



# BINA PURI

HOLDINGS BHD



Annual Report 2008



## **Vision**

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

## **Mission**

- To be a world class organisation achieving corporate excellence.
- To be the best in our industry, committed to nation building, adding values to our resources and processes with innovative technology.
- To be a responsible corporate citizen, committed to the highest quality standards with dedication, loyalty and integrity from our people for all stakeholders.

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# Notice Of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Eighteenth 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 Thursday, 28 May 2009 at 11.00 a.m. to transact the following business:-

## AGENDA

1. To receive the Audited Accounts for the year ended 31 December 2008 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 Tay Hock Lee **Resolution 2**
  - 2.2 Henry Tee Hock Hin **Resolution 3**
  - 2.3 Yusuf Khan Bin Ghows Khan **Resolution 4**
3. To approve the final dividend of 2% less 25% income tax in respect of the financial year ended 31 December 2008. **Resolution 5**
4. To ratify and approve directors' annual fees of RM240,000.00. **Resolution 6**
5. To appoint Auditors and to authorise the Directors to fix their remuneration. **Resolution 7**

Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed in the Annual Report as "Appendix A" has been received by the Company for the nomination of Mazars, Chartered Accountants who have given their consent to act, for appointment as Auditors and of the intention to propose the following ordinary resolution:

"THAT Mazars, Chartered Accountants be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Moores Rowland, Chartered Accountants to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

### 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 2009 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.
- 6.2 Kumpulan Melaka Berhad

**Resolution 8**  
**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 15 July 2009 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 19 June 2009.

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 19 June 2009 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

Company Secretary

Selangor Darul Ehsan  
Date: 6 May 2009

### 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 ("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 Securities Industry (Central Depositories) Act, 1991 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 or any adjournment thereof.

### 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 2009 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 EIGHTEENTH ANNUAL GENERAL 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 in pages 11 and 12 of this Annual Report. The details of their interests in the securities of the Company are set out in the Analysis of Shareholdings disclosed in page 116 of this Annual Report.

Date: 8 April 2009

The Boards Of Directors  
Bina Puri Holdings Bhd.  
Wisma Bina Puri  
88, Jalan Bukit Idaman 8/I  
Bukit Idaman  
68100 Selayang

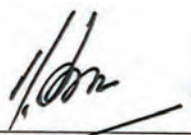
Dear Sirs

**NOMINATION FOR APPOINTMENT OF MAZARS, CHARTERED ACCOUNTANTS AS THE AUDITORS OF BINA PURI HOLDINGS BHD. (“THE COMPANY”)**

Pursuant to Section 172 (11) of the Companies Act, 1965, I, being a shareholder of the Company, hereby give notice of my intention to nominate Mazars, Chartered Accountants for appointment as Auditors of the Company and to propose the following as an ordinary resolution to be tabled at the forthcoming Annual General Meeting of the Company, to replace the retiring Auditors, Moores Rowland, Chartered Accountants:-

“THAT Mazars, Chartered Accountants be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Moores Rowland, Chartered Accountants to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors.”

Yours faithfully.

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SENATOR TAN SRI DATUK TEE HOCK SENG, JP



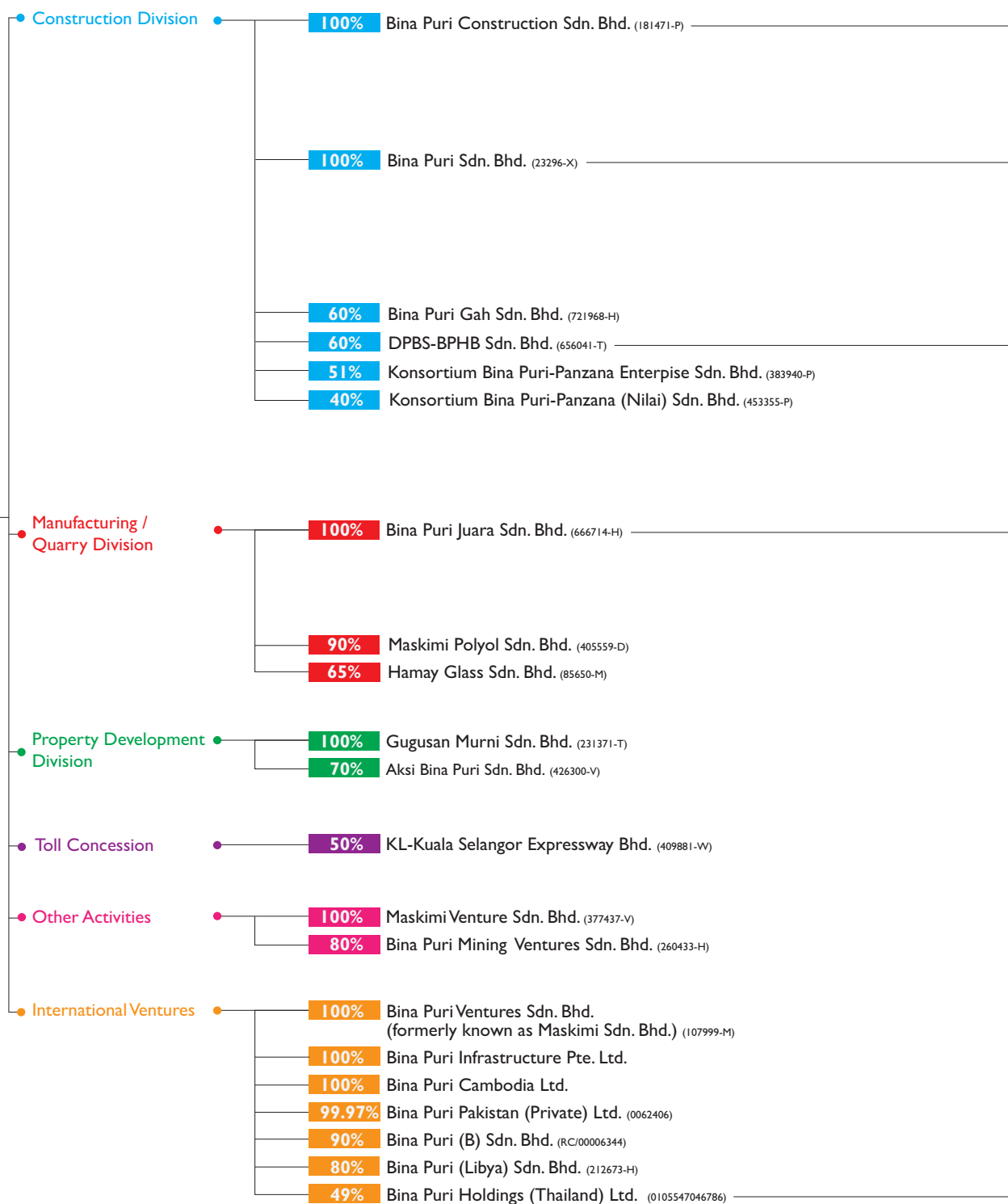


ابوظبي الوطني للتمويل الاسلامي  
Abu Dhabi National Islamic Finance Pvt.JSC



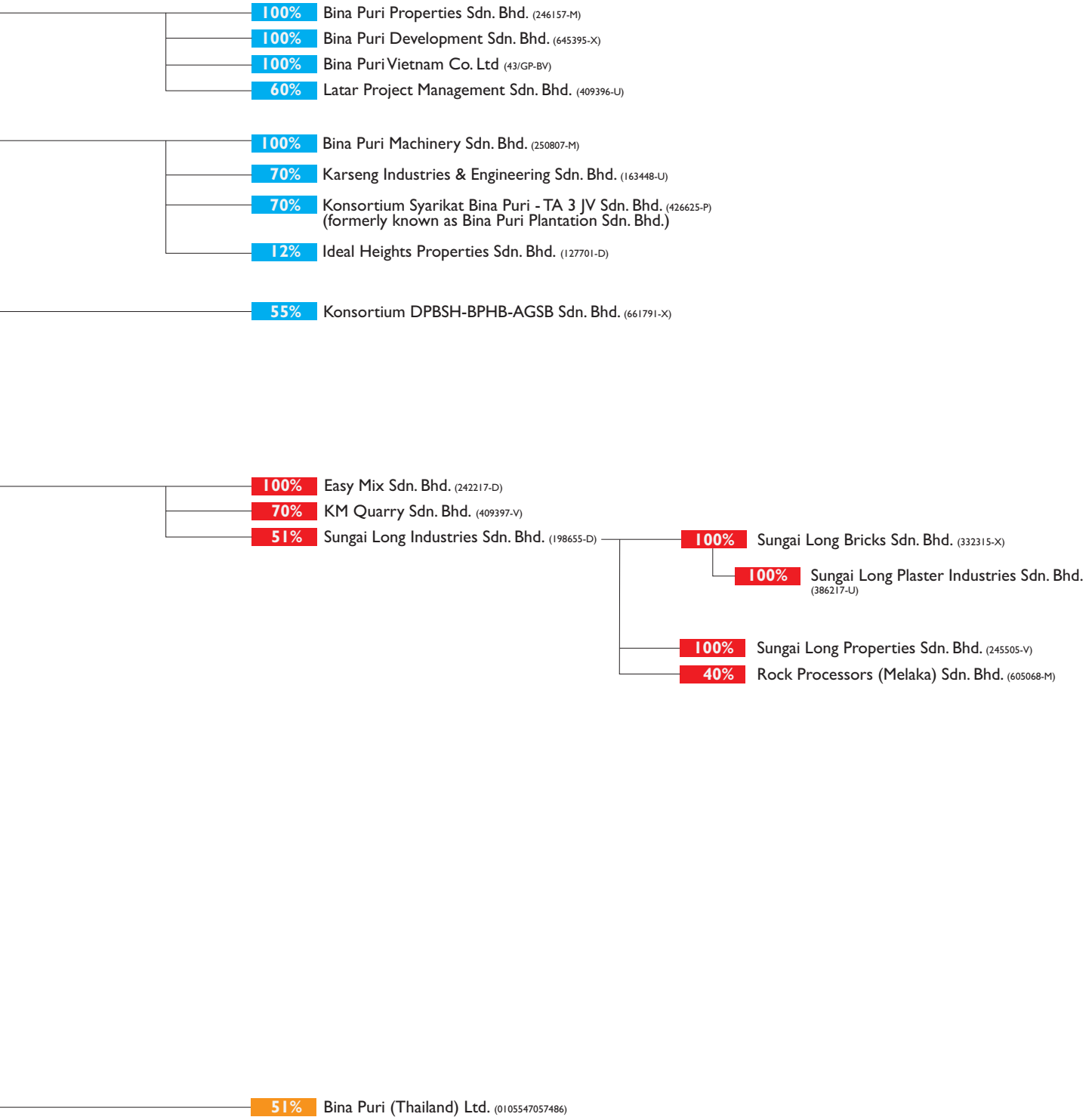
Interior Decorations & Fitting Out Works for Abu Dhabi National Islamic Finance Company

# Group Corporate Structure





## Group Corporate Structure (Cont'd)



# Corporate Information

## BOARD OF DIRECTORS

Dato' Mohamed Feisal bin Ibrahim  
Senator Tan Sri Datuk Tee Hock Seng, JP  
Dr. Tony Tan Cheng Kiat  
Henry Tee Hock Hin  
Tay Hock Lee  
Yusuf Khan bin Ghows Khan  
Khalid bin Sufat  
Dato' Anad Krishnan a/l Muthusamy  
Matthew Tee Kai Woon

Executive Chairman  
Group Managing Director  
Founder Director  
Non-Executive Director  
Non-Executive Director  
Independent Non-Executive Director  
Independent Non-Executive Director  
Independent Non-Executive Director  
Alternate Director to  
Senator Tan Sri Datuk Tee Hock Seng, JP

## BOARD COMMITTEES

### Group Executive Committee

Dato' Mohamed Feisal bin Ibrahim (Chairman)  
Senator 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)  
Senator 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)

## 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 : corpcomm@binapuri.com.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)  
Plaza 138, Suite 18.03  
18th Floor, 138, Jalan Ampang  
50450 Kuala Lumpur  
Tel : 03 2161 5466  
Fax: 03 2163 6968

## AUDITORS

### Moore's 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



## Profile of Directors



**Dato' Mohamed Feisal Bin Ibrahim**, Malaysian, aged 59, 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 and Chairman of KL-Kuala Selangor Expressway 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 21 April 2009, 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 2008.

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

He attended all four (4) Board meetings held during the financial year ended 31 December 2008.



## Profile of Directors (Cont'd)

**Senator Tan Sri Datuk Tee Hock Seng**, JP, Malaysian, aged 60, 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 40 years business acumen in trading, construction and development. He is responsible for the day-to-day operations of the Group.

Senator Tan Sri Datuk Tee was appointed a member of the Senate (Ahli Dewan Negara), Parliament of Malaysia on 15 July 2008 for the duration of three years.

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 also serves as the Treasurer-General of Malaysian Chinese Association ("MCA") Headquarters, Chairman of MCA Wilayah Persekutuan State Liaison Committee, Division Chairman of MCA Bahagian Cheras, President of The Federation of Hokkien Associations of Malaysia, Chairman of Malaysia Quarries Association, Honorary Chairman of The International Fellowship of Eng Choon Associates, Deputy President of the Associated Eng Choon Societies of Malaysia, Vice President of Kuala Lumpur Eng Choon Hoey Kuan, Chairman of Chinese Maternity Hospital ("CMH"), Director of Tung Shin Hospital and Confucian Secondary School. He is also the Honorary Chairman of Young Malaysians Movement, 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 21 April 2009, he held 14,559,778 ordinary shares of BPHB and did not have any securities holdings in any subsidiaries of BPHB.

Except for recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of BPHB and its subsidiaries and for which he is deemed to be interested as disclosed on page 120 of the Annual Report, there are no other business arrangements with BPHB in which he has personal interests.

He is a member of the Group Executive Committee and Remuneration Committee. He attended all four (4) Board meetings held during the financial year ended 31 December 2008.





**Dr. Tony Tan Cheng Kiat**, Malaysian, aged 61, 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 21 April 2009, 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 2008.

He is a member of the Group Executive Committee and attended three (3) of the four (4) Board meetings held during the financial year ended 31 December 2008.

**Henry Tee Hock Hin**, Malaysian, aged 51, 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 21 April 2009, 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 2008.

He attended all four (4) Board meetings held during the financial year ended 31 December 2008.



**Tay Hock Lee**, Malaysian, aged 55, 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 21 April 2009, 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 2008.

He attended all four (4) Board meetings held during the financial year ended 31 December 2008.

## Profile of Directors (Cont'd)

**Khalid Bin Sufat**, Malaysian, aged 53, 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 Bhd and Executive Director of United Merchant Finance Bhd.

He had previously managed four listed companies, namely as Executive Director of Tronoh Mines Malaysia Bhd., Deputy Executive Chairman of Furqan Business Organisation Bhd., Group Managing Director of Seacera Tiles Bhd. and Executive Director of Syarikat Kayu Wangi Bhd.

His directorships in other public listed company include Amtek Holdings Bhd, Uzma 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 four (4) Board meetings held during the financial year ended 31 December 2008.



**Yusuf Khan bin Ghows Khan** P.P.T., Malaysian, aged 67, 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 four (4) Board meetings held during the financial year ended 31 December 2008.

**Dato' Anad Krishnan a/l Muthusamy**, Malaysian, aged 55, 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 21 April 2009, 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 four (4) Board meetings held during the financial year ended 31 December 2008.







**Matthew Tee Kai Woon**, Malaysian, aged 34, was appointed as Alternate Director to Senator Tan Sri Datuk Tee Hock Seng, JP on 18 December 2007. He joined BPHB in December 2003 as Special Assistant to the Group Managing Director. 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 21 April 2009, he held 727,600 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 2008.

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

1. Senator Tan Sri Datuk Tee Hock Seng, JP, Tay Hock Lee and Henry Tee Hock Hin are brothers.
2. Dr Tony Tan Cheng Kiat is the uncle of Senator Tan Sri Datuk Tee Hock Seng, JP, Tay Hock Lee and Henry Tee Hock Hin.
3. Matthew Tee Kai Woon is the son of Senator Tan Sri Datuk Tee Hock Seng, JP, nephew of Tay Hock Lee and Henry 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

“ The year 2008 under review has been a challenging yet productive period for the Group. Global financial meltdown and an uncertain political climate in 2008 created a general pattern of reduction in supply and demand, growing unemployment, general loss of confidence and a downward spiral of asset values. As such, the Group worked very hard to sustain being profitable for its 9th consecutive year since year 2000.

I am pleased to have been given the privilege, on behalf of the Board of Directors to present to you Bina Puri Holdings Bhd's Annual Report and Financial Statements for the Company and the Group for the year ended 31 December 2008. ”

### FINANCIAL RESULTS (PERFORMANCE)

For the financial year ended 31 December 2008, Bina Puri Holdings Bhd achieved satisfactory results overall, with the Group reporting a 11.3% increase in our revenue to RM676.5 million from RM607.9 million recorded in 2007. Profit before tax decreased slightly to RM8.0 million as compared with the RM8.5 million recorded in the previous year, while earnings per share for 2008 was 5.17 sen (2007: 8.60 sen).

### FOUNDATION FOR GROWTH



'International Achievement Award' for the outstanding completion of projects in Thailand during MCIEA 2008

In 2008, we achieved significant milestones despite the challenging economic and political conditions in Malaysia and the region:-

- We are proud recipients for the International Achievement Award for our projects in Thailand and the Innovation Award for the Bangplee Project, Thailand, from the Construction Industry Development Board (CIDB) during the Malaysian Construction Industry Excellence Awards (MCIEA) 2008. Such recognition enhances our Group's profile in marketing for more international construction projects.
- We have completed a number of projects in Malaysia, among them the 3rd lane widening of the Plus Highway between Rawang and Tanjung Malim; building works for North and South Office Tower of Capital Square Development; and our own property development project in Kota Kinabalu, Sabah, the Jesselton Condominium, where we have fully sold all the 133 units.

