the arbitration, the Court of Appeal has directed that BPSB is to file the submission on or before 5 November 2007 for which BPSB had put in the necessary submission and hearing was fixed on 4 December 2007. On 4 December 2007, the Court of Appeal disallowed the Application to Adduce Further Evidence. BPSB's appeal on the issue of jurisdiction has also been dismissed. To this, BPSB filed the Leave of Appeal to the Federal Court against the Court of Appeal's decision. Hearing has been fixed on 23 June 2008. The directors have been advised that BPSB has an even chance of success.

(iii) Selesa Timur Sdn Bhd ("Selesa") brought an action against Bina Puri Construction Sdn Bhd ("BPCSB") for the sum of RM351,147 for non payment of contract claims. BPCSB has in turn filed a counter claim of RM94,569 against Selesa and had served further and better particulars to Selesa.

Trial was conducted on 12 November 2007 and the closing submission was filed on 19 November 2007. On 22 November 2007, the Judge delivered his judgment in favour of the Plaintiff for the sum of RM160,559.86 with interest at 8% p.a. from 13 September 2001. We paid to the plaintiff solicitor the judgement sum totalling RM240,000.

41. SEGMENTAL ANALYSIS

(a) Primary reporting format - business segment

The Group's operations comprise the following business segments:

Construction - contractor of earthworks, building and road construction
Property development - property developer
Polyol manufacturing - manufacturer of polyol
Quarry and ready mix concrete - quarry operator and producer of ready mix concrete

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.

2007	Construction RM'000	Property development RM'000	Polyol manufacturing RM'000	Quarry and ready mix concrete RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
REVENUE							
External sales	456,362	35,625	23,322	92,560	–	–	607,869
Inter-segment sales	427	–	–	15,249	–	(15,676)	–
Total revenue	456,789	35,625	23,322	107,809	–	(15,676)	607,869
RESULTS							
Segment operating profit	2,617	2,646	1,099	3,375	87	125	9,949
Finance costs	(4,574)	–	(138)	(350)	–	–	(5,062)
Investment income	846	–	–	(30)	–	(150)	666
Share of results of							
- associates	1,788	–	–	330	–	–	2,118
- jointly controlled entity	857	–	–	–	–	–	857
Profit before tax	1,534	2,646	961	3,325	87	(25)	8,528
Tax income/(expense)	681	(3)	(347)	(854)	(29)	–	(552)
Profit after tax	2,215	2,643	614	2,471	58	(25)	7,976
Minority interests	(4)	13	(61)	(916)	12	–	(956)
Net profit for the year	2,211	2,656	553	1,555	70	(25)	7,020

41. SEGMENTAL ANALYSIS (Cont'd)

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

2007	Construction RM'000	Property development RM'000	Polyol manufacturing RM'000	Quarry and ready mix concrete RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
OTHER INFORMATION							
Segment assets	413,920	53,804	9,739	56,736	1,827	(52,302)	483,724
Associates	3,346	–	–	811	–	–	4,157
Jointly controlled entity	857	–	–	–	–	–	857
Other investments	7,381	–	–	–	–	–	7,381
Current tax assets	3,048	5	–	18	–	–	3,071
Deferred tax assets	–	–	853	–	–	–	853
Total assets	428,552	53,809	10,592	57,565	1,827	(52,302)	500,043
Segment liabilities	179,749	33,461	3,311	42,458	33,743	(72,470)	220,252
Borrowings	179,428	4,203	3,744	6,150	–	–	193,525
Government grant	–	–	90	–	–	–	90
Current tax liabilities	39	45	–	192	12	–	288
Deferred tax liabilities	400	–	–	252	–	–	652
Total liabilities	359,616	37,709	7,145	49,052	33,755	(72,470)	414,807
Capital expenditure	10,821	246	392	2,662	3	–	14,124
Depreciation and amortisation	6,131	18	639	936	1	–	7,725
Non-cash expenses other than Depreciation	7,569	(18)	96	50	–	–	7,697

41. SEGMENTAL ANALYSIS (Cont'd)

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

2006	Construction RM'000	Property development RM'000	Polyol manufacturing RM'000	Quarry and ready mix concrete RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
REVENUE							
External sales	403,682	7,219	17,050	63,620	–	–	491,571
Inter-segment sales	359	217	18	2,606	–	(3,200)	–
Total revenue	404,041	7,436	17,068	66,226	–	(3,200)	491,571
RESULTS							
Segment operating profit/(loss)	9,656	563	204	2,202	(278)	(562)	11,785
Finance costs	(5,088)	–	(110)	(333)	(1,099)	1,099	(5,531)
Investment income	1,078	(10)	–	382	1,158	(2,187)	421
Share of results of associates	452	–	–	(718)	–	–	(266)
Profit/(Loss) before tax	6,098	553	94	1,533	(219)	(1,650)	6,409
Tax income/(expense)	426	(283)	(800)	(567)	(40)	36	(1,228)
Profit after tax	6,524	270	(706)	966	(259)	(1,614)	5,181
Minority interests	(34)	–	70	(96)	1	–	(59)
Net profit/(loss) for the year	6,490	270	(636)	870	(258)	(1,614)	5,122

