Since 1975

BINA PURI HOLDINGS BHD

ANNUAL REPORT YEAR 2006

VISION

We will be the leading global corporation in all our core business attaining regional excellence in our added commercial in our high-tech investment, recognised for our high standards of quality product 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 stakeholders.

CONTENTS

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Sixteenth 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 Tuesday, 5 June 2007 at 11.00 a.m. to transact the following business:

Agenda

1. To receive the Audited Accounts for the year ended 31 December 2006 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 Dato' Mohamed Feisal Bin Ibrahim	Resolution 2
2.2 Mr. Tay Hock Lee	Resolution 3
2.3 En. Khalid Bin Sufat	Resolution 4
3. To approve the final dividend of 3% less 27% income tax in respect of the financial year ended 31 December 2006.	Resolution 5
4. To ratify and approve directors' annual fees of RM 243,000.	Resolution 6
5. To re-appoint Messrs Moores Rowland as Auditors of the Company and to authorise the Directors to fix their remuneration.	Resolution 7

Special business

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

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 14 May 2007 which are necessary for their day-to-day operations with :

6.1 Sea Travel and Tours Sdn. Bhd. and New Hoong Wah Holdings Sdn. Bhd.	Resolution 8
6.2 Perkasa Sutera Sdn. Bhd.	Resolution 9
6.3 Kumpulan Melaka Berhad	Resolution 10

subject further to the following :

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

(b) appropriate disclosure is made in the annual report in accordance with Paragraph 4.1.5 of Practice Note 12/2001 of the Listing Requirements of the Bursa Malaysia Securities Berhad, which requires an actual breakdown of the aggregate value of the recurrent related party transactions entered into during the financial year, including amongst others, the type of recurrent related party transactions and the names of the related parties involved in each type of the recurrent related party transactions entered into and their respective relationships with the Company and that such approval shall, subject to annual renewal, continue to be in force until:

i. the conclusion of the next annual general meeting of the Company (unless by a resolution or resolutions passed at the said annual general meeting, the authority is renewed);

ii. the expiry of the period within which the next annual general meeting of the Company following the forthcoming annual general meeting at which this mandate is approved, is required to be held pursuant to Section 143(1) of the Companies Act, 1965, without regard to such extension as may be allowed pursuant to Section 143(2) of the said Act; or

iii. revoked or varied by a further resolution or resolutions passed by shareholders of the Company in general meeting, whichever is the earliest; and

(c) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by these ordinary resolutions."

Special Resolution

7. **Proposed Amendments to the Articles of Association of the Company**

"THAT the alterations, modifications, additions and/or deletions to the Articles of Association of the Company as set out in Part B of the Circular to Shareholders dated 14 May 2007, be and is hereby approved." Resolution 11

8. 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 28 June 2007 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 8 June 2007.

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 8 June 2007 in respect of transfers; and

(b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

TOH GAIK BEE
MAICSA 7005448
Group Company Secretary

Selangor Darul Ehsan
Date: 14 May 2007

NOTES :

1. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Act shall not apply to the Company.

2. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.

3. In the event the member duly executes the Form of Proxy but does not name any proxy, such member shall be deemed to have appointed the Chairman of the meeting as his proxy.

4. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting. The provision of Section 149(1)(c) of the Act shall not apply to the Company.

5. Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

6. Where a member is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

7. To be valid this form duly completed must be deposited at the Registered Office of the Company at Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the meeting.

Explanatory Notes on Special Business:

Proposed renewal of shareholders' mandate for recurrent related party transactions

The ordinary resolutions 8, 9 and 10, if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, particulars of which are set out in Paragraph 2.5 of the Circular to Shareholders of the Company dated 14 May 2007 despatched together with the Annual Report.

Proposed amendments to the Articles of Association of the Company

The special resolution 11, if passed, will incorporate the amendments to the Articles of Association of the Company in line with the recent amendments to the Listing Requirements of Bursa Malaysia Securities Berhad.

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 SIXTEENTH 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 from pages 7 to 10 of this Annual Report. The details of their interest in the securities of the Company are set out in the Analysis of Shareholdings disclosed in page 122 of this Annual Report.