On the international front, we have completed the Infrastructure Works at Sungai Liang Industrial Park, Brunei; the Interior Decoration and Fitting Out Works for Abu Dhabi National Islamic Finance Company; and four (4) packages of the low cost housing scheme located at Krasaeon, Nadee, Romklao and Bangplee in Thailand. We have been awarded new projects such as Works at Club House at Phase VI DHA, Lahore, Pakistan, and a project for warehouse construction at Rojana Industrial Park, Ayutthaya, Thailand.

Locally, we secured several new local projects namely Terrace Houses Development, Papar, Sabah; Infrastructure and Building Works at University Malaysia Kelantan, Bachok; Eastern Dispersal Link (EDL) Johor Bahru, Johor; and the Construction of the Central Lecture Hall and Post Graduates Centre for University Malaysia Sabah, Kota Kinabalu, Sabah.

### BUSINESS OUTLOOK AND PROSPECTS 2009

Bina Puri Holdings Bhd remains committed to delivering a steady growth in earnings to our shareholders. In 2009, we will remain focused on our efforts to secure more domestic and international projects. New strategies and well-conceived innovative campaigns have been adopted to promote Bina Puri as a renowned contractor internationally. We are actively pursuing projects in the Middle East and Gulf States, with the Group bidding for projects worth RM2 billion. We are optimistic that given our experience and track record, the continuation of our activities in the international scene will reap benefits for the Company and create and increase shareholders' value.

We are confident that 2009 would be a positive year for Bina Puri Group of Companies. This optimism is reflected by events already in place to spur the Group to achieve success in the immediate future.

- One such event has been Bina Puri's recent exhibitions in the Gulf Corporation Council Countries (i.e. Saudi Arabia, UAE, Qatar, Oman, Bahrain and Kuwait) promoting Bina Puri as their choice international construction project partners. Feedback so far indicates Bina Puri as front-runners to secure more projects in the GCC countries as we have been regarded as a responsible and competitive Group that completed and delivered on time projects of distinction in Dubai and Abu Dhabi.



Participation in Malaysia Services Exhibition 2009 in Dubai, UAE

- Bina Puri is also set to benefit from the decreases in prices of raw materials and energy. The lower prices for raw materials and energy would lower our cost of construction so that we can enjoy a higher profit margin.

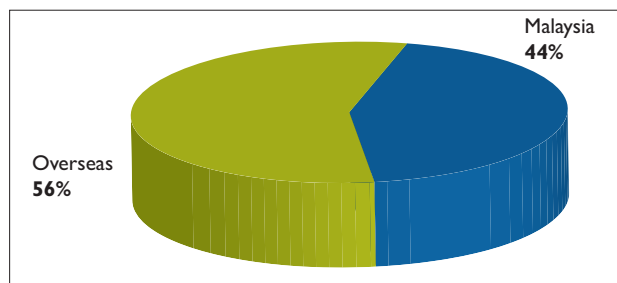


## Executive Chairman's Statement (Cont'd)

- On the local front, the timely introduction of a number of fiscal and financial initiatives undertaken by the Government to strengthen the economy, coupled with the smooth leadership transition, and the recent RM60 Billion stimulus package together with the initial stimulus package of RM 7 Billion announced in November 2008 to spur the Malaysia economy bodes well for the construction industry. The Government has to date awarded contractors RM1.39 billion worth of projects. Meanwhile, a total of RM5.6 billion of the RM7 billion stimulus package has been disbursed. A total of 38,000 projects under the first package would be rolled out by April 2009. Given our track record and our experienced project team, Bina Puri is confident that more projects will be awarded to our Group by both the public and private sectors.
- Another significant contract and a new milestone worth mentioning is our successful bid in 2009 for a RM693 million contract to build 2000 houses for the National Housing Scheme of Brunei Darussalam from the Brunei Economic Development Board. The construction period is 24 months. With this new project, Bina Puri's current Order Book has increased to RM2.7 billion, keeping us busy for the next two years. Out of this RM2.7 billion, about RM1.2 billion or 44% represents Bina Puri projects in Malaysia and RM1.5 billion or 56% are our overseas projects. Bina Puri's future prospects look bright as we continue to pursue on our mandate to expand our business internationally.

### CURRENT BOOK ORDER

The Group will continue to pursue a diversified and balanced portfolio of construction jobs. This will translate our earnings within Malaysia to be well balanced between the public and private sector, while our international operations are mainly in Thailand, other ASEAN countries, Middle Eastern and South Asia countries.



For longer-term stability and sustainability, in terms of revenue and recurring income, Bina Puri Holdings Bhd has a 50% shareholding interest in the highway concessionaire approved by the Government of Malaysia in the construction and operations of the KL-Kuala Selangor Expressway (KLKSE). The construction works for the project have already started in October 2008 and are targeted for completion in by 2011. The KLKSE is a 33 km

dual carriageway highway with a new link from Kuala Lumpur to Kuala Selangor and construction cost is about RM 958 million.

Bina Puri's core assets are its human capital. We will continue to develop that by continuing to attract, develop and retain talented people, and by fostering a culture that allows employees to develop their potential to the fullest as they work as a team.

Bina Puri's ability to adapt to the changing economic climate and focus on core competencies have made us resilient and ready to meet the challenges facing the construction industry. We have also widened our base to not be too over-dependent on the local market alone as we are one of the few Malaysian contractors to have successfully ventured abroad.



### DIVIDENDS

The Board has recommended a final dividend of 2% per share less 25% income tax for the financial year ended 31 December 2008 making the total dividend declared for the current financial year to 4% per share (6% in 2007), subject to the approval of the shareholders at the forthcoming Annual General Meeting.

### ACKNOWLEDGEMENTS

The achievements of Bina Puri Holdings Bhd are attributed to our pool of dedicated and committed management and 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 to the shareholders for your continued support and confidence in us. The Group will strive and make 2009 a better year.

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



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

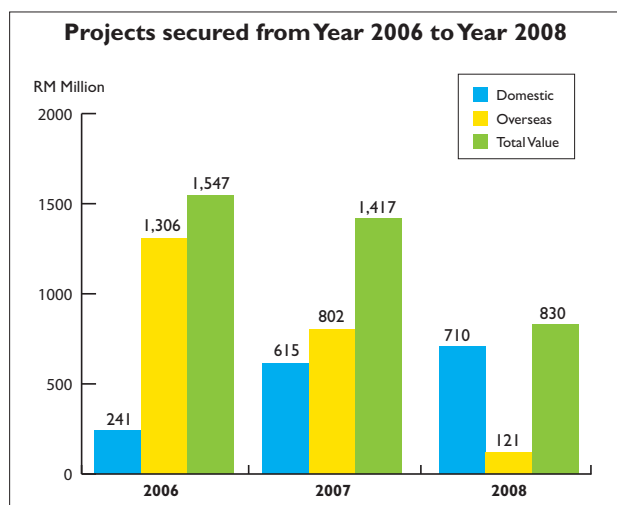
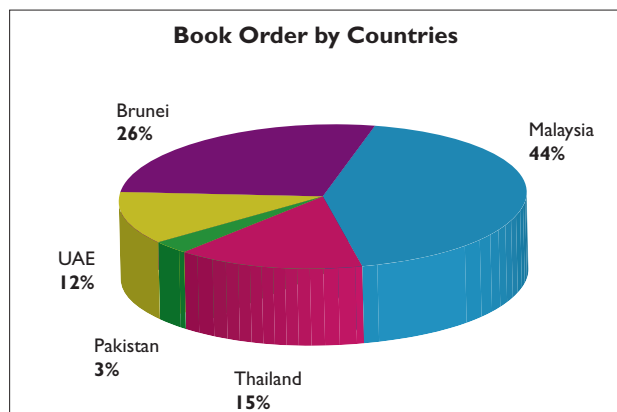
Group Managing Director's

## Review of Operations

“ In 2008, the Group registered a record revenue of RM676.5 million and a net profit attributable to shareholders of the Company of RM4.28 million. ”

### OVERVIEW

In 2008, Bina Puri remained focused and resilient in under difficult conditions and downturn experienced throughout the world by continuing to secure new projects while completing a few landmark projects in our order book. We were also recognized by our country's Construction Industry Board ("CIDB") as Malaysia's "Best International Builder".



In 2008, the Group registered a record revenue of RM676.5 million and pre-tax profit of RM8.13 million. Although revenue increased by eleven percent (11%), pre-tax profit declined by 5%.

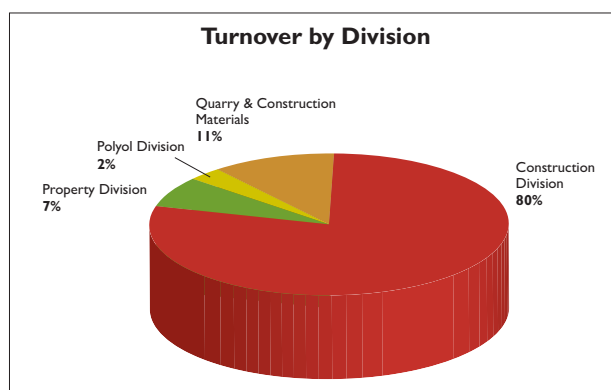
This was due to escalation of construction raw materials which had spiraled upwards on average by more than 50%. This had a major impact on the whole construction industry and resulted in developers holding out on launching their new projects while even certain Government projects had to reduce their scope as the higher costs had exceeded its initial budget. This unpredictable trend only subsided towards the last quarter of 2008.

We believe new opportunities have started to open up with the timely introduction of a number of fiscal and financial initiatives undertaken by the Malaysian Government to strengthen the domestic economy as shown by the RM67 Billion stimulus package. With our Bina Puri's excellent performance and track record, we are confident that we will be one of the major beneficiaries to undertake some of the earmarked projects, thereby adding value to our stakeholders.

Our commitment to building shareholders' value, our experienced operations staff together with our long standing ties with suppliers and sub-contractors are part of our core value.

### CONSTRUCTION DIVISION

Our prospects remain vibrant, with a total book order of RM2.7 billion which consists of projects in Malaysia and overseas, namely United Arab Emirates, Brunei, Pakistan and Thailand. In 2008, the Group secured RM 830 million new projects with a higher percentage of it in Malaysia (85%) as compared to the previous year (43%).



Recognition and accolades have encouraged Bina Puri to raise our standards further. As mentioned, we were proud recipients of the CIDB International Achievement Award for our projects in Thailand and the Innovative Award for the Bangplee Project in Thailand.

The Construction Division will continue to be the core driver of the Group as it accounts for 80% of the Group's revenue. With raw materials stabilizing, we anticipate that this division will have a better year.

### HIGHWAY CONCESSION

Our 50% associate, KL-Kuala Selangor Expressway Bhd, (KLSEB), the concessionaire for KL-Kuala Selangor Expressway (KLS Expressway), has finally started construction of the RM958 million expressway after close to 10 years of anticipation.





Construction of KL-Kuala Selangor Expressway (KLS Expressway)

The construction works had commenced on 28 October 2008 with Mudajaya Corporation Berhad appointed as the Turnkey Contractor after going through a competitive tendering and evaluation process. The KLS Expressway is targeted to be completed by 2011.

On 13 January 2009, KL-Kuala Selangor Expressway Bhd, has successfully achieved its financial close with Bank Pembangunan Malaysia Berhad for the Istisna' Facility of RM740.0 million and Islamic Development Bank for the Istisnaa Wa Ijaraara' facility of RM300.0 million.

The said facilities will be utilized to finance the construction of 33km dual carriageway expressway which will provide an alternative link road to the present Federal Road 54 from Kuala Lumpur to Kuala Selangor. The new highway will also form part of the Malaysian Government planned KL Outer Ring Road (KLORR) which commences from north of Templer Park to Assam Jawa town in the District of Kuala Selangor, Selangor Darul Ehsan, Malaysia.



The completed 133 units of Jesselton Condominium, Kota Kinabalu, Sabah.



Artist Impression of the new Jesselton View @ Hilltop

### PROPERTY DIVISION

Despite the softer property market environment, the Property Division recorded an impressive revenue of RM46.9 million (RM35.6 million in 2007) and a profit before tax of RM3.1 million (RM2.6 million in 2007). The improved results were due to progressive profits recognized from the Jesselton Condominium and Taman Malawa Jaya, Phase 2 sold during the year.

Having successfully launched Phase 2 of Taman Malawa Jaya in Kota Kinabalu, which comprised of 4 storey walk-up Apartments totaling 96 units, the Property Division is now focusing on launching its latest development in Jesselton View @ Hilltop comprising 1 block of 80 units of modern and contemporary condominium built over 2 acres of land. This new development is located at the highest point in Hilltop Luyang, Kota Kinabalu, a well sought after address.

Jesselton View @ Hilltop will be another niche development after the success of our high end 15-storey Jesselton condominium at Jalan Bersatu off Jalan Damai, Kota Kinabalu which is now recognized as one of the top address in the city. The condominium offers many first in Kota Kinabalu as exemplified by its Grand Lobby and Sky Lounge which overlooks scenic Kota Kinabalu.

### QUARRY OPERATIONS AND CONSTRUCTION MATERIALS DIVISION

The quarry and ready mix concrete division recorded a revenue of RM91.2 million (RM107.8 million in 2007) and a profit before tax of RM2.8 million (RM3.3 million in 2007). The lower than expected performance was impacted by the lower road paving works secured during the year. In light of the softer market conditions and the prevailing lower demand for raw materials in the



construction sector, this division has dedicated itself to enhance production efficiencies and implement effective cost control measures to mitigate the prevailing challenging condition. As part of our strategy to enhance the performance of this division, our Quarry Division has adopted to upgrade our operations system in line with the State Government's proposal to standardize Quarry operating operations in Selangor. We are also looking to venture into overseas/international markets by adopting the successful formula of the Construction Division.

### POLYOL DIVISION

The Polyol Division recorded a revenue of RM18.7 million (RM23.3 million in 2007) and a profit before tax of RM20,000 (961,000 in 2007). This Division was affected by the global economic slowdown in the export and manufacturing sector. We are confident that this Division will greatly improve on its performance in the immediate future having successfully sold the first flexible NOP to Johnson Control Malaysia, one of the largest car seat maker in Malaysia and also the largest car seat maker in the world.

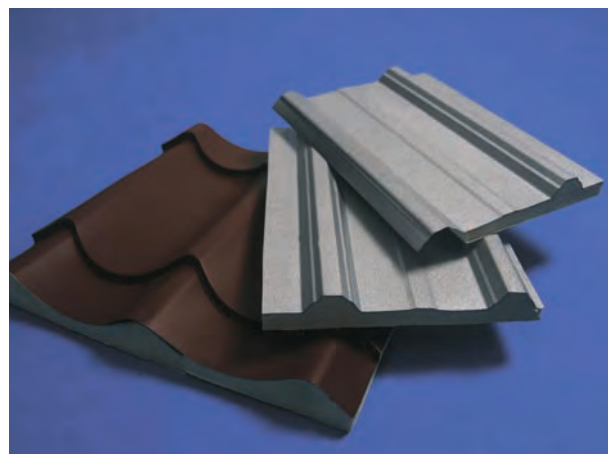
We have also started testing our slab stock flexible NOP with local and overseas slabstock foamers.



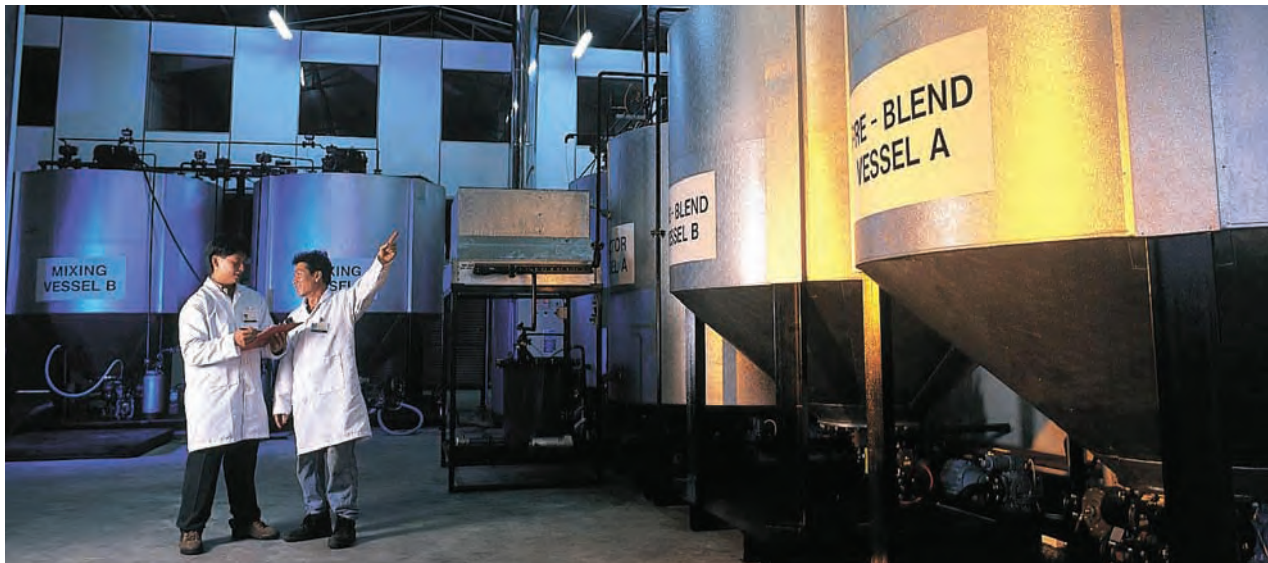
As a proactive division, Maskimi Polyol Sdn Bhd has upgraded its current flexible NOP pilot reactor to cook larger batch (up to 5 tonne per single cooking) to meet demands in the immediate future. Although the results of this division has been volatile the past 5 years, we are adamant that this division will provide the Group a profit so that we are not too over reliant on the construction division in the future.