41. SEGMENTAL ANALYSIS (Cont'd)

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

2006	Construction RM'000	Property development RM'000	Polyol manufacturing RM'000	Quarry and ready mix concrete RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
OTHER INFORMATION							
Segment assets	553,743	33,083	7,453	45,649	7,298	(39,792)	607,434
Associates	1,542	–	–	481	–	–	2,023
Other investments	1,372	1	–	35	3	–	1,411
Current tax assets	4,342	8	–	20	117	–	4,487
Deferred tax assets	–	–	1,200	–	–	–	1,200
Total assets	560,999	33,092	8,653	46,185	7,418	(39,792)	616,555
Segment liabilities	144,876	19,712	3,324	35,917	58,637	(87,740)	174,726
Borrowings	353,635	–	2,395	4,425	–	–	360,455
Government grant	–	–	101	–	–	–	101
Current tax liabilities	1,733	140	–	87	2	–	1,962
Deferred tax liabilities	639	–	–	24	–	–	663
Total liabilities	500,883	19,852	5,820	40,453	58,639	(87,740)	537,907
Capital expenditure	7,466	20	318	409	–	–	8,213
Depreciation and amortisation	6,751	12	680	1,204	1	(1)	8,647
Non-cash expenses other than Depreciation	2,531	15	138	842	(1,030)	3,254	5,750

41. SEGMENTAL ANALYSIS (Cont'd)

(b) Secondary reporting format - geographical segment

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

42. FINANCIAL INSTRUMENTS

(a) Credit risk

At balance sheet date, the Group did not have any significant exposure to any individual customer or counterparty or any major concentration of credit risk related to any financial assets.

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

(b) Fair values

The carrying amounts of the financial assets and liabilities of the Group and of the Company at 31 December 2007 approximated their fair values except for other investments as stated below:

	Group		Company	
	Carrying amounts RM'000	Fair values RM'000	Carrying amounts RM'000	Fair values RM'000
Unquoted shares	6,803	*	6,365	*
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 allowance for diminution in value.

43. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements of the Group and Company were authorised for issue by the board of directors on 21 April 2008.

Statement by Directors

In the opinion of the directors, the financial statements set out on pages 40 to 105 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 2007 and of their results and cash flows for the year then ended; and

(b) in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards for Entities Other Than Private Entities.

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

21 April 2008

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 40 to 105 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 21 April 2008	)	**TAN SRI DATUK TEE HOCK SENG, JP**

Before me:

ROBERT LIM HOCK KEE (W092)
Commissioner for Oaths

Analysis of Shareholdings *As At 31 March 2008*

Authorised Capital	:	RM100,000,000.00
Issued and Paid-up Capital	:	RM82,668,500.00
Class of Shares	:	Ordinary shares of RM1.00 each

LIST OF SUBSTANTIAL SHAREHOLDERS
As Per Register of Substantial Shareholders (Excluding Bare Trustees)

	No. of Shares	% of Shares
Tan Sri Datuk Tee Hock Seng, JP	13,717,978#	16.59
Jentera Jati Sdn. Bhd.	20,388,000*	24.66
Dr. Tony Tan Cheng Kiat	9,078,902*	10.98
Dato' Mohamed Feisal Bin Ibrahim	5,325,900	6.44
Henry Tee Hock Hin	5,007,768*	6.06

includes beneficial interest held through nominee companies and indirect holding through Tee Hock Seng Holdings Sdn. Bhd.

* *includes beneficial interest held through nominee company(ies).*

DIRECTORS' INTEREST
As Per Register of Directors' Shareholdings

Name of Directors	Direct Interest	%	Deemed Interest	%
Dato' Mohamed Feisal Bin Ibrahim	5,325,900	6.44	–	–
Tan Sri Datuk Tee Hock Seng, JP	13,507,978*	16.34	210,000#	0.25
Dr. Tony Tan Cheng Kiat	9,078,902*	10.98	–	–
Tee Hock Hin	5,007,768*	6.06	–	–
Tay Hock Lee	1,611,707	1.95	–	–
Dato' Anad Krishnan a/l Muthusamy	10,000*	0.01	–	–

indirect holding through Tee Hock Seng Holdings Sdn. Bhd.