Group Corporate Structure

BINA PURI HOLDINGS BHD
(207184-X)

- **Construction Division**
  - 100% Bina Puri Sdn. Bhd.(23296-X)
    - 100% Bina Puri Construction Sdn. Bhd. (181471-P)
      - 60% Latar Project Management Sdn. Bhd. (409396-U)
      - 100% Bina Puri Development Sdn. Bhd. (645395-X)
    - 100% Bina Puri Machinery Sdn. Bhd. (250807-M)
    - 12% Ideal Heights Properties Sdn. Bhd. (127701-D)
    - 100% Easy Mix Sdn. Bhd. (242217-D)
      - 100% Bina Puri Properties Sdn. Bhd. (246157-M)
    - 70% Karseng Industries & Engineering Sdn. Bhd. (163448-U)
  - 100% Bina Puri Infrastructure Pte. Ltd.
  - 80% Bina Puri (Libya) Sdn. Bhd. (212673-H) (formerly known as Bina Puri HG Corporation Sdn. Bhd.)
  - 60% KL-Kuala Selangor Expressway Bhd. (409881-W) (formerly known as Lebuhraya Assamjawa Taman Rimba Bhd.)
  - 60% Bina Puri Gah Sdn. Bhd. (721968-H)
  - 60% DPBS-BPHB Sdn. Bhd. (656041-T)
    - 55% Konsortium DPBSH-BPHB-AGSB Sdn. Bhd. (661791-X)
  - 51% Konsortium Bina Puri - Panzana Enterprise Sdn. Bhd. (383940-P)
  - 49% Bina Puri Holdings (Thailand) Ltd. (0105547046786)
    - 51% Bina Puri (Thailand) Ltd. (0105547057486)
  - 40% Konsortium Bina Puri - Panzana (Nilai) Sdn. Bhd. (453355-P)
- **Manufacturing/ Quarry Division**
  - 100% Maskimi Sdn. Bhd. (107999-M)
    - 100% Maskimi Venture Sdn. Bhd. (377437-V)
    - 90% Maskimi Polyol Sdn. Bhd. (405559-D)
    - 70% KM Quarry Sdn. Bhd. (409397-V)
    - 65% Hamay Glass Sdn. Bhd. (85650-M)
    - 51% Sungai Long Industries Sdn. Bhd. (198655-D)
      - 100% Sungai Long Bricks Sdn. Bhd. (332315-X)
        - 100% Sungai Long Plaster Industries Sdn. Bhd. (386217-U)
      - 50% Sungai Long Properties Sdn. Bhd. (245505-V)
      - 40% Rock Processors (Melaka) Sdn. Bhd. (605068-M)
- **Property Development Division**
  - 70% Aksi Bina Puri Sdn. Bhd. (426300-V)
  - 100% Gugusan Murni Sdn. Bhd. (231371-T)
- **Other Activities**
  - 100% Bina Puri Plantation Sdn. Bhd. (426625-P)
  - 100% Bina Puri Juara Sdn. Bhd. (666714-H)
  - 60% Bina Puri Mining Ventures Sdn. Bhd. (260433-H)
  - 100% Bina Puri Cambodia Ltd.

Corporate Information

BOARD OF DIRECTORS

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

BOARD COMMITTEES

Group Executive Committee

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

Audit Committee

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

Remuneration Committee

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

Nomination Committee

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

GROUP COMPANY SECRETARY

Toh Gaik Bee
MAICSA 7005448

REGISTERED OFFICE

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

DOMICILE

Malaysia

LEGAL FORM & PLACE OF INCORPORATION

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

SHARE REGISTRAR

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

AUDITORS

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

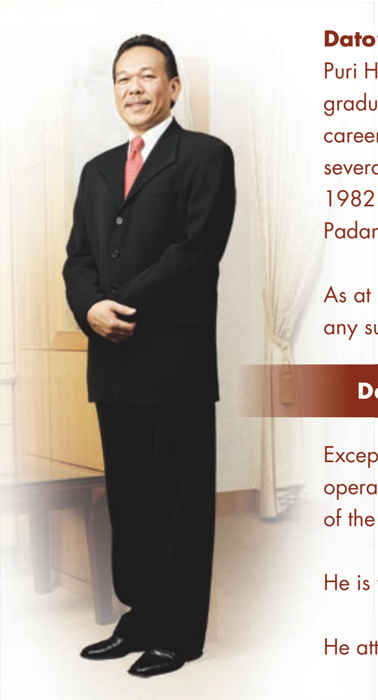
PRINCIPAL BANKERS

Malayan Banking Berhad (3813-K)
RHB Bank Berhad (6171-M)
CIMB Bank Berhad (13491-P)
(formerly known as Bumiputra-Commerce Bank Berhad)