### PROPOSED CORPORATE EXERCISE

For a Company with a Paid-up capital of RM83.6million undertaking a book order of RM2.7 Billion and the owner of a highway concession, the Group is very much under-capitalised. As such we are proposing to undertake a corporate exercise to capitalize our debt by a restricted issue of up to 20,00,000 new ordinary shares of RM 1.00 each in Bina Puri Holdings Bhd. If we complete this corporate exercise, our paid-up capital would be increased to RM 103.6 million and our gearing ratio reduced from 2.1 to 1.6







The factory of Maskimi Polyol Sdn Bhd at Kajang Selangor, Malaysia

### PROSPECTS

The year 2009 looks to be a promising year. While executing the many projects that are on-hand, we are also aggressively bidding for new orders within and outside Malaysia. We are confident of securing more than RM1.5 billion in new projects for 2009 as a whole as our success rate over the past few years have been good.

Until March 2009, we have managed to secure new projects of up to RM971 million, with the major portion of it being the RM693 million contract to build 2,000 houses in Brunei. We believe Brunei will be a promising base for the Group as Thailand was in 2006.

We also hope the KLS Expressway when completed in 2011, will assist to bring the Group recurring income. We are confident that the other divisions will perform better as everyone will be extra motivated to achieve targets with new Key Performance Indicators are being set for each divisions and departments.

### APPRECIATION

I wish to express my appreciation to the management and staff, to all our valued clients, both private and public sectors, our sub-contractors, consultants, business partners, suppliers, bankers and various government agencies whom we have had the pleasure of working with in all our various projects.

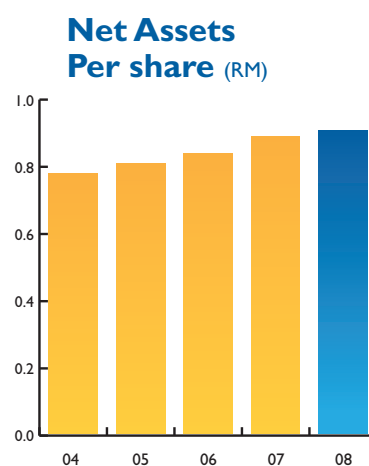
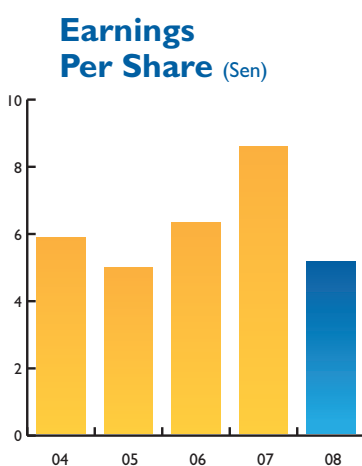
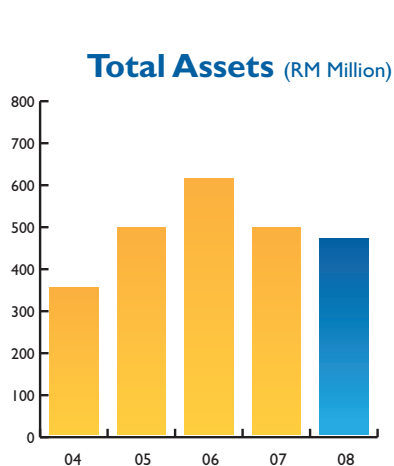
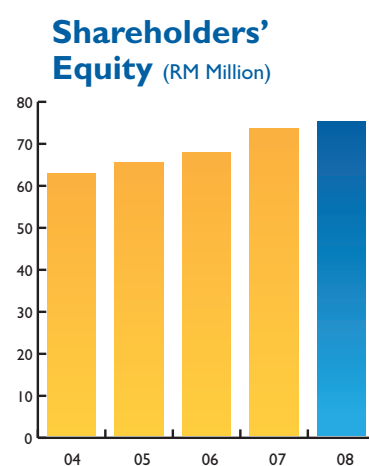
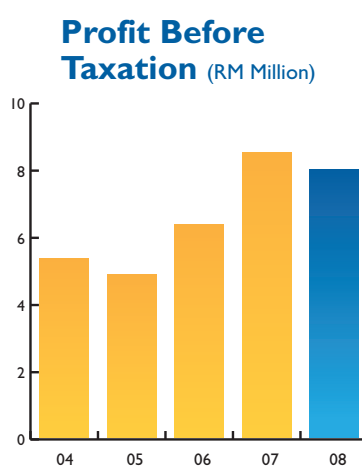
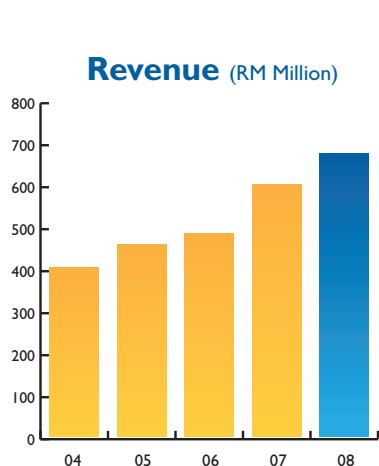
My gratitude also goes to the Board Members of Bina Puri, for your unwavering commitment and effort throughout the years.

Last but not least, I would like to thank all our shareholders for your undivided support and commitment to us.

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

# Group Financial Highlights

Bina Puri Holdings Bhd Group Financial Highlights	2008 RM'000	2007 RM'000	2006 RM'000	2005 RM'000	2004 RM'000
Revenue	676,542	607,869	491,571	464,768	409,188
Profit before taxation	8,034	8,528	6,409	4,917	5,385
Profit attributable to the shareholders of the Company	4,283	7,020	5,122	4,054	4,737
Dividend Paid (Net)	2,452	2,979	2,330	1,748	—
Issued share capital	83,610	82,666	80,925	80,925	80,727
Shareholders' equity	75,429	73,766	67,984	65,460	62,956
Total assets employed	473,061	500,043	616,555	500,111	355,584
Net earnings per share (sen)	5.17	8.60	6.33	5.01	5.89
Net assets per share (RM)	0.90	0.89	0.84	0.81	0.78
Share price (RM)					
- High	1.15	1.41	0.90	1.23	1.63
- Low	0.65	0.63	0.60	0.66	1.01





# Calendar of Events 2008-2009



28 MAY 2008



16 JUNE 2008



30 JUNE 2008



30 JUNE 2008



10 JULY 2008



15 JULY 2008

## 28 MAY 2008

The 17<sup>th</sup> Annual General Shareholders Meeting was held on Tuesday, 28 May 2008 at Wisma Bina Puri, Selayang, Selangor. The meeting was chaired by our Executive Chairman, YBhg Dato' Mohamed Feisal bin Ibrahim.

## 16 JUNE 2008

Completion of Phase I of the Kolej Universiti Islam Selangor (KUIS), comprises of Blok Siswi Parcel 1 to 5 and Pusat Pelajar (including external works) and was handed over to the client on 16 June 2008.

## 30 JUNE 2008

35 students received their The Education Incentives Award organised by Kelab Sukan & Sosial Bina Puri.

## 30 JUNE 2008

Bina Puri Sdn Bhd has completed the Third Lane Widening Between Rawang and Tanjung Malim (Package 3A-1), a subcontract work from UEM Construction Sdn Bhd.

The work was to upgrade the existing dual two-lane expressway between Rawang and Bukit Beruntung into dual three-lane expressway, both northbound and southbound of the North South Expressway Project.

## 10 JULY 2008

Bina Puri (Thailand) Ltd – Deva Development (Public) Ltd., had handed over the development of 272 units Semi-Detached Houses in Krasaeon, Rayong Province, Thailand.

## 15 JULY 2008

The Group Managing Director, YB Senator Tan Sri Datuk Tee Hock Seng, JP was appointed as a member of the Senate (Ahli Dewan Negara) by His Majesty Yang Di-Pertuan Agong on the advice of the Prime Minister, Datuk Seri Abdullah Ahmad Badawi (former Prime Minister of Malaysia).

## 31 JULY 2008

Bina Puri (Thailand) Ltd, a member company of Bina Puri Holdings Bhd has completed the construction of 1,288 units of affordable houses in Nadee under the Baan Eau-Arthorn Housing Project.

The handing over ceremony was held at the project site and were attended by HE Mr Wanlop Phloytabtim, the Permanent Secretary to Ministry of Social Development and Human Security of Thailand, HE Dato' Shaarani bin Ibrahim, Ambassador of Malaysia to Kingdom of Thailand, Madam Churairat E. Bonython, Advisor to Chairman, DEVA Development Public Co Limited, Dato' Mohamed Feisal Ibrahim, Executive Chairman, Bina Puri Holdings Bhd, YB Senator Tan Sri Datuk Tee Hock Seng JP, Group Managing Director, Bina Puri Holdings Bhd.

## Calendar of Events 2008-2009 (Cont'd)



31 JULY 2008



18 AUGUST 2008



31 AUGUST 2008



28 OCTOBER 2008



13 JANUARY 2009

### 22 JULY 2008

Bina Puri Construction Sdn Bhd was awarded by MRCB Engineering Sdn Bhd to undertake the sub-contract work for the Proposed Eastern Dispersal Link (EDL) Johor Bahru – Design, Construct and Complete Main Line Bridge, Ramp A, Ramp B, Ramp C and Ramp D, Johor at a contract sum of RM293 million.

### 18 AUGUST 2008

Bina Puri (B) Sdn Bhd has completed the Advance Works at Sungai Liang Industrial Park, Belait District, a project under the Brunei Economic Development Board.

### 31 AUGUST 2008

Bina Puri Holdings Bhd, Abu Dhabi Branch has completed the Interior Decoration & Fitting Out Works for Abu Dhabi National Islamic Finance Company (ADNIF) Headquarters and Branch Premises, Abu Dhabi, United Arab Emirates.

### 28 OCTOBER 2008

The construction works of the new highway, KL-Kuala Selangor Expressway from Assam Jawa to Kundang of Package 1 and from Kundang to Taman Rimba Templer for Package 2 had commenced on 28 October 2008.

Through our associate, KL-Kuala Selangor Expressway Bhd, (KLSEB) the concessionaire for KL-Kuala Selangor Expressway (KLS Expressway), we had earlier on 5 June 2008 appointed Mudajaya Corporation Bhd as the turnkey contractor.

It is a 33km dual carriageway expressway which will provide an alternative link road to the present Federal Road 54 from Kuala Lumpur to Kuala Selangor. It also forms part of the Malaysian Government planned KL Outer Ring Road (KLORR) which commences from north of Templer Park to Assam Jawa town in the District of Kuala Selangor, Selangor Darul Ehsan, Malaysia.

### 13 JANUARY 2009

Bina Puri Holdings Bhd through its unit, Bina Puri (Thailand) Ltd, was awarded the "International Achievement Award" during the Malaysian Construction Industry Excellence Award, MCIEA 2008 for the outstanding completion of projects in Thailand namely, Bangplee, Nadee and Krasaebon in 2008.

The award ceremony was held at the new CIDB Convention Centre at Jalan Cheras, Kuala Lumpur. Apart from the above award, Bina Puri also was one of the recipient of the certificate of appreciation for the "Special Award - Innovation" for the usage of Tunnel Form System.





13 JANUARY 2009



26 FEBRUARY 2009



26 FEBRUARY 2009



17 - 19 MARCH 2009



12 MARCH 2009



4 APRIL 2009

### 13 JANUARY 2009

KL-Kuala Selangor Expressway Berhad, has successfully achieved its financial close with Bank Pembangunan Malaysia Berhad for the Istisna' Facility of RM740.0 million and Islamic Development Bank for the Istisnaa Wa Ijaraara' facility of RM300.0 million.

### 26 FEB 2009

A total of 8 staff of Bina Puri Group of Companies were awarded with the Best Employee Awards 2008.

### 26 FEB 2009

Bina Puri Holdings Bhd was awarded a contract from The Brunei Economic Development Board for The Development of 2,000 Houses at Kampung Pandan in Belait District for The National Housing Scheme of Brunei Darussalam for a contract sum of RM693 million.

### 17 - 19 MARCH 2009

Bina Puri participated in the Malaysia Services Exhibition 2009 (MSE 2009) held at the Dubai Airport Expo Exhibition Centre in Dubai, UAE. The exhibition was organized by the Malaysia External UAE Trade Development Corporation (MATRADE). MSE 2009 was an excellent avenue for Malaysian services providers to network and forge alliances with potential clients or partners in the West Asian region.

### 12 MARCH 2009

Bina Puri Construction Sdn Bhd had completed the construction of the 133-units of the Jesselton Condominium for Bina Puri Properties Sdn Bhd, the property arm of Bina Puri Group of Companies.

Buyers' Appreciation Night was graciously attended by The Mayor of Kota Kinabalu, Y.Bhg Dato' Ilyas bin Ibrahim.

### 4 APRIL 2009

Bina Puri (Thailand) Ltd, a member company of Bina Puri Holdings Bhd has completed the construction of 5,640 units of the affordable houses in Bangplee under the Baan Eau-Arthorn Housing Project in Thailand.

The key handing over ceremony to the purchasers was held on 4 April 2009 at the project site and were attended by Mr. Somchai Chowputtipong, Assistant Deputy Governor of National Housing of Authority Thailand, Syed Bakri Syed Abdul Rahman, Deputy Chief of Mission/Permanent Representative To UNESCAP/Malaysian Embassy to Kingdom of Thailand and YB Senator Tan Sri Datuk Tee Hock Seng, JP, Group Managing Director, Bina Puri Holdings Bhd.

# Corporate Social Responsibilities (CSR)

Bina Puri has always supported the Government's call to be a good corporate citizen. While our mandate is the expansion of Bina Puri's business base, our corporate social responsibility programme has been designed to give back to society some of our good fortune.

## Encouraging Academic Performance and Promoting Knowledge

We in Bina Puri encourage individuals to excel in their studies and academic performance. For that reason, we provide Undergraduate Scholarship Awards to our employees' children pursuing degree and professional courses. We also have the Education Incentives for students and staff who perform well in their examinations and studies for primary, secondary, tertiary and professional levels.

We support the Blind Association in their fund raising activities to produce the Quran in Braille. We also contributed to Perdana Leadership Foundation, a foundation dedicated to preserve knowledge and leadership practices by the former Prime Ministers of Malaysia, and we have assisted several other non-government associations to promote their education activities.

## Community Services and Humanitarian Aids

Bina Puri has been carrying out its CSR not only by providing cash donation but also in supporting the National Blood Bank, where Blood Donation Drive are organized periodically at the Head Office in Selayang.

In addition to community services, we have made contributions to natural disaster victims such as the Sichuan Earthquake, China. We have supported establishments like Orphanages Home, Old Folks Houses and the Special Class Students in promoting and organizing their daily activities. One of them was the "Special Class" students of Sekolah Menengah Kebangsaan Seksyen 5, Wangsa Maju in organising their outing to Taman Negara, Pahang.

## Employee Welfare and Human Development

We believe our staff are the most valuable resource and are vital to the Group. The "Best Employee Awards" recognizes the achievements and contributions of each individual to the Group. Selected from various levels, divisions and subsidiaries, the awards are given to the achievers and performers of the year as an incentive and motivation to other staff members.

To develop our human resources, our Group Training Committee, planned training programmes to suit the requirements of our staff needs.

We have also organized outings, social and sports activities for the members, initiated and carried out by Kelab Sukan dan Sosial Bina Puri. These activities serve as a platform of interaction and communication between the members in the Group.



Education Incentives



Blood Donation Drive



The Best Employee Awards



Undergraduate Scholarship Award



Humanitarian Aid



Kelab Sukan & Sosial Bina Puri



# 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 AC shall meet the independence requirements of the Listing Requirements of Bursa Securities and other rules and regulations of the Securities Commission.
- (b) At least one member of the Audit Committee:
- is a member of the Malaysian Institute of Accountants; or
  - 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
  - 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 (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.
- (e) The member of the Audit Committee that meets the requirement for having the necessary accounting qualification is En. Khalid bin Sufat.

## 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 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 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 2008, 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 cooperate upon requests made by the Committee.

The Committee is authorised by the Board to obtain outside legal or independent professional advice and to request 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 program, processes, the results of the internal audit program, 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 recommendation to the Board for inclusion in the Annual Report;
- (b) Reviewed the Statement on Internal Control and Statement on Corporate Governance and its recommendation 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, programs 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 MASB 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 EMPLOYEE SHARE OPTION SCHEME ("ESOS")

Appendix 9C, Part A (26) of the Listing Requirements of Bursa Securities Malaysia Bhd. 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 2008 is in accordance with the criteria set out in the ESOS by-laws.

### INTERNAL AUDIT FUNCTION

The Company has outsourced the internal audit function to BDO Governance Advisory Sdn. Bhd ("BDOGA"). BDOGA develops an annual strategic Internal Audit Plan which is presented to the Audit Committee and approved by such.

The internal audit function independently reviews the adequacy and integrity of the company's internal control systems and reports its findings directly to the Audit Committee.