* *includes beneficial interest held through nominee company(ies).*

DISTRIBUTION OF SHAREHOLDINGS
As Per Record of Depositors

Range of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	5	0.20	264	0
100 - 1,000	667	26.11	633,533	0.76
1,001 - 10,000	1,530	59.88	6,752,433	8.17
10,001 - 100,000	306	11.98	8,604,777	10.41
100,001 to less than 5% of issued shares	41	1.60	20,357,201	24.63
5% and above of issued shares	6	0.23	46,320,292	56.03
Total	**2,555**	**100**	**82,668,500**	**100**

Thirty Largest Shareholders

As at 31 March 2008

		No. of Shares	% of Shares
1.	Jentera Jati Sdn. Bhd.	12,088,000	14.62
2.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Dr. Tony Tan Cheng Kiat (861025)	8,400,000	10.16
3.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Jentera Jati Sdn. Bhd. (ITSB IB1005)	8,300,000	10.04
4.	Cimsec Nominees (Tempatan) Sdn. Bhd. Qualifier : CIMB Bank for Tan Sri Datuk Tee Hock Seng, JP (PB Retail Banking)	8,234,878	9.96
5.	Dato' Mohamed Feisal Bin Ibrahim	5,325,900	6.44
6.	Henry Tee Hock Hin	4,359,414	5.27
7.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Tan Sri Datuk Tee Hock Seng, JP (100508)	2,850,000	3.45
8.	Tan Sri Datuk Tee Hock Seng, JP	2,423,100	2.93
9.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Cheo Chet Lan @ Chow Sak Nam, KMN	1,756,707	2.13
10.	Tay Hock Lee	1,611,707	1.95
11.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Cheo Chet Lan @ Chow Sak Nam, KMN (100528)	1,583,177	1.92
12.	Tee Hock Loo	1,243,707	1.50
13.	Dr. Tony Tan Cheng Kiat	678,902	0.82
14.	ABB Nominee (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Henry Tee Hock Hin (o/a Bina Jati Sdn. Bhd. - Tmn Midah)	648,354	0.78
15.	Malini a/p Arulampalam	588,000	0.71
16.	Chang Yock Chai	585,000	0.71
17.	Ang Beng Eng	541,077	0.65
18.	Toh Hoon Kheng	450,000	0.54
19.	TA Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Chong Khong Shoong	330,000	0.40
20.	Matthew Tee Kai Woon	293,200	0.35

		No. of Shares	% of Shares
21.	Usha a/p K. Gunagnanam	290,000	0.35
22.	Hee Kah Pau	265,000	0.32
23.	Sai Yee @ Sia Say Yee	355,000	0.43
24.	Chong Kooi Yoon @ Choong Kooi Yoon	251,470	0.30
25.	Ng Geok Hwa	233,000	0.28
26.	Wong Siew Keng	231,000	0.28
27.	Tee Hock Seng Holdings Sdn. Bhd.	210,000	0.25
28.	Toh Hee Chooy	205,000	0.25
29.	Pacific Strike Sdn. Bhd.	197,200	0.24
30.	Mayban Securities Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Pang Yoon Sang	187,000	0.23
	TOTAL	**64,715,793**	**78.28**