STOCK EXCHANGE LISTING

The Main Board of Bursa Malaysia Securities Berhad
Stock name: BPuri
Stock code : 5932
Listing date: 6 January 1995

Boards of Directors



Dato' Mohamed Feisal Bin Ibrahim, Malaysian, aged 57, 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 Vienna, Austria from 1982 to 1989. In 1990, he ventured into private business. He is a director of Aliran Ihsan Resources Bhd., Gula Padang Terap Bhd. and also sits on the Board of various companies.

As at 30 April 2007, he held 5,238,000 ordinary shares of BPHB and did not have any securities holdings in any subsidiaries of BPHB.

Dato' Mohamed Feisal Bin Ibrahim (Executive Chairman)

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 in page 128 of the Annual Report, there are no other business arrangements with BPHB in which he has personal interests.

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

He attended all four (4) Board meetings held during the financial year ended 31 December 2006.

Tan Sri Datuk Tee Hock Seng, JP, Malaysian, aged 58, was appointed to the Board on 5th November 1990 and was subsequently appointed as the Group Managing Director on 22nd November 1994. He is an experienced entrepreneur with more than 30 years business acumen in trading, construction and development. He is responsible for the day-to-day operations of the Group.

Presently, he is the Country Director for Cambodia, Laos and Micronesia representing Malaysian South-South Corporation Berhad, Exco member of Malaysia South-South Association, Director of Malaysian Industry-Government Group for High Technology ("MiGHT"), Executive Advisor of the Selangor & Federal Territory Builder Association and Exco member of the Board of Trustee of Perdana Leadership Foundation.

He serves as the Executive Advisor of the Malaysian Chinese Association Federal Territory State Liaison Committee, the Federation of Xing Yang Associations of Malaysia and Division Chairman of MCA Bahagian Cheras. He is the Chairman of The Federation of Hokkien Associations of Malaysia, Chinese Maternity Hospital (KL), Confucian Secondary School, ELIM Rehabilitation Centre and The Associated Eng Choon Societies of Malaysia, Vice Chairman of The International Friendship of Eng Choon Associations and a Director of Tung Shin Hospital. He is also the Honorary Chairman of Young Malaysians Movement, Gerakan Belia Bersatu Malaysia, Persatuan Usahawan Muda Malaysia and Xiang Lian Youth Association as well as a Council Member of Malaysian Bible Seminary. He is also an Elder of Elim Chapel.

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

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

As at 30 April 2007, he held 13,539,578 ordinary shares of BPHB (direct and deemed interest) 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 in page 128 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 2006.

Dr Tony Tan Cheng Kiat, Malaysian, aged 59, 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 30 April 2007, he held 9,078,902 ordinary shares of BPHB and did not have any securities holdings in any subsidiaries of BPHB.

Dr Tony Tan Cheng Kiat (Founder Director)

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 2006.

He is a member of the Group Executive Committee and attended all four (4) Board meetings held during the financial year ended 31 December 2006.

Henry Tee Hock Hin, Malaysian, aged 49, was appointed to the Board of BPHB on 5 November 1990. He has held the position of Managing Director of Bina Puri Construction Sdn. Bhd. since 22 August 1996. He is responsible for the overall management of projects and operations. He has wide exposure and experience in the management of civil and building construction overseas and in both East and West Malaysia. He represents the company on the Board of a number of its subsidiaries.

As at 30 April 2007, he held 4,834,768 ordinary shares of BPHB and did not have any securities holdings in any subsidiaries of BPHB.

Henry Tee Hock Hin (Non-Executive Director)

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 2006.