In 2008, the Company incurred a cost of RM55,000 for the internal audit function.

### REVIEW OF THE AUDIT COMMITTEE

The Board of directors, as required of a listed issuer, reviews 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.

## I. 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 2008, the Board met four (4) 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	4/4
Senator Tan Sri Datuk Tee Hock Seng, JP	4/4
Dr. Tony Tan Cheng Kiat	3/4
Henry Tee Hock Hin	4/4
Tay Hock Lee	4/4
Yusuf Khan bin Ghows Khan	4/4
Khalid bin Sufat	4/4
Dato' Anad Krishnan a/l Muthusamy	4/4

### (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 from pages 27 to 29.

**(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 2008 are as follows:

## i. Aggregate remuneration of Directors categorised into appropriate components:

In RM '000	Salaries	Bonus	Fees	Employer EPF/Socso	Benefits- in-kind	Total
Executive Directors	1,627	241	36	199	55	2,158
Non-Executive Directors	525	69	204	74	27	899
Total	2,152	310	240	273	82	3,057

## ii. Aggregate remuneration of each Director

Range of remuneration	No. of Directors	
	Executive	Non-Executive
RM50,001 - RM100,000		3
RM250,001 - RM300,000		1
RM450,001 - RM500,000		1
RM600,001 - RM650,000	1	
RM700,001 - RM750,000	1	
RM750,001 - RM800,000	1	
Total	3	5

Note: Successive bands of RM50,000 are not shown entirely as they are not represented.

### (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 2008 are as follows:-

1. Effective Chairmanship
2. Implementing Performance Management System
3. Corporate Governance And Media
4. Fundamental Principles Of Deferred Taxation
5. Directorship: Independent Vs Executive
6. National Accountants Conference
7. MICPA-Bursa Malaysia Business Forum 2008
8. Impact Of The 2009 Budget On Business And Tax Updates
9. Recent Developments in Malaysian Financial Reporting Standards

## **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 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 35 and 36 of the Annual Report.

### (c) **Relationship with Auditors**

The functions of the Audit Committee in relation to the external auditors are disclosed in page 28 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](http://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 2008.

##### (b) Share Buy-Back

There was no share buy-back exercise for the financial year ended 31 December 2008.

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

During the financial year ended 31 December 2008, 944,400 options were exercised in relation to the ESOS.

##### (d) American Depositary Receipt ("ADR") or Global Depositary 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 2008 was RM45,000.

##### (g) Variation of Results

The results for the financial year ended 31 December 2008 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.

## Corporate Governance Statement (Cont'd)

(h) **Profit Guarantee**

The Company has not issued any profit guarantee in the financial year ended 31 December 2008.

(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 controls for the year ended 31 December 2008.

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.

- Delegated Authority Limits are established for various financial and non-financial transactions and regularly reviewed and revised to ensure their effectiveness.
- Systematically documented standard operating policies and procedures that cover various operational areas which are subject to regular review and improvement.
- 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 site 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 units are reviewed on a monthly basis and the performance reviews are escalated to the Board on a quarterly basis.
- A standardised performance management system is developed to continually appraise and reward the employees of the Group in accordance with their performances.
- Emphasis is also placed on enhancing the quality and capability of human assets through training and development programs developed, which enhance their ability to meet their performance and job expectations.
- Safety Committee is in place to be 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 2008, BDOGA has completed three (3) internal control reviews according to the annual audit plan. A number of minor internal control weaknesses were identified during the period, all of which have been, or are being addressed. The weaknesses and their impact to the business organisation, audit 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 the Group's 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 to ensure 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 secure 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.



Komplek Dewan Undangan Negeri Sarawak

## Financial Statements

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# Directors' Report

For the year ended 31 December 2008

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 2008.

## 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	5,165	7,599
Attributable to:		
Shareholders of the Company	4,283	7,599
Minority interests	882	—
	5,165	7,599

## 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 2007	
- Final dividend of 4% less 26% tax paid on 18 August 2008	RM2,452,289
(b) In respect of the financial year ended 31 December 2008	
- Interim dividend of 2% less 25% tax paid on 9 January 2009	RM1,254,148

There was an increase in final dividend paid amounting to RM5,289 over the amount of RM2,447,000 as disclosed in the directors' report of the previous financial year. The additional dividend paid was attributable to the issue of 182,100 new ordinary shares from the exercise of 182,100 options under Employees' Share Option Scheme ("ESOS") which were entitled to the final dividend.

The directors now recommend the payment of a final dividend of 2% less 25% tax amounting to RM1,254,148 for the financial year ended 31 December 2008 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 944,400 new ordinary shares of RM1.00 each at par for cash from the exercise of options under 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 ESOS approved by the shareholders of the Company at the Extraordinary General Meeting held on 30 June 2003 and the relevant authorities. The ESOS 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 ESOS expired on 30 November 2008 and the Board of Directors, upon the recommendation of the ESOS Committee, had approved the extension of the ESOS for up to a maximum period of 5 years, commencing 1 December 2008 and expiring on 30 November 2013 on the same terms and conditions as set out in the ESOS Bye-Laws of the Company.

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 2008	5,334,500
Granted	—
Exercised	(944,400)
Lapsed	(564,300)
At 31 December 2008	3,825,800

## DIRECTORS

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

Dato' Mohamed Feisal Bin Ibrahim  
 Senator Tan Sri Datuk Tee Hock Seng, JP (alternate: Matthew Tee Kai Woon)  
 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

## Directors' Report (Cont'd)

### DIRECTORS (cont'd)

In accordance with the Company's Articles of Association, Mr Tay Hock Lee, Mr Tee Hock Hin and Yusuf Khan Bin Ghows Khan 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 :

The Company	Number of ordinary shares of RM1 each			
	At 1-1-2008	Bought	Sold	At 31-12-2008
Dato' Mohamed Feisal Bin Ibrahim	5,305,900	20,000@	—	5,325,900*
Senator Tan Sri Datuk Tee Hock Seng, JP	13,719,878	839,900^	—	14,559,778#
Dr Tony Tan Cheng Kiat	9,078,902	—	—	9,078,902*
Tee Hock Hin	4,987,768	20,000@	—	5,007,768*
Tay Hock Lee	1,611,707	—	—	1,611,707
Dato' Anad Krishnan A/L Muthusamy	10,000	—	—	10,000*
Matthew Tee Kai Woon	223,000	515,300	(12,100)	726,200

@ bought under own name

\* includes beneficial interest held through nominee companies

^ 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

By virtue of his interests in shares in the Company, Senator 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 1-1-2008	Granted	Exercised	At 31-12-2008
Dato' Mohamed Feisal Bin Ibrahim	192,000	—	—	192,000
Senator Tan Sri Datuk Tee Hock Seng, JP	115,900	—	(115,900)	—
Dr Tony Tan Cheng Kiat	307,900	—	—	307,900
Tee Hock Hin	115,900	—	—	115,900
Tay Hock Lee	141,000	—	—	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 1-1-2008	Bought	Sold	At 31-12-2008
Senator 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 38 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 all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances:
  - (i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent, or
  - (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading, or
  - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
  - (i) any charge on the assets of the Company or its 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, retire at the forthcoming annual general meeting and do not wish to seek re-appointment. The directors have received a nomination to appoint Mazars, Chartered Accountants, as auditors for the ensuing year. Mazars have expressed their willingness to accept nomination as auditors and a motion to resolve their appointment will be tabled at the forthcoming annual general meeting.

Signed on behalf of the directors in accordance with a directors' resolution dated 21 April 2009.

**DATO' MOHAMED FEISAL BIN IBRAHIM**

Director

**SENATOR TAN SRI DATUK TEE HOCK SENG, JP**

Director

21 April 2009



# Independent Auditors' Report to the Members

## Report on the Financial Statements

We have audited the financial statements of Bina Puri Holdings Bhd, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 46 to 114.

### *Directors' Responsibility for the Financial Statements*

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2008 and of their financial performance and cash flows for the year then ended.

## Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) 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.

## Independent Auditors' Report to the Members (Cont'd)

### Report on Other Legal and Regulatory Requirements (cont'd)

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following: (Cont'd)

- (c) We are satisfied the financial statements 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 presentation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment material to the consolidated financial statements or any adverse comment made under Section 174(3) of the Act.

### Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

#### **MOORES ROWLAND**

No. AF: 0539

Chartered Accountants

#### **GAN MORN GHUAT**

No. 1499/5/09 (J)

Partner

21 April 2009

# Balance Sheets

31 December 2008

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	3	55,251	58,544	19,481	20,133
Prepaid lease payments	4	1,924	2,034	627	635
Investment properties	5	1,130	1,135	–	–
Investments in subsidiaries	6	–	–	78,545	40,738
Investments in associates	7	32,307	4,157	30,946	946
Investment in jointly controlled entity	8	479	857	–	–
Other investments	9	7,270	7,381	6,375	6,486
Land held for property development	10	13,257	10,257	–	–
Expressway development expenditure		–	14,309	–	–
Deferred tax assets	11	778	853	–	–
		<b>112,396</b>	<b>99,527</b>	<b>135,974</b>	<b>68,938</b>
<b>CURRENT ASSETS</b>					
Inventories	12	5,008	5,123	–	–
Property development costs	13	876	13,433	109	603
Gross amount due from customers	14	69,359	94,265	72	2,607
Trade and other receivables	15	228,885	235,285	19,361	21,231
Amount owing by subsidiaries	16	–	–	11,747	38,174
Amount owing by associates	17	18,806	15,407	17,325	12,103
Amount owing by a jointly controlled entity	8	536	505	536	505
Current tax assets		2,561	3,071	–	139
Fixed and time deposits	18	13,705	18,486	1,668	1,616
Cash and bank balances	19	20,929	14,941	995	349
		<b>360,665</b>	<b>400,516</b>	<b>51,813</b>	<b>77,327</b>
<b>TOTAL ASSETS</b>		<b>473,061</b>	<b>500,043</b>	<b>187,787</b>	<b>146,265</b>
<b>EQUITY</b>					
Share capital	20	83,610	82,666	83,610	82,666
Share premium, non-distributable		3,288	3,288	3,288	3,288
Merger reserve, distributable		–	40	–	–
Other capital reserves, non-distributable	21	15,682	15,682	–	–
Exchange fluctuation reserve, non-distributable		(1,112)	–	–	–
(Accumulated loss)/Unappropriated profit		(26,039)	(27,910)	24,821	19,674
Equity attributable to shareholders of the Company		<b>75,429</b>	<b>73,766</b>	<b>111,719</b>	<b>105,628</b>
Minority interests		<b>10,920</b>	<b>11,470</b>	<b>–</b>	<b>–</b>
<b>TOTAL EQUITY</b>		<b>86,349</b>	<b>85,236</b>	<b>111,719</b>	<b>105,628</b>

## Balance Sheets (Cont'd)

		Group		Company	
	Note	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
NON-CURRENT LIABILITIES					
Government grant	22	79	90	–	–
Hire purchase liabilities	23	4,501	6,445	183	247
Bank term loans	24	4,580	2,747	3,200	1,178
Deferred tax liabilities	25	302	652	–	124
		<b>9,462</b>	9,934	<b>3,383</b>	1,549
CURRENT LIABILITIES					
Gross amount due to customers	14	5,812	260	2,605	–
Trade and other payables	26	213,118	212,193	30,140	10,652
Amount owing to subsidiaries	16	–	–	17,409	328
Amount owing to associates	17	10,565	7,799	–	–
Hire purchase liabilities	23	3,040	3,156	63	60
Bank borrowings	27	143,995	181,177	22,343	28,048
Current tax liabilities		720	288	125	–
		<b>377,250</b>	404,873	<b>72,685</b>	39,088
TOTAL LIABILITIES		<b>386,712</b>	414,807	<b>76,068</b>	40,637
TOTAL EQUITY AND LIABILITIES		<b>473,061</b>	500,043	<b>187,787</b>	146,265

Notes to and forming part of the financial statements are set out on pages 55 to 114  
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# Income Statements

For the year ended 31 December 2008

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Gross revenue	28	<b>676,542</b>	607,869	<b>52,254</b>	47,804
Cost of sales	29	<b>(624,677)</b>	(563,774)	<b>(35,622)</b>	(26,826)
Gross profit		<b>51,865</b>	44,095	<b>16,632</b>	20,978
Other operating income		<b>3,507</b>	4,711	<b>794</b>	598
Selling and distribution expenses		<b>(3,894)</b>	(5,376)	–	–
Administrative and general expenses		<b>(37,860)</b>	(33,481)	<b>(10,438)</b>	(11,246)
Profit from operations	30	<b>13,618</b>	9,949	<b>6,988</b>	10,330
Finance costs	31	<b>(4,845)</b>	(5,062)	<b>(1,068)</b>	(670)
Investment income	32	<b>779</b>	666	<b>1,507</b>	377
Share of results of					
- associates		<b>(1,117)</b>	2,118	–	–
- jointly controlled entity		<b>(401)</b>	857	–	–
Profit before tax		<b>8,034</b>	8,528	<b>7,427</b>	10,037
Tax (expense)/income	33	<b>(2,869)</b>	(552)	<b>172</b>	40
Net profit for the year		<b>5,165</b>	7,976	<b>7,599</b>	10,077
Attributable to:					
Shareholders of the Company		<b>4,283</b>	7,020	<b>7,599</b>	10,077
Minority interests		<b>882</b>	956	–	–
Net profit for the year		<b>5,165</b>	7,976	<b>7,599</b>	10,077
Earnings per share (sen)	34				
- basic		<b>5.17</b>	8.60		
- fully diluted		–	–		
Net dividend per ordinary share (sen)	35	<b>2.93</b>	3.60	<b>2.93</b>	3.60

Notes to and forming part of the financial statements are set out on pages 55 to 114  
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# Consolidated Statement of Changes in Equity

For the year ended 31 December 2008

----- Attributable to equity holders of the Company -----

	Share capital RM'000	Share premium RM'000	Merger reserve RM'000	Other capital reserves RM'000	Exchange fluctuation reserve RM'000	Accumulated loss RM'000	Total RM'000	Minority interests RM'000	Total RM'000
At 1 January 2007	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 subsidiary from minority interests	-	-	-	-	-	-	-	(27)	(27)
Net profit for the year	-	-	-	-	-	7,020	7,020	956	7,976
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
Issue of share capital - ESOS	944	-	-	-	-	-	944	-	944
Deconsolidation of a subsidiary	-	-	-	-	-	-	-	(1,432)	(1,432)
Transfer from merger reserve	-	-	(40)	-	-	40	-	-	-
Exchange translation differences	-	-	-	-	(1,112)	-	(1,112)	-	(1,112)
Net loss recognised directly in equity	-	-	-	-	(1,112)	-	(1,112)	-	(1,112)
Net profit for the year	-	-	-	-	-	4,283	4,283	882	5,165
Total recognised income and expenses for the year	-	-	-	-	(1,112)	4,323	3,171	882	4,053
Dividends paid (Note 35)	-	-	-	-	-	(2,452)	(2,452)	-	(2,452)
At 31 December 2008	83,610	3,288	-	15,682	(1,112)	(26,039)	75,429	10,920	86,349

Notes to and forming part of the financial statements are set out on pages 55 to 114  
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# Statement of Changes in Equity

For the year ended 31 December 2008

	Share capital RM'000	Share premium RM'000	Unappropriated profit RM'000	Total RM'000
At 1 January 2007	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
Issue of share capital - ESOS	944	—	—	944
Net profit for the year	—	—	7,599	7,599
Dividends paid (Note 35)	—	—	(2,452)	(2,452)
At 31 December 2008	83,610	3,288	24,821	111,719

Notes to and forming part of the financial statements are set out on pages 55 to 114  
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# Cash Flow Statements

For the year ended 31 December 2008

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before tax	<b>8,034</b>	8,528	<b>7,427</b>	10,037
Adjustments for:				
Allowance for diminution in value of other investments	–	35	–	–
Amortisation of government grant	(11)	(11)	–	–
Amortisation of prepaid lease payment	110	110	8	8
Depreciation of property, plant and equipment	<b>7,057</b>	7,615	<b>728</b>	760
Property, plant and equipment written off	110	30	3	–
Gain on disposal of property, plant and equipment	(852)	(1,154)	(16)	(6)
Gain on disposal of investment properties	–	(5)	–	–
Loss on fair value adjustments on investment properties	5	–	–	–
Discount on acquisition of investment in a subsidiary	(5)	–	–	–
Gain on disposal of investment in subsidiary	(81)	(50)	–	(50)
Gain on disposal of other investments	(6)	(16)	(6)	–
Loss on disposal of expressway development project	–	1,700	–	1,700
Share of results of				
- associates	1,117	(2,118)	–	–
- jointly controlled entity	401	(857)	–	–
Allowance for doubtful debts	633	69	–	–
Allowance for doubtful debts written back	(62)	(36)	(15)	(25)
Bad debts written off	3,378	–	–	–
Bad debts recovered	(2)	(33)	–	–
Unrealised (gain)/loss on foreign exchange	(20)	40	–	20
Dividend income	–	(4)	(14)	(296)
Interest income	(754)	(1,444)	(1,487)	(31)
Interest expenses	<b>9,503</b>	11,095	<b>1,689</b>	1,392
Hire purchase term charges	<b>565</b>	423	<b>12</b>	13
Operating profit before working capital changes	<b>29,120</b>	23,917	<b>8,329</b>	13,522
Changes in inventories	115	2,045	–	–
Acquisition of land held for property development	(3,000)	–	–	–
Changes in property development costs	<b>12,557</b>	2,151	<b>494</b>	2,044
Changes in receivables	<b>24,894</b>	124,265	(499)	(7,719)
Changes in payables	<b>19,430</b>	46,063	<b>22,093</b>	1,882
Cash generated from operations	<b>83,116</b>	198,441	<b>30,417</b>	9,729
Expressway development expenditure	(167)	(1,213)	–	(505)
Interest paid	(9,503)	(11,095)	(1,689)	(1,392)
Tax paid	(2,532)	(474)	–	–
Tax refunded	<b>288</b>	–	<b>316</b>	2,723
Net cash from operating activities	<b>71,202</b>	185,659	<b>29,044</b>	10,555