List of Properties *31 December 2007*

Location	Description	Date of acquisition	Tenure	Year Expiry	Land / Built-up Area	Age building (years)	Existing use	Net carrying amount 31 Dec 07 RM'000
HS(M) 13570, PT No. 22184 Mukim of Batu, District of Gombak Selangor Darul Ehsan	5 1/2 storey office building	1 July 1998	Leasehold	2089	17,920 sq ft	10	Office	15,692
HS (M) 12980, PT No. 21686 Mukim of Batu, District of Gombak Selangor Darul Ehsan	2 units condominium	9 Feb 1995	Leasehold	2089	3,900 sq ft	15	Guest House	1,143
HS (M) 13457, PT No. 22071 HS (M) 13458, PT No 22072 Mukim of Batu, District of Gombak Selangor Darul Ehsan	2 units 2 1/2 storey shoplot	30 June 1997	Leasehold	2089	3,576 sq ft	15	Office	480
Master Title PM 279, Lot 52161 Mukim Batu, District of Gombak Selangor Darul Ehsan	1 unit 2 1/2 storey shoplot	13 Nov 1997 1 Nov 2007	Leasehold	2089	2,278 sq ft 1,291 sq ft	15	Office	593 185
Lot 5815, Batu 16 1/4, Jalan Reko Mukim Kajang, Hulu Langat Selangor Darul Ehsan	Office building	1 June 2007	Freehold	–	22,320 sq ft	13	Office cum factory	1,365
Unit 104, 105, 106 & 107 Block L, Alamesra Plaza Permai Alamesra, Sabah	2 storey shop cum office	18 Jan 2005	Leasehold	2098	18,331 sq ft	3	Office	2,954
GM806/MI/4/34 & GM806/MI/4/35 PTK No. 34 & 35, TLET 4 BGN MI - Lot 5820 Mukim of Sri Rusa, Port Dickson	2 units condominium	1 Jan 1997	Freehold	–	1,992 sq ft	11	Guest House	340
Parcel A-1009, Storey No. 10 Block A, MPAJ Square Mukim Ampang, Selangor Darul Ehsan	Office building	1 Apr 2000	Leasehold	2093	1,085 sq ft	9	Tenanted	180
HS(M) 5918 No. 7439 HS(M) 5919 PT No.7440 Mukim Hulu Langat District of Hulu Langat State of Selangor	1 unit semi-detached house	27 May 2004	Freehold	–	303 sq meter	4	Vacant	555
Geran No 80798, Lot 37864 37 Jalan Section 3/8 Mukim Kajang District of Hulu Langat	1 unit shoplot	15 June 2001	Freehold	–	1,650 sq ft	7	Vacant	400
HS (D) 23094, Lot No 1495 Mukim of Hulu Langat District of Ulu Langat Selangor Darul Ehsan	Granite deposit area	1 May 1990	Leasehold	2010	634 acres	–	Extracting of granite aggregates	366
Plot A, B & C, Daerah Alor Gajah Mukim Melaka Pindah Melaka	Granite deposit area	2 Mar 1998	Leasehold	2027	95 acres	–	Extracting of granite aggregates	946
Lot 925, Lot 843 Daerah Alor Gajah Mukim Melaka Pindah Melaka	Vacant land	12 Aug 1997	Leasehold	2033 2024	3.7 acres 2.4 acres	–	Premix plant	288
Lot 709, 952, 954, 955, 956, 958, 1060, Daerah Alor Gajah Mukim Melaka Pindah Melaka	Vacant land	12 Aug 1997	Freehold	–	15.4 acres	–	Weigh bridge & crusher plant	935

Recurrent Related Party Transactions

At the Annual General Meeting held on 5 June 2007, the Company obtained Shareholders' Mandate to allow the Group to enter into recurrent related party transactions of a revenue or trading nature.

In accordance with Section 4.1.5 of Practice Note No. 12/2001of the Bursa Malaysia Securities Berhad Listing Requirements, the details of recurrent related party transactions conducted during the financial year ended 31 December 2007 pursuant to the Shareholders' Mandate are disclosed as fallows:

Nature of transactions undertaken by Bina Puri Holdings Bhd and / or its subsidiaries	Related Parties	Transacting Parties	Value of Transactions RM'000
Purchase of air tickets (to facilitate air travel in the course of business, eg. travel to project sites)	Sea Travel and Tours Sdn Bhd, a company in which Director YBhg. Tan Sri Datuk Tee Hock Seng,JP and a member of his family collectively hold approximately 86.27% financial interest	(i) Bina Puri Holdings Bhd	614
		(ii) Bina Puri Sdn Bhd	164
		(iii) Bina Puri Construction Sdn Bhd	201
		(iv) Sungai Long Industries Sdn Bhd	41
		(v) Maskimi Polyol Sdn Bhd	32
Purchase of diesel	New Hoong Wah Holdings Sdn Bhd, a company in which Director YBhg. Tan Sri Datuk Tee Hock Seng, JP has 50% financial interest	(i) Bina Puri Sdn Bhd	1,947
		(ii) Bina Puri Construction Sdn Bhd	94
		(iii) Sungai Long Industries Sdn Bhd	1,193
		(iv) Easy Mix Sdn Bhd	4

Group Corporate Directory

BINA PURI HOLDINGS BERHAD (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
E-mail: bphb@po.jaring.my
Website: www.binapuri.com.my

MAJOR SUBSIDIARIES

Construction Division

BINA PURI SDN.BHD. (23296-X)

Kuala Lumpur Office
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
E-mail: bpuri@po.jaring.my

Kuching Office
No 29, Sublot 11, 1st Floor
Block B, Wisma Nation Horizon
Jalan Petanak, 91300 Kuching
Sarawak, Malaysia
Tel: (6082) 241 991
Fax: (6082) 421 991