He attended all four (4) Board meetings held during the financial year ended 31 December 2006.

Tay Hock Lee, Malaysian, aged 53, was appointed to the Board of BPHB on 5 November 1990. He has more than 20 years experience in building and civil engineering industry. He also holds directorships in several other companies.

As at 30 April 2007, he held 1,596,707 ordinary shares of BPHB and did not have any securities holdings in any subsidiaries of BPHB.

Tay Hock Lee (Non-Executive Director)

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 2006.

He attended all four (4) Board meetings held during the financial year ended 31 December 2006.

Khalid Bin Sufat, Malaysian, aged 51, was appointed to the Board of BPHB on 15 August 2001. He is a Chartered Accountant by profession and a member of the Malaysian Institute of Accountants (MIA). He is also a Fellow of the Association of Chartered Certified Accountants, UK and also a member of the Malaysian Institute of Certified Public Accountants (MICPA).

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

Khalid Bin Sufat (Independent Non-Executive Director)

He had previously managed two listed companies, namely as Executive Director of Tronoh Mines Malaysia Berhad and Furqan Business Organisation Berhad as their Managing Director/Deputy Executive Chairman.

His directorships in other public listed company include Amtek Holdings Bhd., Syarikat Kayu Wangi Bhd., VTI Vintage Bhd., Malaysia Building Society Bhd. and Seacera Tiles 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 2006.

Yusuf Khan bin Ghows Khan P.P.T., Malaysian, aged 65, 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.

Yusuf Khan bin Ghows Khan (Independent Non-Executive Director)

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 2006.

Dato' Anad Krishnan a/l Muthusamy, Malaysian, aged 53, was appointed to the Board of BPHB on 1 May 2005. A lawyer by profession, Dato' Anad graduated from the University of Singapore with a Bachelor of Law (Hons) in 1978 and was subsequently called to the Malaysian Bar. Dato' Anad is currently in private practice. He is a director of several private limited companies.

Dato' Anad Krishnan a/l Muthusamy (Independent Non-Executive Director)

As at 30 April 2007, 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 2006.

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

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

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.

The Executive Chairman's Statement

Dato' Mohamed Feisal Ibrahim, D.P.M.P
Executive Chairman

In a year which saw the Group faced with many challenges, Bina Puri remained profitable attesting to its resilience. Bina Puri is poised for new and more focused growth. It therefore gives me great pleasure to present to you, on behalf of the Board of Directors of Bina Puri, the Annual Report and Audited Accounts of the Company and Group for the financial year ended 31 December 2006.

Financial Results

The financial year ended 31 December 2006 drew to a close on a positive note. Bina Puri and its subsidiaries took decisive steps to bounce back strongly and successfully regained the levels of profitability that we are capable of. The results achieved over the past 12 months is commendable, recording a creditable revenue of RM 491.571 million, as compared to RM 464.768 million the previous year. The Group has been able to improve the profit before tax from RM 4.917 million to RM 6.409 million during the year under review, through focusing on projects in the local and global construction industry.

Profit attributable to shareholders was RM 5.122 million compared with RM 4.054 million last year representing an increase of 26.4% while earnings per share ended at 6.33 sen (2005: 5.01 sen).

Operating Environment

Construction remains at the forefront of our core business activity. It has been a major contributor to the Group's performance, both in terms of revenue and profits achieved. We currently have RM1.6 billion outstanding orders in our Order Book. To replenish and in fact increase our order book, we are actively bidding for jobs overseas as well, more particularly in Thailand, Pakistan, Abu Dhabi, Libya, Mongolia and Russia. We are currently negotiating with local joint venture arrangements and also setting up management offices in the regions that we operate in. Expanding our expertise overseas is a significant strategy adopted by the Group to enhance future earnings.

At the home front, the construction sector continued to experience increasing challenges albeit encouraging signs have started to emerge towards the end of year 2006. These included measures introduced by the Government aimed at reducing interest rates, ensuring a strong political and sound economic climate and improving delivery in both the private and public sectors. Bina Puri's major business entities were able to benefit from the growing confidence in the economy which at the macro-economic levels, grew 5.9% in year 2006. The forecast for year 2007 remains positive. The Board believes that with a condusive economic climate, Bina Puri will be able to sustain the Group's resilient financial performance in the future years.