## Cash Flow Statements (Cont'd)

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(3,127)	(8,366)	(79)	(690)
Purchase of new subsidiaries, net of cash (Note 36)	(1)	(6)	(1)	(6)
Purchase of additional investments in subsidiaries	—	—	(40,806)	(114)
Purchase of additional investment in associate	(27,500)	(156)	(27,500)	(156)
Purchase of other investments	—	(6,021)	—	(6,021)
Proceeds from disposal of property, plant and equipment	1,313	1,381	16	7
Proceeds from disposal of investment properties	—	550	—	—
Proceeds from partial disposal of investment in subsidiary	—	25	—	25
Proceeds from disposal of investment in subsidiary, net of cash (Note 36)	8	—	500	—
Proceeds from disposal of other investments	117	31	117	—
Dividends received from subsidiaries	—	—	10	73
Dividends received from associate	—	140	—	140
Dividends received from other investments	—	4	—	4
Interest received	754	1,444	1,487	31
Repayment from/(Advances to) subsidiaries	—	—	27,784	(6,225)
Advances to associates	(904)	(2,545)	(1,660)	(1,810)
Advances to a jointly controlled entity	(31)	(505)	(31)	(505)
Net (withdrawal)/placement of fixed and time deposits	4,689	(1,368)	(144)	(1,468)
Net cash used in investing activities	(24,682)	(15,392)	(40,307)	(16,715)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Shares issued to minority shareholders	—	(27)	—	—
Proceeds from issue of shares	944	1,741	944	1,741
Advances from/(Repayment to) subsidiaries	—	—	17,081	(5,663)
Advances from associates	836	—	—	—
Dividends paid to shareholders of the Company	(2,452)	(2,979)	(2,452)	(2,979)
Dividends paid to minority interests	—	(123)	—	—
(Repayment)/Drawdown of bank borrowings, net	(43,733)	(172,142)	1,645	14,163
Payment of hire purchase instalments	(3,430)	(2,543)	(61)	(52)
Hire purchase term charges paid	(565)	(423)	(12)	(13)
Net cash (used in)/from financing activities	(48,400)	(176,496)	17,145	7,197
EFFECT OF CHANGES IN EXCHANGE RATES	(608)	—	—	—
NET CHANGES IN CASH AND CASH EQUIVALENTS	(1,880)	(6,229)	5,882	1,037
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	(8,915)	(2,686)	(4,887)	(5,924)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	(11,403)	(8,915)	995	(4,887)

## Cash Flow Statements (Cont'd)

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Represented by:				
TIME DEPOSITS	–	92	–	92
CASH AND BANK BALANCES	<b>20,929</b>	14,941	<b>995</b>	349
BANK OVERDRAFTS	<b>(32,332)</b>	(23,948)	–	(5,328)
	<b>(11,403)</b>	(8,915)	<b>995</b>	(4,887)

During the financial year, the Group and the Company acquired property, plant and equipment amounting to RM4,497,000 (2007 : RM14,124,000) and RM79,000 (2007 : RM1,821,000) respectively, of which RM1,370,000 (2007 : RM4,767,000) for the Group and Nil (2007 : RM140,000) for the Company were financed under hire purchase. An amount of RM1,327,000 (2007 : RM8,366,000) and RM79,000 (2007 : RM690,000) respectively for the Group and the Company were paid by cash and the balance of Nil (2007 : RM991,000) of the Group and the Company remained unpaid and included in other payables.

Notes to and forming part of the financial statements are set out on pages 55 to 114  
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# Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2008

## I. SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

The financial statements comply with applicable approved Financial Reporting Standards ("FRS") issued by the Malaysian Accounting Standards Board and the provisions of the Companies Act 1965. The significant accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following revised FRSs, which are mandatory and applicable to the Group and the Company for the 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
Amendments to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

In the opinion of the directors, the adoption of these FRSs does not result in changes in the accounting policies and has no significant impact on the financial statements of the Group and of the Company.

The Group has not opted for early adoption of the following new and revised FRSs and Issues Committee Interpretations ("IC Interpretation"), which are applicable to the Group:

- (i) FRS 8 Operating Segments, which is effective for financial periods beginning on or after 1 July 2009
- (ii) FRS 7 Financial Instruments : Disclosures and FRS 139 Financial Instruments : Recognition and Measurement and IC Interpretation 10 : Interim Financial Reporting and Impairment, which are effective for financial periods beginning on or after 1 January 2010.

### Measurement basis

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

### I. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (b) Use of estimates and judgements (Cont'd)

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 5	:	Fair value of investment properties
Note 6	:	Measurement of impairment loss on investments in subsidiaries
Note 13	:	Property development activities
Note 14	:	Gross amount due to/from customers
Note 15	:	Allowance for doubtful debts on receivables

#### (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.

### I. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (d) Basis of consolidation (Cont'd)

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.

#### (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-term 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.



### I. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (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.

##### (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 I(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.

## I. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (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.

#### (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 15 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

#### Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and building elements of a lease of land and buildings are considered separately for the purpose of lease classification.

All leases that do not transfer substantially all the risks and rewards are classified as operating leases, except that property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease.

### I. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (i) Leases (Cont'd)

##### Classification (Cont'd)

##### (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 15 and 95 years in accordance with the pattern of benefits provided.

##### 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.

#### (i) 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. Properties that are occupied by the Company and other companies in the Group are accounted for as owner-occupied under property, plant and equipment rather than investment properties. 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.

### I. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (j) Investment properties (Cont'd)

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 I(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.

#### (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.

### I. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (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.

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).



### I. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (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.

### I. 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 currency

Functional currency is the currency of the primary economic environment in which an entity operates.

The financial statements of each entity within the Group are measured using their respective functional currencies.

##### (ii) Transactions and balances in foreign currencies

Transactions in currencies other than the functional currency ("foreign currencies") are translated to the functional currency at the rate of exchange ruling at the date of the transaction.

Monetary items denominated in foreign currencies at the balance sheet date are translated at foreign exchange rates ruling at that date.

Exchange differences arising on the settlement of monetary items and the translation of monetary items are included in the income statement for the period.

Non-monetary items which are measured at fair value denominated in foreign currencies are translated at the foreign exchange rate ruling at the date when the fair value was determined.

When a gain or loss on a non-monetary item is recognised directly in equity, any corresponding exchange gain or loss is recognised directly in equity. When a gain or loss of a non-monetary item is recognised in the income statement, any corresponding exchange gain or loss is recognised in income statement.

##### (iii) Translation of foreign operations

For consolidation purposes, all assets and liabilities of foreign operations that have a functional currency other than RM are translated at the exchange rates ruling at the balance sheet date.

Income and expense items are translated at exchange rates approximating those ruling on transactions dates.

### I. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (v) Foreign currencies (Cont'd)

##### (iii) Translation of foreign operations (Cont'd)

All exchange differences arising from the translation of the financial statements of foreign operations are dealt with through the exchange translation reserve account within equity. On the disposal of a foreign operation, the cumulative exchange translation reserves relating to that foreign operation are recognised in the income statement as part of the gain or loss on disposal.

#### (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.

##### (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.

### I. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(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.

**(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.

### I. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (y) Borrowing costs (Cont'd)

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.

#### (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.



## I. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (bb) Financial instruments (Cont'd)

#### (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.

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.

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

#### (ii) Interest rate risk (Cont'd)

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 2008	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
<b>Cost</b>										
At 1 January	2,744	34,254	461	1,941	46,585	45,031	8,743	12,122	393	152,274
Exchange adjustments	-	-	-	-	-	(126)	(13)	(39)	-	(178)
Additions	-	109	-	-	908	2,339	362	686	93	4,497
Disposals	-	-	-	-	(351)	(2,135)	(5)	(107)	-	(2,598)
Write-off	-	-	-	(1,941)	(13)	(51)	(102)	(243)	-	(2,350)
Reclassification	-	-	-	-	-	83	(83)	-	-	-
At 31 December	2,744	34,363	461	-	47,129	45,141	8,902	12,419	486	151,645
<b>Accumulated depreciation</b>										
At 1 January	106	2,168	247	1,941	35,377	36,126	6,611	8,917	-	91,493
Exchange adjustments	-	-	-	-	-	(12)	(1)	(3)	-	(16)
Charge for the year	25	234	28	-	2,472	2,820	523	955	-	7,057
Disposals	-	-	-	-	(200)	(1,867)	(5)	(65)	-	(2,137)
Write-off	-	-	-	(1,941)	(2)	(13)	(66)	(218)	-	(2,240)
Reclassification	-	-	-	-	-	12	(12)	-	-	-
At 31 December	131	2,402	275	-	37,647	37,066	7,050	9,586	-	94,157
<b>Accumulated impairment loss</b>										
At 1 January	-	2,047	-	-	-	-	138	52	-	2,237
Charge for the year	-	-	-	-	-	-	-	-	-	-
At 31 December	-	2,047	-	-	-	-	138	52	-	2,237
<b>Net carrying amount</b>										
At 31 December	2,613	29,914	186	-	9,482	8,075	1,714	2,781	486	55,251

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

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
<b>Cost</b>										
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
<b>Accumulated depreciation</b>										
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
<b>Accumulated impairment loss</b>										
At 1 January	—	2,047	—	—	—	—	138	52	—	2,237
Charge for the year	—	—	—	—	—	—	—	—	—	—
At 31 December	—	2,047	—	—	—	—	138	52	—	2,237
<b>Net carrying amount</b>										
At 31 December	2,638	30,039	214	—	11,208	8,905	1,994	3,153	393	58,544

## Notes to and Forming Part of the Financial Statements (Cont'd)

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

Company 2008	Freehold land and building RM'000	Long leasehold buildings RM'000	Renovation, electrical installation and furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost						
At 1 January	1,375	19,785	3,155	1,423	672	26,410
Additions	–	–	49	30	–	79
Disposals	–	–	–	–	(86)	(86)
Write off	–	–	(46)	(148)	–	(194)
At 31 December	1,375	19,785	3,158	1,305	586	26,209
Accumulated depreciation						
At 1 January	10	2,052	2,785	1,153	277	6,277
Charge for the year	16	211	292	92	117	728
Disposals	–	–	–	–	(86)	(86)
Write off	–	–	(46)	(145)	–	(191)
At 31 December	26	2,263	3,031	1,100	308	6,728
Net carrying amount						
At 31 December	1,349	17,522	127	205	278	19,481
<b>2007</b>						
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



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

The title deeds to certain land and buildings of the Group and of the Company with net carrying amount of RM12,117,000 and RM2,644,000 (2007 : RM12,033,000 and RM2,675,000) 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 (2007 : 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:

	2008 RM'000	2007 RM'000
<b>At net carrying amounts</b>		
Freehold land and buildings	331	340
Short term leasehold buildings	17	28
Plant, machinery, moulds and factory equipment	2,713	3,207
Tractors and motor vehicles	460	606
Renovation, electrical installations and furniture and fittings	105	468
Office equipment	486	439
	<b>4,112</b>	<b>5,088</b>

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

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<b>At net carrying amount</b>				
Plant, machinery, moulds and factory equipment	2,393	1,615	—	—
Tractors and motor vehicles	6,132	7,344	278	395
	<b>8,525</b>	<b>8,959</b>	<b>278</b>	<b>395</b>

## 4. PREPAID LEASE PAYMENTS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At 1 January	3,921	3,921	775	775
Additions	—	—	—	—
Disposal	—	—	—	—
At 31 December	<b>3,921</b>	<b>3,921</b>	<b>775</b>	<b>775</b>

## Notes to and Forming Part of the Financial Statements (Cont'd)

### 4. PREPAID LEASE PAYMENTS (Cont'd)

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Accumulated amortisation				
At 1 January	<b>1,887</b>	1,777	<b>140</b>	132
Charge for the year	<b>110</b>	110	<b>8</b>	8
Disposal	<b>–</b>	–	<b>–</b>	–
At 31 December	<b>1,997</b>	1,887	<b>148</b>	140
Net carrying amount				
At 31 December	<b>1,924</b>	2,034	<b>627</b>	635

The title deeds to leasehold land of the Group with net carrying amount of RM1,179,000 (2007 : RM1,233,000) has yet to be issued by the relevant authorities.

Leasehold land of the Group with net carrying amount of RM119,000 (2007 : RM166,000) is charged to licensed financial institutions for banking facilities granted to the Group.

### 5. INVESTMENT PROPERTIES

	Group	
	2008 RM'000	2007 RM'000
At 1 January	<b>1,135</b>	1,680
Addition	<b>–</b>	–
Disposal	<b>–</b>	(545)
Changes in fair value	<b>(5)</b>	–
At 31 December	<b>1,130</b>	1,135
Investment properties comprise:		
Freehold land and commercial buildings	<b>990</b>	955
Long term leasehold industrial land	<b>140</b>	180
	<b>1,130</b>	1,135

**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 or 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**

	2008 RM'000	2007 RM'000
Unquoted shares		
- at cost	78,725	40,918
- at valuation	4,264	4,264
	82,989	45,182
Less:		
Allowance for diminution in value	4,444	4,444
	78,545	40,738

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:

	Gross equity interest		Principal activities
	2008	2007	
	%	%	
Subsidiaries of the Company			
Bina Puri Sdn Bhd	100	100	Contractor of earthworks, buildings and road construction
Bina Puri Construction Sdn Bhd	100	—	Contractors of earthworks, buildings and road construction and property development
Aksi Bina Puri Sdn Bhd	70	70	Property developer
Bina Puri Ventures Sdn Bhd (formerly known as Maskimi Sdn Bhd)	100	100	Investment holding and contractors of earthworks, buildings and road construction
Maskimi Venture Sdn Bhd	100	—	Commission agent

## 6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

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

	Gross equity interest		Principal activities
	2008 %	2007 %	
Subsidiaries of the Company			
*Bina Puri Infrastructure Pte Ltd (Incorporated in India)	100	100	Contractor of road construction
Bina Puri (Libya) Sdn Bhd	80	80	Contractor of earthworks, buildings 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	80	60	Inactive
*DPBS-BPHB Sdn Bhd	60	60	Investment holding and contractors of earthworks, buildings 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	99.97	Contractor of earthworks, buildings and road construction
*Bina Puri (B) Sdn Bhd (Incorporated in Negara Brunei Darussalam)	100	100	Contractor of earthworks, buildings and road construction
Konsortium Syarikat Bina Puri - TA3 JV Sdn Bhd (formerly known as Bina Puri Plantation Sdn Bhd)	–	100	Contractor of earthworks, buildings and road construction
KL-Kuala Selangor Expressway Berhad	–	60	Builder of an expressway
Subsidiaries of the Bina Puri Sdn Bhd			
Bina Puri Machinery Sdn Bhd	100	100	Contractors for earthworks projects
Karseng Industries & Engineering Sdn Bhd	70	70	Property developer (no active development)
Konsortium Syarikat Bina Puri - TA3 JV Sdn Bhd (formerly known as Bina Puri Plantation Sdn Bhd)	70	–	Contractors of earthworks, buildings and road construction
Bina Puri Construction Sdn Bhd	–	100	Contractors of earthworks, buildings and road construction and property development
Easy Mix Sdn Bhd	–	100	Producer of readymix concrete

**6. INVESTMENTS IN SUBSIDIARIES (Cont'd)**

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

	Gross equity interest		Principal activities
	2008 %	2007 %	
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	100	Inactive
*Bina Puri Vietnam Co. Ltd (Incorporated in Vietnam)	100	100	Inactive
Bina Puri Properties Sdn Bhd	100	–	Property developer
Subsidiaries of Bina Puri Ventures Sdn Bhd (formerly known as Maskimi Sdn Bhd)			
Maskimi Polyol Sdn Bhd	90	90	Manufacturer of polyol
Hamay Glass Sdn Bhd	65	65	Inactive
Maskimi Venture Sdn Bhd	–	100	Commission agent
Sungai Long Industries Sdn Bhd	–	51	Quarry operator and contractor of road paving projects
KM Quarry Sdn Bhd	–	70	Quarry operator and contractor of road paving projects
Subsidiary of DPBS-BPHB Sdn Bhd			
*Konsortium DPBSH-BPHB-AGSB Sdn Bhd	55	55	Contractor of earthworks, buildings and road construction
Subsidiaries of Bina Puri Juara Sdn Bhd			
Sungai Long Industries Sdn Bhd	51	–	Quarry operator and contractor of road paving projects
Easy Mix Sdn Bhd	100	–	Producer of ready mix concrete
KM Quarry Sdn Bhd	70	–	Quarry operator and contractor of road paving projects
Subsidiary of Easy Mix Sdn Bhd			
Bina Puri Properties Sdn Bhd	–	100	Property developer



## 6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

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

	Gross equity interest		
	2008	2007	Principal activities
	%	%	
<b>Subsidiaries of Sungai Long Industries Sdn Bhd</b>			
Sungai Long Bricks Sdn Bhd	100	100	Manufacturer of bricks
Sungai Long Properties Sdn Bhd	100	–	Inactive
<b>Subsidiary of Sungai Long Bricks Sdn Bhd</b>			
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 investments in subsidiaries

The management reviews the carrying amount of the investments in subsidiaries at each balance sheet date to determine whether there is any indication of impairment. The management's assessment on whether there is an indication is based on external and internal sources of information as well as based on indicative value (value-in-use) calculations. If such indication exists, the recoverable amount of the investment is estimated to determine the impairment loss on the value of such investment.