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
4th - 6th, Block L
Sulaiman - Coastal Highway
88450 Alamesra, Kota Kinabalu
Sabah, Malaysia
Tel: (6088) 380 660/770
Fax: (6088) 380 565/655
E-mail: bpcsbkk@tm.net.my

Northern Region Office
No 1B Tingkat 2, Jalan Todak 5
Pusat Bandar Seberang Jaya
13700 Prai, Pulau Pinang, Malaysia
Tel: (604) 398 5500
Fax: (604) 398 7500
E-mail: bpcnorth@time.net.my

Property Development Division

BINA PURI PROPERTIES SDN. BHD.
(246157-M)
4th - 6th, Block L
Sulaiman - Coastal Highway
88450 Alamesra, Kota Kinabalu
Sabah, Malaysia
Tel: (6088) 380 660/770
Fax: (6088) 380 565/655
E-mail: bpcsbkk@tm.net.my

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

Quarry Operations & Construction Materials

EASY MIX SDN.BHD. (242217-D)
Batu 11, Jalan Hulu Langat
43100 Hulu Langat
Selangor Darul Ehsan, Malaysia
Tel: (603) 9021 5851
Fax: (603) 9021 5798
E-mail: easymix@po.jaring.my

KM QUARRY SDN.BHD. (409397-V)
No 16-1, Jalan PE 35
Taman Paya Emas Fasa 2A
76450 Paya Rumput, Melaka, Malaysia
Tel: (606) 312 4286
Fax: (606) 312 4278
E-mail: kmquarry@my.jaring.net

SUNGAI LONG INDUSTRIES SDN.BHD.
(198655-D)
SUNGAI LONG BRICKS SDN.BHD.
(332315-X)
Batu 11, Jalan Hulu Langat
43100 Hulu Langat
Selangor Darul Ehsan, Malaysia
Tel: (603) 9021 2400
Fax: (603) 9021 2425
E-mail: sglong@po.jaring.my

Polyol Division

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

International Ventures

BINA PURI (THAILAND) LTD.
947/127 Moo 12
Bangna Sub District
Bangna District
Bangkok 10260, Thailand.
Tel: 0066-02-7441366
0066-02-7441367
0066-02-7441368
Fax: 0066-02-7441369

BINA PURI VIETNAM CO. LTD.
No. 171, D2 Street, Van Tanh Bac
Ward 25, Binh Thanh District,
Ho Chi Minh City, Vietnam
Tel/Fax: 00848 8983267
Fax: 00848 8983267

BINA PURI PAKISTAN (PVT) LTD.
No. 141, Centre Commercial Arae (CCA)
Sector DD, Phase IV, Defence Housing Authority
(DHA), Lahore, Pakistan
Tel: 0092-42-574 7888
0092-42-574 7886
Fax: 0092-42-574 5999

BINA PURI (BRUNEI) SDN. BHD.
No. 2, 2nd Floor, Block C
Bangunan Begawan Pehin Dato' Hj Md Yusof
Kg Kiulap, Bandar Seri Begawan
BE1518, Brunei Darussalam
Tel: (673) 223 2373
Fax: (673) 223 2371

BINA PURI HOLDINGS BHD. – ABU DHABI BRANCH
PO Box 714 Abu Dhabi, United Arab Emirates
Tel: 0097-12-650 1112
Fax: 0097-12-650 1113

Proxy Form

Since 1975

BINA PURI HOLDINGS BHD

(207184-X)

I/We ____

(Full Name in block letters)

of ____

(Address)

being (a) member(s) of BINA PURI HOLDINGS BHD. 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 Seventeenth Annual General Meeting of the Company to be held at Ground Floor, Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan on Wednesday, 28 May 2008 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 2007 and the Reports of Directors and Auditors thereon.		
2.	To re-elect YBhg. Tan Sri Datuk Tee Hock Seng, JP.		
3.	To re-elect Dr. Tony Tan Cheng Kiat.		
4.	To re-elect YBhg. Dato' Anad Krishnan a/l Muthusamy.		
5.	To approve the final dividend of 4% less 26% income tax.		
6.	To ratify and approve directors' annual fees of RM243,000.00.		
7.	To re-appoint Messrs Moores Rowland as Auditors of the Company and to authorise the Directors to fix their remuneration.		
Special Business			
8.	Sea Travel and Tours Sdn. Bhd. and New Hoong Wah Holdings Sdn. Bhd.		
9.	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

Dated this ______________ day of ______________ 2008

____

Signature (First or Sole Shareholder or Common Seal)

Notes :

1. A proxy may but need not be a member of the Company and the provision of Section 149 (1)(b) of the Companies Act, 1965 ("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 at least 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.

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STAMP

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

BINA PURI HOLDINGS BERHAD (207184-X)
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