Business Outlook and Prospect 2007

Capably backed by a wealth of managerial and technical experience, the Group is always ready to deliver solutions, on time, each time and every time, for the Malaysia construction needs. Our foray into the global construction market is beginning to show results and this will further enhance the Group's financial performance significantly. The outlook for Bina Puri is promising as we continue to consolidate and expand our core businesses. The favourable forecast for the Malaysian economy and expectations of gross domestic product growing at approximately 6.0% in 2007, augur well for us. Given the nations' strong fundamentals, its proven socio - political economic stability, its expansionary and accommodative fiscal and monetary policies, together with other Government measures to stimulate the economy, the Group is confident of overcoming the challenges that may lie ahead. However, in view of global uncertainties and competitive environment, we must tamper our optimistic outlook with a cautious approach.

Dividends

The Board has recommended a final dividend of 3% per share less 27% income tax for the financial year ended 31 December 2006 making the total dividend declared for the current financial year to 5% per share, subject to the approval of the shareholders at the forth coming annual general meeting.

The Board believes that the firm support from its investors and shareholders have largely contributed to the success of the Group and due to this would like to reward its investors and shareholders alike for this support.

However, the Board is aware of the need to maintain a balance between the Group's funding requirements for future expansion and growth, and the enhancement of shareholder value.

Acknowledgement

Throughout 2006, our people have shown exemplary dedication, commitment and professionalism to meet the challenge of a highly competitive environment. Working together in concert and with a sense of common enterprise, we accomplish all we set out to do in 2006. I thank all of you for being such great members of a formidable team.

I would also like to express my gratitude and appreciation to various government agencies, clients, consultants, contractors, suppliers and business partners who have contributed to a successful year.

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

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

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

OVERVIEW

Our foray into the global construction market in 2006 heralds a new era in Bina Puri's corporate history. As a stronger entity, the Group will be better positioned to take on the challenges and opportunities the global market place has to offer. Continuing a strategy started earlier, initiatives have been put in place to propel the Group forward - towards global excellence. In this respect, every division and operating unit within the Group has set in motion plans to improve its performance and standing in the following areas:

CONSTRUCTION

During the financial year under review, the construction division continued to be a major driver of the Group's core business activities with contributions in terms of revenue amounting to RM 404.04 million representing about 82% of the total revenue of the Group. In operating profit terms, it contributed about 95% of the total operating profits. The construction revenue was spearheaded by domestic and overseas projects undertaken by the Group.

Amongst major local projects completed during the year were "The Construction of Road from Nangoh to Kanibungan, Pitas, Sabah" worth RM 289.6 million on Feb 2006, "The Construction of 15- Storey Hotel Complex" at Sibu Town, Sarawak totalling to RM 54.4 million and "The construction of 193 units of Shop Offices at Alamesra" Kuala Mengatal, Kota Kinabalu with contract value of RM 68.8 million

Apart from the abovementioned projects completed in year 2006, the construction division was also responsible for the successful completion and delivery of significant works such as, in Bangkok, Thailand, "The Repair and Upgrading Works for the Malaysian Embassy Complex".

On Going Projects

Some of the projects to be completed by the first half of 2007 will be "Roadworks from Sipitang to Tenom", Sabah with a contract sum of RM 227.3 million; "The Construction of Kota Belud Bypass" in Sabah valued at RM 39.1 million; "The Construction of 180 Units of Condominiums in Capital Square", Kuala Lumpur valued at RM 75.2 million and "The Construction of Retail Centre and Signature Offices at Capital Square", Kuala Lumpur valued at RM 106 million; and in Kota Kinabalu, "The Construction of Condominium at Grace Garden', valued at RM 17.2 million.

The progress of the New Dewan Undangan Negeri Sarawak at Petra Jaya, Kuching, valued at RM 228.9 million is also progressing well in that we have reached 40% of the milestone.