### (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 gross profit margin

The basis used to determine the value assigned to the budgeted gross margin is based on past years margins and taking into account reduction in price of raw materials

#### (ii) Budgeted expenses

Expenses are budgeted to grow at 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. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Unquoted shares, at cost	31,346	1,396	30,946	946
Group's share of post acquisition results and reserves	961	2,761	–	–
	32,307	4,157	30,946	946

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

	Gross equity interest		Principal activities
	2008	2007	
	%	%	
<b>Associates of the Company</b>			
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, buildings and road construction
KL-Kuala Selangor Expressway Berhad	50	–	Builder of an expressway
<b>Associates of Sungai Long Industries Sdn Bhd</b>			
Rock Processors (Melaka) Sdn Bhd	40	40	Quarry operator and contractor of road paving projects
Sungai Long Properties Sdn Bhd	–	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.

## Notes to and Forming Part of the Financial Statements (Cont'd)

### 7. INVESTMENTS IN ASSOCIATES (Cont'd)

The summarised financial information of the associates at 31 December 2008 are as follows:

	<b>Group</b>	
	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets and liabilities</b>		
Non-current assets	<b>34,516</b>	9,240
Current assets	<b>287,906</b>	266,268
<b>Total assets</b>	<b>322,422</b>	275,508
Non-current liabilities	<b>149,150</b>	4,437
Current liabilities	<b>108,250</b>	261,780
<b>Total liabilities</b>	<b>257,400</b>	266,217
<b>Results</b>		
Revenue	<b>185,985</b>	730,950
(Loss)/Profit for the year	<b>(1,071)</b>	4,204

### 8. INVESTMENT IN JOINTLY CONTROLLED ENTITY

	<b>Group</b>	
	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Share of post-acquisition results and reserves	<b>479</b>	857

The Company has ownership interest of 30% (2007 : 30%) 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.

## 8. INVESTMENT IN JOINTLY CONTROLLED ENTITY (Cont'd)

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:

<b>Assets and liabilities</b>	<b>2008 RM'000</b>	<b>2007 RM'000</b>
Non-current assets	<b>2,029</b>	1,452
Current assets	<b>25,025</b>	8,844
<b>Total assets</b>	<b>27,054</b>	10,296
Non-current liabilities	<b>99</b>	61
Current liabilities	<b>26,477</b>	9,378
<b>Total liabilities</b>	<b>26,576</b>	9,439
<b>Results</b>		
Revenue	<b>31,916</b>	10,141
(Loss)/Profit for the year	<b>(401)</b>	857

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

## 9. OTHER INVESTMENTS

	<b>Group</b>		<b>Company</b>	
	<b>2008 RM'000</b>	<b>2007 RM'000</b>	<b>2008 RM'000</b>	<b>2007 RM'000</b>
Shares quoted outside Malaysia, at cost	<b>72</b>	72	–	–
Unquoted shares, at cost	<b>7,237</b>	7,237	<b>6,646</b>	6,646
Less:				
Allowance for diminution in value	<b>434</b>	434	<b>281</b>	281
	<b>6,803</b>	6,803	<b>6,365</b>	6,365
Mutual funds and unit trusts quoted in Malaysia, at cost	–	111	–	111
Transferable corporate membership in golf and country resorts, at cost	<b>395</b>	395	<b>10</b>	10
	<b>7,270</b>	7,381	<b>6,375</b>	6,486

## Notes to and Forming Part of the Financial Statements (Cont'd)

### 9. OTHER INVESTMENTS (Cont'd)

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Market value				
- shares quoted outside Malaysia	138	111	—	—
- mutual funds and unit trusts quoted in Malaysia	—	116	—	116
	138	227	—	116

Included in the cost of unquoted shares of the Group are an amount of RM439,000 (2007 : 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 are 6,017,000 redeemable preference shares ("RPS") issued at RM1.00 per RPS. The RPS have a fixed dividend rate of 8% per annum and are issued by an unquoted corporation incorporated in Malaysia.

### 10. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2008	2007
	RM'000	RM'000
Interest in long leasehold land, at cost		
At 1 January	10,257	10,257
Addition	3,000	—
Disposal	—	—
At 31 December	13,257	10,257

### 11. DEFERRED TAX ASSETS

	Group	
	2008	2007
	RM'000	RM'000
At 1 January	853	1,200
Transfer to income statement	(75)	(347)
At 31 December	778	853

## 11. DEFERRED TAX ASSETS (Cont'd)

	Group	
	2008	2007
	RM'000	RM'000
The deferred tax assets comprise:		
Deductible temporary differences		
- on unused tax losses	460	491
- on unabsorbed capital allowances	302	359
- between net carrying amount and tax written down value of property, plant and equipment	21	16
	783	866
Less:		
Taxable temporary differences on unrealised gain on foreign exchange	5	13
	778	853

At 31 December 2008, the Group and the Company have not recognised deferred tax assets arising from the following temporary differences as it is not probable that future taxable profit will be available against which the assets can be utilised.

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Deductible temporary differences on				
- unused tax losses	7,362	6,938	125	—
- unabsorbed capital allowances	7,583	7,475	20	—
	14,945	14,413	145	—
Less:				
Taxable temporary differences between net carrying amount and tax written down value of property, plant and equipment	748	674	59	—
	14,197	13,739	86	—



## Notes to and Forming Part of the Financial Statements (Cont'd)

### 12. INVENTORIES

	Group	
	2008	2007
	RM'000	RM'000
At cost		
Inventories of completed development units	221	1,293
Raw materials and consumables	2,377	2,168
Finished goods	2,410	1,662
	<b>5,008</b>	<b>5,123</b>

### 13. PROPERTY DEVELOPMENT COSTS

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
At 1 January				
Land cost	7,744	7,744	7,744	7,744
Development costs	39,383	11,884	2,346	1,030
	<b>47,127</b>	<b>19,628</b>	<b>10,090</b>	<b>8,774</b>
Add:				
Development costs incurred during the year	33,146	31,778	39	1,316
	<b>80,273</b>	<b>51,406</b>	<b>10,129</b>	<b>10,090</b>
Less:				
Cost recognised as an expense in the income statement				
Recognised in previous financial years	37,973	6,297	9,487	3,593
Recognised during the year	41,424	31,676	533	5,894
	<b>79,397</b>	<b>37,973</b>	<b>10,020</b>	<b>9,487</b>
At 31 December	<b>876</b>	<b>13,433</b>	<b>109</b>	<b>603</b>

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

#### Revenue recognition of property development activities

The Group recognises property development activities based on the percentage of completion method. The stage of completion of the property development activities is measured in accordance with the accounting policy set out in Note 1(o).

Significant judgement is required in determining the percentage of completion, the extent of the development project and contract costs incurred, the estimated total revenue and total costs and the recoverability of the development project. In making this judgement, the management relies on the current economic situation and the prevailing market condition and estimates provided by third parties.

**14. GROSS AMOUNTS DUE FROM/TO CUSTOMERS**

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cost of contracts	<b>1,138,258</b>	972,143	<b>64,815</b>	30,867
Attributable profit recognised to date	<b>65,797</b>	51,122	<b>1,558</b>	1,169
	<b>1,204,055</b>	1,023,265	<b>66,373</b>	32,036
Less:				
Progress billings	<b>(1,140,508)</b>	(929,260)	<b>(68,906)</b>	(29,429)
	<b>63,547</b>	94,005	<b>(2,533)</b>	2,607
Represented by:				
Gross amount due from customers	<b>69,359</b>	94,265	<b>72</b>	2,607
Gross amount due to customers	<b>(5,812)</b>	(260)	<b>(2,605)</b>	–
	<b>63,547</b>	94,005	<b>(2,533)</b>	2,607
Retention sums receivable from customers included in trade receivables (Note 15)	<b>35,106</b>	38,529	<b>3,685</b>	2,943
Advances received for contract work not yet performed included in other payables (Note 26)	<b>32,539</b>	19,062	<b>47</b>	47

Revenue recognition of construction contracts

The Group recognises construction contracts based on the percentage of completion method. The stage of completion of the construction contracts is measured in accordance with the accounting policy set out in Note 1(p).

Significant judgement is required in determining the percentage of completion, the extent of the contract costs incurred, the estimated total revenue and total costs and the recoverability of the contract. In making this judgement, the management relies on the current economic situation and the prevailing market condition and estimates provided by third parties.

## Notes to and Forming Part of the Financial Statements (Cont'd)

### 15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Gross trade receivables	190,535	201,426	7,653	5,106
Less:				
Allowance for doubtful debts	8,084	7,531	—	—
	182,451	193,895	7,653	5,106
Accrued billings on property development projects	2,960	405	78	405
Gross other receivables	43,126	41,004	11,729	15,831
Less:				
Allowance for doubtful debts	6,332	6,315	151	151
	36,794	34,689	11,578	15,680
Deposits	2,205	2,116	21	9
Prepayments	4,475	4,180	31	31
	228,885	235,285	19,361	21,231

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	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 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	2,010	2,030	—	—
- other receivables	1,241	1,573	7	5

**15. TRADE AND OTHER RECEIVABLES (Cont'd)**

The currency profiles of receivables are as follows:

	<b>Group</b>	
	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Trade receivables		
- Ringgit Malaysia	<b>176,469</b>	191,119
- Brunei Dollar	<b>7,778</b>	4,608
- Pakistan Rupee	<b>5,869</b>	4,778
- Singapore Dollar	<b>419</b>	563
- US Dollar	<b>—</b>	358
	<b>190,535</b>	201,426

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other receivables				
- Ringgit Malaysia	<b>32,523</b>	27,884	<b>4,266</b>	4,093
- US Dollar	<b>5,736</b>	5,942	<b>5,736</b>	5,942
- Pakistan Rupee	<b>3,126</b>	1,374	<b>—</b>	—
- Indonesian Rupiah	<b>1,056</b>	5,124	<b>1,056</b>	5,124
- Indian Rupee	<b>618</b>	618	<b>618</b>	618
- Thai Baht	<b>53</b>	53	<b>53</b>	53
- Vietnam Dong	<b>14</b>	8	<b>—</b>	—
- United Arab Emirates Dirham	<b>—</b>	1	<b>—</b>	1
	<b>43,126</b>	41,004	<b>11,729</b>	15,831

**16. AMOUNT OWING BY/TO SUBSIDIARIES**

The amount owing by the subsidiaries comprises:

	<b>Company</b>	
	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Trade receivables	<b>8,591</b>	7,249
Non-trade receivables	<b>32,433</b>	60,217
	<b>41,024</b>	67,466
Less:		
Allowance for doubtful debts	<b>29,277</b>	29,292
	<b>11,747</b>	38,174

## Notes to and Forming Part of the Financial Statements (Cont'd)

### 16. AMOUNT OWING BY/TO SUBSIDIARIES (Cont'd)

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	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Trade receivables	14,656	12,161	13,174	9,612
Non-trade receivables	4,150	3,246	4,151	2,491
	18,806	15,407	17,325	12,103

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

The amount owing to the associates comprises:

	Group	
	2008	2007
	RM'000	RM'000
Trade payables	9,694	7,764
Non-trade payables	871	35
	10,565	7,799

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	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Fixed and time deposits placed with licensed banks	13,648	18,429	1,668	1,616
Fixed deposits placed with insurance companies	57	57	—	—
	13,705	18,486	1,668	1,616

## 18. FIXED AND TIME DEPOSITS (Cont'd)

The fixed and time deposits amounting to RM13,705,000 and RM1,668,000 (2007 : RM18,394,000 and RM1,524,000) for the Group and the Company respectively, 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% (2007 : 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:

- an amount of RM2,414,000 and RM585,000 (2007 : RM5,393,000 and RM61,000) 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
- an amount of RM1,424,000 (2007 : RM1,143,000) for the Group maintained in a housing development account in accordance with the Housing Development (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

	2008		2007	
	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	82,666	82,666	80,925	80,925
Issue of shares under ESOS at RM1 per share	944	944	1,741	1,741
At 31 December	83,610	83,610	82,666	82,666

In December 2003, the Company implemented a Bina Puri Holdings Bhd's Employees' Share Option Scheme ("ESOS") for eligible employees of the Group which is governed by the Bye-Laws of the ESOS and was approved by the shareholders of the Company and the relevant authorities. The ESOS expired on 30 November 2008 and the board of directors, upon the recommendation of the ESOS committee, had approved the extension of the ESOS for up to a maximum period of 5 years, commencing 1 December 2008 and expiring on 30 November 2013 on the same terms and conditions as set out in the ESOS Bye-Laws of the Company.



### 20. SHARE CAPITAL (Cont'd)

The salient features of the ESOS are:

- (a) The maximum number of shares to be offered and allotted under the ESOS 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 ESOS.
- (b) The following persons are eligible to participate in the ESOS:
  - (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 ESOS and becomes a subsidiary of the Company upon such acquisition, the Eligible Employee must have completed a continuous period of at least one (1) year in the Group following the date such company becomes or is deemed to be a subsidiary;
  - (iv) If an employee is not a Malaysian citizen, he must, in addition to the conditions stipulated in paragraphs (i) to (iii) above, also fulfil the following conditions:
    - 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 ESOS becomes an Eligible Employee may be eligible to a grant of an Option under the ESOS which shall be decided by the ESOS 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 ESOS, 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 ESOS.
- (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 ESOS 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 ESOS 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.

## 20. SHARE CAPITAL (Cont'd)

- (g) The new ordinary shares to be allotted upon any exercise of Options under the ESOS 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 ESOS 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 ESOS, all unexercised Options shall become null and void unless the ESOS is extended for a further five (5) years upon recommendation of the ESOS Committee.
- (i) These Options may be exercised at any date during the Option Period not later than 30 November 2013 subject to the following maximum limits:

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

Options which are exercisable in a particular year but are not exercised may be carried forward to subsequent years but not later than 30 November 2013. 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 2008	5,334,500
Granted	—
Exercised	(944,400)
Lapsed	(564,300)
At 31 December 2008	3,825,800

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

Exercise period	Exercise price RM	Number of share options outstanding 31-12-2008
1-12-2008 to 30-11-2013	1.00	3,825,800

## Notes to and Forming Part of the Financial Statements (Cont'd)

### 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 2006, which represented 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 is being recognised as income over the useful life of the factory equipment.

### 23. HIRE PURCHASE LIABILITIES

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Outstanding hire purchase instalments due:				
- not later than one year	3,439	3,674	73	73
- later than one year and not later than five years	4,819	6,858	194	267
- later than five years	6	148	—	—
	8,264	10,680	267	340
Less:				
Unexpired term charges	723	1,079	21	33
Outstanding principal amount due	7,541	9,601	246	307
Less:				
Outstanding principal amount due not later than one year (included in current liabilities)	3,040	3,156	63	60
Outstanding principal amount due later than one year	4,501	6,445	183	247

The effective interest rates of the hire purchase liabilities are between 2.50% and 9.31% (2007 : 2.45% and 9.31%) per annum.

**24. BANK TERM LOANS**

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Bank term loan bearing effective interest rate of 8.00% per annum, repayable by 120 monthly instalments commencing September 2004	–	1,524	–	1,524
Bank term loan bearing effective interest rate of 7% per annum, repayable by 108 monthly instalments commencing November 2005	<b>1,458</b>	1,636	–	–
Bank term loan bearing effective interest rate of 8.25% (2007: 8.25%) per annum, repayable by 72 instalments commencing April 2007	<b>176</b>	126	–	–
Bank term loan bearing effective interest rate of 8.25% per annum, repayable by 54 monthly instalments commencing February 2008	<b>4,400</b>	–	<b>4,400</b>	–
	<b>6,034</b>	3,286	<b>4,400</b>	1,524
Less:				
Repayments due within 12 months (included in current liabilities, Note 27)	<b>1,454</b>	539	<b>1,200</b>	346
Repayments due after 12 months	<b>4,580</b>	2,747	<b>3,200</b>	1,178

The bank term loan of the Company for the current financial year is unsecured.

The bank term loan of the Company in the previous financial year was secured by a first party legal charge over the leasehold land of the Company.

The bank term loan of RM1,458,000 (2007 : RM1,636,000) 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 RM176,000 (2007 : RM126,000) 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**

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January	<b>652</b>	663	<b>124</b>	200
Transfer to income statement	<b>(350)</b>	(11)	<b>(124)</b>	(76)
At 31 December	<b>302</b>	652	–	124

## Notes to and Forming Part of the Financial Statements (Cont'd)

### 25. DEFERRED TAX LIABILITIES (Cont'd)

The deferred tax liabilities comprise:

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Taxable temporary differences between net carrying amount and tax written down value of property, plant and equipment	302	795	–	124
Less:				
Other deductible temporary differences	–	(143)	–	–
	302	652	–	124

### 26. TRADE AND OTHER PAYABLES

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Trade payables	133,286	148,818	8,600	8,986
Progress billings	–	10,449	–	–
Other payables	68,624	41,629	20,479	1,485
Accruals	10,949	10,845	1,061	181
Sundry deposits	259	452	–	–
	213,118	212,193	30,140	10,652

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 RM423,000 (2007 : RM1,240,000) 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:

	<b>Group</b>	
	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Trade payables		
- Ringgit Malaysia	<b>122,336</b>	142,476
- Brunei Dollar	<b>4,159</b>	3,385
- Pakistan Rupee	<b>6,240</b>	936
- US Dollar	<b>551</b>	2,021
	<b>133,286</b>	148,818

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other payables				
- Ringgit Malaysia	<b>66,213</b>	33,697	<b>20,432</b>	1,438
- Pakistan Rupee	<b>2,327</b>	7,819	—	—
- Thai Baht	<b>47</b>	47	<b>47</b>	47
- Brunei Dollar	<b>21</b>	28	—	—
- US Dollar	<b>16</b>	16	—	—
- Vietnam Dong	—	22	—	—
	<b>68,624</b>	41,629	<b>20,479</b>	1,485

**27. BANK BORROWINGS**

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Trust receipts, secured	<b>5,304</b>	9,216	—	—
Bankers' acceptances, unsecured	<b>15,121</b>	14,915	—	—
Revolving credits				
- secured	<b>57,134</b>	95,526	<b>18,143</b>	19,374
- unsecured	<b>32,650</b>	37,033	<b>3,000</b>	3,000
	<b>89,784</b>	132,559	<b>21,143</b>	22,374
Bank overdrafts, unsecured	<b>32,332</b>	23,948	—	5,328
	<b>142,541</b>	180,638	<b>21,143</b>	27,702
Current portion of bank term loans (Note 24)	<b>1,454</b>	539	<b>1,200</b>	346
	<b>143,995</b>	181,177	<b>22,343</b>	28,048



## Notes to and Forming Part of the Financial Statements (Cont'd)

### 27. BANK BORROWINGS (Cont'd)

The effective interest rates per annum of the bank borrowings are between 4.88% and 10.25% (2007 : 3.40% and 9.25%) for the Group and between 4.89 % and 8.25% (2007 : 5.12% and 8.50%) for the Company.

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 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		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Contract revenue	529,724	443,969	35,352	23,032
Sale of goods	94,696	115,882	—	—
Property development revenue from sale of development units	46,948	35,625	2,219	8,135
Management fees	5,174	12,393	14,683	16,637
	676,542	607,869	52,254	47,804

### 29. COST OF SALES

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Contract costs	504,188	430,455	35,089	20,932
Cost of goods sold	77,975	100,133	—	—
Property development costs relating to development units sold	42,514	33,186	533	5,894
	624,677	563,774	35,622	26,826

**30. PROFIT FROM OPERATIONS**

Profit from operations is stated after charging:

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Allowance for doubtful debts	<b>633</b>	69	–	–
Amortisation of prepaid lease payments	<b>110</b>	110	<b>8</b>	8
Auditors' remuneration				
- current year	<b>208</b>	189	<b>30</b>	30
- underestimated in prior year	<b>6</b>	24	–	5
Bad debts written off	<b>3,378</b>	–	–	–
Depreciation of property, plant and equipment	<b>7,057</b>	7,615	<b>728</b>	760
Directors' fees				
- directors of the Company	<b>240</b>	243	<b>240</b>	243
- directors of a subsidiary	<b>701</b>	457	–	–
Directors' remuneration other than fees				
- directors of the Company	<b>2,735</b>	2,471	<b>1,468</b>	1,395
- directors of subsidiaries	<b>974</b>	770	–	–
Loss on fair value adjustments on investment properties	<b>5</b>	–	–	–
Loss on disposal of expressway development project	–	1,700	–	1,700
Loss on foreign exchange				
- realised	<b>16</b>	–	–	1
- unrealised	–	40	–	20
Property, plant and equipment written off	<b>110</b>	30	<b>3</b>	–
Operating lease rental				
- land and premises	<b>814</b>	967	–	–
- motor vehicles	<b>9</b>	43	–	–
- machinery and equipment	<b>6,281</b>	7,326	–	–
Research and development expenditure				
- current year	<b>7</b>	160	–	–
- overestimated in prior years	<b>(30)</b>	–	–	–

and crediting:

Allowance for doubtful debts written back	<b>62</b>	36	<b>15</b>	25
Amortisation of government grants	<b>11</b>	11	–	–
Bad debts recovered	<b>2</b>	33	–	–
Gain on disposal of property, plant and equipment	<b>852</b>	1,154	<b>16</b>	6
Gain on foreign exchange				
- realised	–	178	–	–
- unrealised	<b>20</b>	–	–	–
Hire of motor vehicles and machinery	<b>1,410</b>	900	–	–
Interest income	<b>67</b>	818	–	–
Rental income from				
- investment properties	<b>186</b>	195	–	–
- others	<b>146</b>	121	<b>581</b>	451

## Notes to and Forming Part of the Financial Statements (Cont'd)

### 30. PROFIT FROM OPERATIONS (Cont'd)

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

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Directors of the Company	82	82	24	24
Directors of subsidiaries	21	21	–	–

### 31. FINANCE COSTS

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Finance costs incurred during the year comprise:				
Hire purchase term charges	565	423	12	13
Interest expenses on bank borrowings	9,255	10,952	1,689	1,392
Other interest expenses	248	143	–	–
	10,068	11,518	1,701	1,405
Less:				
Finance costs classified in contract costs under cost of sales				
Hire purchase term charges	226	175	–	–
Interest expenses on bank borrowings	4,752	6,140	633	735
Other interest expenses	245	141	–	–
	4,845	5,062	1,068	670

### 32. INVESTMENT INCOME

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Dividend income from:				
- mutual funds and unit trusts	–	4	–	4
- subsidiary	–	–	14	100
- associates	–	–	–	192
	–	4	14	296
Discount on acquisition of investment in a subsidiary	5	–	–	–
Interest income from				
- subsidiaries	–	–	1,438	–
- fixed and time deposit	687	626	49	31
Gain on disposal of investment in a subsidiary	81	50	–	50
Gain on disposal of other investments	6	16	6	–
Gain on disposal of investment properties	–	5	–	–
Allowance for diminution in value of other investments	–	(35)	–	–
	779	666	1,507	377

**33. TAX EXPENSE/(INCOME)**

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax expense				
Malaysian				
- current year	<b>638</b>	949	<b>-</b>	171
- under/(over)estimated in prior years	<b>76</b>	(787)	<b>(48)</b>	(135)
Overseas				
- current year	<b>2,430</b>	54	<b>-</b>	-
	<b>3,144</b>	216	<b>(48)</b>	36
Deferred tax (income)/expense relating to origination and reversal of temporary differences during the year	<b>(338)</b>	776	<b>(124)</b>	(76)
Deferred tax expense under/(over)estimated in prior year	<b>63</b>	(440)	<b>-</b>	-
	<b>(275)</b>	336	<b>(124)</b>	(76)
	<b>2,869</b>	552	<b>(172)</b>	(40)

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

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Accounting profit (excluding share of results of associates and jointly controlled entity)	<b>9,552</b>	5,553	<b>7,427</b>	10,037
Tax at the applicable tax rate of 26% (2007 : 27%)	<b>2,484</b>	1,499	<b>1,931</b>	2,710
Add:				
Tax effect of expenses not deductible in determining taxable profit	<b>1,987</b>	2,742	<b>552</b>	749
Deferred tax income relating to reversal of temporary differences not recognised during the year	<b>458</b>	1,198	<b>86</b>	-
Tax effect in reduction in future tax rates	<b>22</b>	48	<b>-</b>	-
	<b>4,951</b>	5,487	<b>2,569</b>	3,459
Less:				
Tax effect of income not taxable in determining taxable profit	<b>(2,221)</b>	(3,604)	<b>(2,693)</b>	(3,364)
Tax effect of different tax rates of subsidiaries	<b>-</b>	(104)	<b>-</b>	-
	<b>2,730</b>	1,779	<b>(124)</b>	95
(Less)/Add:				
Current tax expense under/(over)estimated in prior years	<b>76</b>	(787)	<b>(48)</b>	(135)
Deferred tax expense under/(over)estimated in prior year	<b>63</b>	(440)	<b>-</b>	-
Tax expense/(income) for the year	<b>2,869</b>	552	<b>(172)</b>	(40)

## Notes to and Forming Part of the Financial Statements (Cont'd)

### 33. TAX EXPENSE/(INCOME) (Cont'd)

Based on the prevailing tax rate applicable to dividends, 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 RM46,000,000 (2007 : RM35,442,000) 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 RM4,283,000 (2007 : RM7,020,000) and on 82,905,000 (2007 : 81,712,000) weighted average number of ordinary shares in issue during the year calculated as follows:

	2008 '000	2007 '000
Number of ordinary shares at 1 January	82,666	80,925
Effects of shares issued from ESOS between		
- April 2007 and December 2007	–	787
- March 2008 and November 2008	239	–
Weighted average number of ordinary shares	82,905	81,712

#### (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:

	2008 RM'000	2007 RM'000
Final dividend of 4% less 26% tax for the financial year ended 31 December 2007 (2007 : Final dividend of 3% less 27% tax for the financial year ended 31 December 2006)	2,452	1,772
Interim dividend of 2% less 27% tax for the financial year ended 31 December 2007	–	1,207
	2,452	2,979

## 35. DIVIDENDS PAID (Cont'd)

	2008	2007
Net dividend per ordinary share (sen)	2.93	3.60

On 25 November 2008, the directors of the Company declared an interim dividend of 2% less 25% tax amounting to RM1,254,148 in respect of the financial year ended 31 December 2008 which was paid on 9 January 2009.

At the forthcoming annual general meeting, a final dividend of 2% less 25% tax amounting to RM1,254,148 (RM0.02 net per ordinary share) in respect of the financial year ended 31 December 2008 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 these dividends which will be accounted for in the shareholders' equity as an appropriation of unappropriated profit in the financial year in which the dividends are paid.

## 36. ANALYSIS OF ACQUISITION AND DISPOSAL OF SUBSIDIARIES

### (A) Acquisition of subsidiaries

During the financial year, Sungai Long Industries Sdn Bhd ("SLI"), a 51% owned indirect subsidiary of the Company, acquired the remaining 50% of the equity interest, representing 50,000 ordinary shares of RM1 each in Sungai Long Properties Sdn Bhd, an existing 50% owned associate of SLI, at a total cash consideration of RM1. The discount on acquisition arising from the acquisition was RM5,199.

In the previous 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).

#### (b) Bina Puri (B) Sdn Bhd

The Company and a wholly owned indirect-subsiidiary, Bina Puri Construction Sdn Bhd acquired 100% equity interest, representing 2 ordinary shares of BND1 each in Bina Puri (B) Sdn Bhd, a company incorporated in Negara Brunei Darussalam, at a cash consideration of BND2 (RM5).

## 36. ANALYSIS OF ACQUISITION AND DISPOSAL OF SUBSIDIARIES (Cont'd)

### (A) Acquisition of subsidiaries (Cont'd)

The effects of acquisition of the subsidiaries on the consolidated net profit, the consolidated financial position and consolidated cash flow statement were as follows:

#### (i) Effect on consolidated net profit for the year

	Subsidiaries acquired in	
	2008 RM'000	2007 RM'000
Gross revenue	–	7,496
Cost of sales	–	7,264
(Loss)/Profit before tax	(20)	89
Tax expense	–	27
(Loss)/Profit after tax	(20)	62
Minority interests	9	–
(Decrease)/Increase Group's net profit	(11)	62

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

	Subsidiaries acquired in	
	2008 RM'000	2007 RM'000
Non-current assets	–	265
Current assets	24	5,383
Non-current liabilities	–	(105)
Current liabilities	(4)	(5,360)
Minority interest	(9)	–
Increase in Group's share of net assets	11	183



**36. ANALYSIS OF ACQUISITION AND DISPOSAL OF SUBSIDIARIES (Cont'd)****(A) Acquisition of subsidiaries (Cont'd)****(iii) Effect on consolidated cash flow statement**

	<b>Subsidiaries acquired in</b>	
	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Fair value of net assets acquired		
Current assets	<b>24</b>	6
Current liabilities	<b>(4)</b>	—
Minority interests	<b>(9)</b>	—
Discount on acquisition	<b>(5)</b>	—
Net assets previously held and treated as investment in associate	<b>(5)</b>	—
Total purchase consideration	<b>1</b>	6
Less:		
Cash and cash equivalents	<b>—</b>	—
Net cash flows on acquisition	<b>1</b>	6

**(B) Disposal of subsidiary**

During the financial year, the Company reduced its equity interest in KL-Kuala Selangor Expressway Bhd ("KL-KSEB") from 60% to 50% by disposing 500,000 ordinary shares of RM1 each, representing 10% of the issued and paid-up share capital of KL-KSEB at a cash consideration of RM500,000. Arising from the disposal, KL-KSEB ceased to be a subsidiary of the Company and became an associate of the Company.

The effects of disposal of the subsidiary 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**

	<b>Subsidiaries disposed in 2008</b>	
	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Gross revenue	<b>—</b>	—
Cost of sales	<b>—</b>	—

## 36. ANALYSIS OF ACQUISITION AND DISPOSAL OF SUBSIDIARIES (Cont'd)

### (B) Disposal of subsidiary (Cont'd)

#### (i) Effect on consolidated net profit for the year (Cont'd)

	Subsidiaries disposed in 2008	
	2008	2007
	RM'000	RM'000
Profit/(Loss) before tax	3	(13)
Tax expense	—	—
Decrease/(Increase) in Group's net profit	3	(13)

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

	Subsidiaries disposed in 2008	
	2008	2007
	RM'000	RM'000
Non-current assets	14,475	14,309
Current assets	1,378	920
Non-current liabilities	—	—
Current liabilities	(11,663)	(11,036)
Minority interest	(1,432)	(1,677)
Decrease in Group's share of net assets	2,758	2,516

#### (iii) Effect on consolidated cash flow statement

	Subsidiaries disposed in 2008
	RM'000
Net assets disposed:	
Non-current assets	14,475
Current assets	1,378
Non-current liabilities	—
Current liabilities	(11,663)
Minority interest	(1,432)
Net assets held and reclassified as investment in associate	(2,339)
Gain on disposal of subsidiary	81
Sale proceeds	500
Less:	
Cash and cash equivalents	492
	8

**37. EMPLOYEE BENEFITS EXPENSE**

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Salaries, wages, allowances and bonuses				
- Executive directors	<b>3,235</b>	2,961	<b>1,310</b>	1,245
- Other employees	<b>28,479</b>	29,622	<b>3,979</b>	3,487
Defined contribution plan				
- EPF contributions	<b>3,183</b>	3,367	<b>620</b>	537
- Retirement benefit obligation	<b>113</b>	—	<b>—</b>	—
Social security costs				
- SOCSO contributions	<b>289</b>	338	<b>33</b>	29
Other staff related expenses	<b>3,228</b>	3,621	<b>213</b>	238
	<b>38,527</b>	39,909	<b>6,155</b>	5,536

The Company has applied the transitional provisions of FRS 2 Share-based Payment to the ESOS of the Company, which were granted before 31 December 2004. Accordingly, no share-based compensation costs are recognised under the above employee benefits expense during the year.

**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
- (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:

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Sales of quarry products to associate	<b>842</b>	1,846	—	—
Management fees charged to:				
- subsidiaries	—	—	<b>9,818</b>	4,244
- associates	<b>4,865</b>	12,393	<b>4,865</b>	12,393
Rental income received from subsidiaries	—	—	<b>487</b>	367
Interest income received from subsidiaries	—	—	<b>1,438</b>	—
Project commission received from subsidiaries	—	—	<b>579</b>	896
Secretarial fee charged to				
- subsidiaries	—	—	<b>60</b>	47
- associates	<b>7</b>	11	<b>7</b>	11
Repayment of advances from subsidiaries	—	—	<b>27,784</b>	—
Advances from subsidiaries	—	—	<b>17,081</b>	—
Advances from associates	<b>836</b>	—	—	—

## 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	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Consultancy fee charged by a subsidiary	–	–	192	168
Construction services charged by associate	5,502	5,275	–	–
Sub-contractor claims charged by an associate	–	532	–	–
Security and safety charges by a subsidiary	–	–	216	216
Purchase of air tickets from a company in which a director of the Company has substantial financial interest	750	1,052	338	614
Purchase of diesel from a company in which a director of the Company has substantial financial interest	1,906	3,238	–	–
Repayment of advances to subsidiaries	–	–	–	5,663
Advance to subsidiaries	–	–	–	6,225
Advance to jointly controlled entity	31	505	31	505
Advance to associates	904	2,545	1,660	1,810

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	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Short-term employee benefits	6,339	6,061	2,550	2,526
Post employment benefits - defined contribution plan	642	586	269	312
	6,981	6,647	2,819	2,838

## 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	
	2008 '000	2007 '000	2008 '000	2007 '000
At 1 January	1,399	1,376	420	608
Granted	–	839	–	183
Exercised	(139)	(816)	(130)	(371)
Lapsed	(15)	–	(15)	–
At 31 December	1,245	1,399	275	420

## 39. COMMITMENTS

### (a) Capital commitments

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Approved capital expenditure in respect of contracted expressway development expenditure (estimated)	–	806,940	–	–

### (b) Operating lease commitments

#### The Group as lessee

The Group leases certain equipment and land under non-cancellable operating leases for its operations. The leases have tenures of between 3 and 10 years with an option to renew the leases after the expiry of the leases. 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.

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

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Future minimum lease payments				
- payable not later than one year	351	300	–	–
- payable later than one year and not later than five years	297	600	–	–
	648	900	–	–

## 40. CONTINGENT LIABILITIES

### (a) Unsecured guarantees

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Guarantees given in favour of financial institutions for credit facilities granted to				
- subsidiaries	–	–	243,091	247,103
- associate	186,098	27,686	186,032	27,612
Guarantees given in favour of suppliers of goods for credit terms granted to subsidiaries	–	–	3,076	6,383
Guarantees given to secure hire purchase liabilities of				
- subsidiaries	–	–	3,294	4,470
- former associate	–	72	–	–
	186,098	27,758	435,493	285,568

### (b) Material litigation

Kimpoint Sdn Bhd ("Kimpoint") had on 17 September 1999 commenced legal proceedings against the Company in the Shah Alam High Court vide Suit No. MT2-22-1043-99 claiming for the sum of RM8,773,437 for alleged breach of an agreement entered into between Kimpoint and the Company. The agreement is in regard to the appointment of Kimpoint to secure a project and a lease over lands owned by the Selangor and Wilayah Chha Yong Fay Choon Kuan Association in consideration of a sum of RM10,000,000. Kimpoint's summary judgment application was refused by the Registrar and Kimpoint filed an appeal to the Judge in Chambers against the decision. The Company has in turn filed a counter claim against Kimpoint together with its Defence on 11 January 2009 for the return of the sum of RM1,226,562 paid to Kimpoint, as Kimpoint had failed to fulfill its obligations under the agreement. Kimpoint had on 8 June 2005 filed an application to amend its Statement of Claim but its application was dismissed by the Senior Assistant Registrar on 18 December 2006. Kimpoint appealed against the Senior Assistant Registrar's decision to the Judge in Chambers on 20 December 2006 and the hearing of Kimpoint's appeal has been fixed on 13 May 2009.

The Company's solicitors are of the opinion that the Company has a fair chance of defending the suit.

## 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.

2008	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	534,898	46,948	18,684	76,012	-	-	676,542
Inter-segment sales	451	-	-	15,225	-	(15,676)	-
Total revenue	535,349	46,948	18,684	91,237	-	(15,676)	676,542
RESULTS							
Segment operating profit	7,399	3,798	166	2,955	(117)	(583)	13,618
Finance costs	(3,545)	(701)	(146)	(453)	-	-	(4,845)
Investment income	774	-	-	5	-	-	779
Share of results of							
- associates	(1,444)	-	-	327	-	-	(1,117)
- jointly controlled entity	(401)	-	-	-	-	-	(401)
Profit/(Loss) before tax	2,783	3,097	20	2,834	(117)	(583)	8,034
Tax expense	(2,035)	(1)	(75)	(751)	(7)	-	(2,869)
Profit/(Loss) after tax	748	3,096	(55)	2,083	(124)	(583)	5,165
Minority interests	(147)	21	6	(762)	-	-	(882)
Net profit/(Loss) for the year	601	3,117	(49)	1,321	(124)	(583)	4,283



## 41. SEGMENTAL ANALYSIS (Cont'd)

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

2008	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	393,859	37,930	6,888	51,808	10,211	(71,030)	429,666
Associates	31,188	-	-	1,119	-	-	32,307
Jointly controlled entity	478	-	-	-	-	-	478
Other investments	7,271	-	-	-	-	-	7,271
Current tax assets	2,532	5	-	13	11	-	2,561
Deferred tax assets	-	-	778	-	-	-	778
Total assets	435,328	37,935	7,666	52,940	10,222	(71,030)	473,061
Segment liabilities	212,543	21,056	1,182	34,003	33,786	(73,075)	229,495
Borrowings	146,832	441	3,014	5,829	-	-	156,116
Government grant	-	-	79	-	-	-	79
Current tax liabilities	465	45	-	210	-	-	720
Deferred tax liabilities	23	-	-	279	-	-	302
Total liabilities	359,863	21,542	4,275	40,321	33,786	(73,075)	386,712
Capital expenditure	3,384	163	280	667	3	-	4,497
Depreciation and amortisation	5,961	22	84	1,099	1	-	7,167
Non-cash expenses other than depreciation	10,833	(26)	356	2,762	-	(6)	13,919

## 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
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)

### (b) Secondary reporting format - geographical segment

The Group operates mainly in Malaysia and other Asian countries. In determining the geographical segments of the Group, revenue is based on the geographical locations of customers. Total assets and capital expenditure are based on the geographical locations of the assets.

2008	Revenue RM'000	Total assets RM'000	Capital expenditure RM'000
Malaysia	588,752	443,656	3,474
Other Asian countries	87,790	29,405	1,023
Total	676,542	473,061	4,497

Comparative figures for the year ended 31 December 2007 were not prepared as the Group operated 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 2008 approximated their fair values except for other investments as stated below:

	Group Carrying amounts RM'000	Fair values RM'000	Company Carrying amounts RM'000	Fair values RM'000
Unquoted shares	6,803	*	6,365	*
Transferable corporate memberships in golf and country resorts	395	*	10	*

\* It is not practical to reasonably estimate the fair values of unquoted shares and golf memberships due to lack of comparable quoted market prices and available market data for valuation. These investments are carried at their original costs and subject to review for diminution in value.

## Notes to and Forming Part of the Financial Statements (Cont'd)

### 43. COMPARATIVE FIGURES

The following comparative figures of the Group and of the Company have been restated to conform with the current year's presentation:

	Group		Company	
	As restated RM'000	As previously reported RM'000	As restated RM'000	As previously reported RM'000
Balance sheet at 31 December 2007				
Property development costs	13,433	15,967	603	3,137
Trade and other receivables	235,285	232,751	21,231	18,697

### 44. SUBSEQUENT EVENTS

On 19 February 2009, the Company announced the following proposals:

- Increase in authorised share capital of the Company from RM100,000,000 to RM500,000,000 by the creation of an additional 400,000,000 new ordinary shares of RM1.00 each.
- Debt capitalisation via a restricted issue of up to 20,000,000 new ordinary shares, representing 19.27% of the enlarged issued and paid up share capital of the Company, to Bumimaju Mawar Sdn Bhd at an indicative issue price of RM1.00 per share.

### 45. 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 2009.

## Statement by Directors

In the opinion of the directors, the financial statements set out on pages 47 to 114 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 2008 and of their results and cash flows for the year then ended; and
- (b) in accordance with Financial Reporting Standards and the provisions of the Companies Act 1965.

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

**DATO' MOHAMED FEISAL BIN IBRAHIM**  
Director

**SENATOR TAN SRI DATUK TEE HOCK SENG, JP**  
Director

21 April 2009

## Statutory Declaration

I, Senator 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 47 to 114 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 2009

)  
)  
)

**SENATOR TAN SRI DATUK TEE HOCK SENG, JP**

Before me:

Robert Lim Hock Kee (W092)  
Commissioner for Oaths

# Analysis of Shareholdings

As at 21 April 2009

Authorised Capital	:	RM100,000,000.00
Issued and Paid-up Capital	:	RM83,782,100.00
Class of Shares	:	Ordinary shares of RM1.00 each

## SUBSTANTIAL SHAREHOLDERS

As per Register of Substantial Shareholders (excluding bare trustees)

	No. of Shares	% of Shares
Senator Tan Sri Datuk Tee Hock Seng, JP	14,559,778 <sup>#</sup>	17.38
Jentera Jati Sdn. Bhd.	20,338,000	24.33
Dr. Tony Tan Cheng Kiat	9,078,902 <sup>*</sup>	10.84
Dato' Mohamed Feisal Bin Ibrahim	5,325,900 <sup>*</sup>	6.36
Henry Tee Hock Hin	5,007,768 <sup>*</sup>	5.98

<sup>#</sup> includes beneficial interest held through nominee company and indirect holding through Tee Hock Seng Holdings Sdn. Bhd.

<sup>\*</sup> includes beneficial interest held through nominee company.

## DIRECTORS' INTEREST

As per Register of Directors' Shareholdings

Name of Directors	Direct Interest	%	Deemed Interest	%
Dato' Mohamed Feisal Bin Ibrahim	5,325,900 <sup>*</sup>	6.36	—	—
Senator Tan Sri Datuk Tee Hock Seng, JP	14,238,778 <sup>*</sup>	17.00	321,000 <sup>#</sup>	0.38
Dr. Tony Tan Cheng Kiat	9,078,902 <sup>*</sup>	10.84	—	—
Tee Hock Hin	5,007,768 <sup>*</sup>	5.98	—	—
Tay Hock Lee	1,611,707	1.92	—	—
Dato' Anad Krishnan A/L Muthusamy	10,000 <sup>*</sup>	0.01	—	—
Matthew Tee Kai Woon	727,600	0.87	—	—

<sup>#</sup> indirect holding through Tee Hock Seng Holdings Sdn. Bhd.

<sup>\*</sup> includes beneficial interest held through nominee company.

## 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	0.23	264	0
100 - 1,000	609	28.26	575,833	0.69
1,001 - 10,000	1,260	58.47	5,391,133	6.43
10,001 - 100,000	236	10.95	6,851,377	8.18
100,001 to less than 5% of issued shares	40	1.86	21,101,179	25.19
5% and above of issued shares	5	0.23	49,862,314	59.51
Total	2,155	100	83,782,100	100



# Thirty Largest Shareholdings

As at 21 April 2009

	No. of Shares	% of Shares
1. Jentera Jati Sdn. Bhd.	20,388,000	24.33
2. Senator Tan Sri Datuk Tee Hock Seng, JP	11,503,900	13.73
3. RHB Capital Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Dr. Tony Tan Cheng Kiat (861025)	8,400,000	10.03
4. Mayban Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Dato' Mohamed Feisal Bin Ibrahim (514123808681)	5,238,000	6.25
5. Henry Tee Hock Hin	4,359,414	5.20
6. Cimsec Nominees (Tempatan) Sdn. Bhd. Qualifier : CIMB Bank for Senator Tan Sri Datuk Tee Hock Seng, JP (PB Retail Banking)	2,734,878	3.26
7. AllianceGroup Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Cheo Chet Lan @ Chow Sak Nam, KMN	1,756,707	2.10
8. Tay Hock Lee	1,611,707	1.92
9. AllianceGroup Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Cheo Chet Lan @ Chow Sak Nam, KMN (100528)	1,483,177	1.77
10. Maju Offshore Sdn. Bhd.	1,293,500	1.54
11. Tee Hock Loo	1,243,707	1.48
12. RHB Capital Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account for Ng Geok Hwa (CEB)	1,125,600	1.34
13. Dutamas Harvest Sdn. Bhd.	1,117,400	1.33
14. Matthew Tee Kai Woon	726,400	0.87
15. Dr. Tony Tan Cheng Kiat	678,902	0.81
16. Toh Hoon Kheng	655,000	0.78
17. ABB Nominee (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Henry Tee Hock Hin (o/a Bina Jati Sdn. Bhd.-Tmn Midah)	648,354	0.77
18. Malini A/P Arulampalam	607,100	0.72
19. Ang Beng Eng	581,077	0.69
20. Chang Yock Chai	475,000	0.57

## Thirty Largest Shareholdings (Cont'd)

	No. of Shares	% of Shares
21. Sai Yee @ Sia Say Yee	355,000	0.42
22. TA Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Chong Khong Shoong	330,000	0.39
23. Tee Hock Seng Holdings Sdn. Bhd.	321,000	0.38
24. Usha A/P K. Gunagnanam	290,000	0.35
25. Globalised Market Traders Pte. Ltd.	266,000	0.32
26. Hee Kah Pau	265,000	0.32
27. Ke-Zan Nominees (Asing) Sdn. Bhd. Qualifier : Pledged Securities Account for Chang, Tzung-Yaur @ Eddy Chang	251,800	0.30
28. Chong Kooi Yoon @ Choong Kooi Yoon	251,470	0.30
29. Wong Siew Keng	231,000	0.28
30. Kuan Ming Ling	215,877	0.26
<b>TOTAL</b>	<b>69,404,970</b>	<b>82.81</b>

# List of Properties

31 December 2008

Location	Description	Date of acquisition	Tenure	Year Expiry	Land / Built-up Area	Age building (years)	Existing use	Net carrying amount 31 Dec 08 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/ 62,451 sq ft	11	Office	15,505
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	16	Guest House	1,129
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	16	Office	479
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	16	Office	586 182
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	14	Office cum factory	1,349
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	4	Office	2,924
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	12	Guest House	331
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	10	Tenanted	140
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	5	Vacant	580
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	8	Vacant	410
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	290
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 28 May 2008, 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. 12/2001 of the Bursa Malaysia Securities Berhad listing requirements, the details of recurrent related party transactions conducted during the financial year ended 31 December 2008 pursuant to the Shareholders' Mandate are disclosed as follows:

## Nature of transactions undertaken by the Company and 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 YB Senator Tan Sri Datuk Tee Hock Seng, JP and a member of his family collectively hold approximately 86.27% equity interest	(i) Bina Puri Holdings Bhd (ii) Bina Puri Sdn Bhd (iii) Bina Puri Construction Sdn Bhd (iv) Sungai Long Industries Sdn Bhd (v) Maskimi Polyol Sdn Bhd	338 91 243 25 53
Purchase of diesel	New Hoong Wah Holdings Sdn Bhd, a company in which Director YB Senator Tan Sri Datuk Tee Hock Seng, JP has 50% financial interest	(i) Bina Puri Sdn Bhd (ii) Bina Puri Construction Sdn Bhd (iii) Sungai Long Industries Sdn Bhd (iv) Easy Mix Sdn Bhd	1,316 318 268 4

## Bina Puri Holdings Bhd (207184-X)

Wisma Bina Puri  
88, Jalan Bukit Idaman 8/I  
Bukit Idaman, 68100 Selayang  
Selangor Darul Ehsan, Malaysia  
Tel: (603) 6136 3333  
Fax: (603) 6136 9999

E-mail: [corpcomm@binapuri.com.my](mailto:corpcomm@binapuri.com.my)  
Website: [www.binapuri.com.my](http://www.binapuri.com.my)

## Major Subsidiaries

### Civil & Building Construction

#### BINA PURI SDN. BHD. (23296-X)

**Kuala Lumpur Office**  
Wisma Bina Puri  
88, Jalan Bukit Idaman 8/I  
Bukit Idaman, 68100 Selayang  
Selangor Darul Ehsan, Malaysia  
Tel: (603) 6136 3333  
Fax: (603) 6136 9999  
E-mail: [bpuri@po.jaring.my](mailto:bpuri@po.jaring.my)

**Kuching Office**  
Jalan Pangkalan Sapi  
93505 Petra Jaya, Kuching  
Sarawak, Malaysia  
Tel: (6082) 313 633  
Fax: (6082) 313 622

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

**Kuala Lumpur Office**  
14 & 15, Jalan Bukit Idaman 8/I  
Bukit Idaman, 68100 Selayang  
Selangor Darul Ehsan, Malaysia  
Tel: (603) 6137 8500  
Fax: (603) 6137 8511  
E-mail: [bpcon@po.jaring.my](mailto:bpcon@po.jaring.my)

**Kota Kinabalu Office**  
Lot 104-107, Block L  
Lorong Plaza Permai 5, Alamesra  
Sulaman - Coastal Highway  
88400 Kota Kinabalu  
Sabah, Malaysia  
Tel: (6088) 380 660/770  
Fax: (6088) 380 565/655  
E-mail: [bpksbkk@tm.net.my](mailto:bpksbkk@tm.net.my)

### Highway Concession

#### Associate

**KL - Kuala Selangor Expressway Berhad**  
Wisma Bina Puri  
88, Jalan Bukit Idaman 8/I  
Bukit Idaman, 68100 Selayang  
Selangor Darul Ehsan, Malaysia  
Tel: (603) 6136 3333  
Fax: (603) 6136 9999  
E-mail:

### Property Development

#### BINA PURI PROPERTIES SDN. BHD. (246157-M)

Lot 104-107, Block L  
Lorong Plaza Permai 5, Alamesra  
Sulaman - Coastal Highway  
88400 Kota Kinabalu  
Sabah, Malaysia  
Tel: (6088) 380 660/770  
Fax: (6088) 380 565/655  
E-mail: [bpksbkk@tm.net.my](mailto:bpksbkk@tm.net.my)

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

No. 1 & 2, Jalan Bukit Idaman 8/I  
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](mailto: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](mailto:easymix@po.jaring.my)

#### KM QUARRY SDN. BHD. (409397-V)

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

### Polyol

#### 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](mailto:maskimi@po.jaring.my)

### International Ventures

#### BINA PURI (THAILAND) LTD.

947/127 Moo 12, Bangna Sub District  
Bangna District, 10260 Bangkok  
Thailand  
Tel: (0066) 02-744 1366  
(0066) 02-744 1367  
(0066) 02-744 1368  
Fax: (0066) 02-744 1369

#### BINA PURI VENTURES SDN BHD, PAKISTAN BRANCH

No. 141, Centre Commercial Area (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 (B) 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



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 Eighteenth 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 Thursday, 28 May 2009 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 2008 and the Reports of Directors and Auditors thereon		
2.	To re-elect Tay Hock Lee		
3.	To re-elect Henry Tee Hock Hin		
4.	To re-elect Yusuf Khan Bin Ghows Khan		
5.	To approve the final dividend of 2% less 25% income tax		
6.	To ratify and approve directors' annual fees of RM240,000.00		
7.	To appoint Mazars, Chartered Accountants as Auditors of the Company in place of the retiring Auditors, Moores Rowland, Chartered Accountants, to hold office until the conclusion of the next Annual General Meeting, at a remuneration to be determined by the directors		
<b>Special Business</b>			
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 \_\_\_\_\_ 2009

\_\_\_\_\_  
Signature (First or Sole Shareholder or Common Seal)

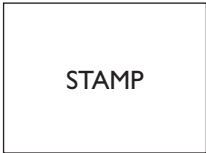
**Notes:**

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 ("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 Securities Account (Central Depositories) Act, 1991, 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 or any adjournment thereof.



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**BINA PURI HOLDINGS BHD** (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)

Wisma Bina Puri  
88, Jalan Bukit Idaman 8/1  
Bukit Idaman, 68100 Selayang  
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**W** : [www.binapuri.com.my](http://www.binapuri.com.my)