New Projects

In 2006, amongst the major projects secured by the Group includes sub-contracting works from UEM Construction Sdn Bhd for 'The Proposed Third Lane Widening Between Rawang and Tanjung Malim (Package 3A-1) with a contract sum of RM 58.4 million, "The Construction of Students' College and Students' Centre at Kolej Islam Antarabangsa Selangor (KUIS)", at Bangi valued at RM 96.1 million from Redha Resource Sdn Bhd and "The Construction of North Tower and South Tower at Capital Square Development", Kuala Lumpur from Capital Square Sdn Bhd with a total contract valued at RM 96 million.

Prospects

Bina Puri construction division has an important role as the construction industry is a catalyst impacting strongly upon the Nation's economic growth. We see the current intense competition among contractors for construction contracts as a challenge for our team to be more efficient and competitive in carrying out our ongoing projects and bidding for new tenders.

Building on our good reputation and excellent track record as well as concentrating on our core competencies and strength will give us the edge and rise to the challenge.

On the global front, Bina Puri is now well into the process of establishing greater global presence with suitably qualified partners with whom synergistic benefits are mutually available.

Presently we have undertaken to build and complete the following projects overseas;

Thailand

During the year under review, the Group has successfully penetrated into Thailand's potential housing market. In the long term, the Group will continue to invest offshore to take advantage of the boom in overseas construction activities like Thailand.

With a population of 64 million people and low home ownership, Thailand has a strong growth demand of housing needs and on top of that, its location is accessible within 2 hours from Kuala Lumpur to Bangkok by flight; has added advantages to the Group, for easy monitoring and management of operations.

Operating from our new building launched on 19 March 2007, at Bangna Trad Business Complex, Bangna, the Group currently has ten (10) ongoing projects in Bangkok that include construction of 31,100 units of low cost apartments for National Housing Authority of Thailand, and a private development signed with Wondera Co. Ltd for the construction of 1, 561 units of condominiums at Suang Lung District.

Among the international projects secured in 2006 and ongoing constructions are; the construction of 272 units of semi detached houses in Kraseaborn, Rayong, valued at TB 79.56 million (about RM 7.9 million), 7,888 units of 4-storey walk-up apartments in Rama II, Bangkuntien, valued at TB 2.31 billion (about RM 230 million), 2,676 units of walk-up apartments in Thajean worth at TB 782.73 million (about RM 78.2 million), 1,288 units of 4-storey walk up apartments in Nadee valued at TB 376.76 million (about RM 37.67 million) and 1,528 units of similar apartment in Nong Jock valued at TB 446.94 million (equivalent to RM 44.7 million).

The Group is confident with the global economy especially in the countries we operate in, where economic growth is expected to remain encouraging.

RANGE OF EXPERTISE

Bina Puri traditionally has been a key player in the construction of institutional buildings such as schools, universities, colleges and roadworks. It also has strong capabilities in the construction of bridges, highways, sport complexes, drainage works and other infrastructure projects.

Our acquired expertise also covers the construction of buildings requiring complex mechanical and electrical fittings and special equipment such as hospitals and modern assembly plants.

Our experience in the construction of infrastructure projects also include urban highway projects requiring not only top quality and efficient design solutions but which also demands careful and appropriate planning and execution.

PROPERTY DIVISION

In November 2006, Bina Puri Properties Sdn Bhd launched a High-End Residential Condominiums in Jesselton Hill in Kota Kinabalu. Despite the excess supply of residential properties, which increased to 28,827 units in 2006, the overall market conditions for the residential segment indicated by the Malaysia House Price Index rose at a moderate pace of 2% in the first half 2006. On top of that, demand for residential properties near the city centre area remains strong.

The 133 units of Jesselton Hill Condominium is located only 3 km to Kota Kinabalu City Centre, 0.5 km to Sabah Medical Centre and 1 km from Damai Commercial Centre, has to date achieved sales of more than 65% from a total GDV of RM 67 million. This signifies the optimistic outlook for the development of residential and property activities within the Group.

QUARRY AND READY MIX CONCRETE DIVISION

Supported by the domestic-oriented industries, the Quarry and Ready Mixed Concrete Division grew at a faster pace of 7.2% as compared to 2.8% in 2005, the division recorded a better than expected increase in revenue of RM 66.226 million and a pre tax profit of RM 1.533 million as compared to the preceding year of RM 58.701 million and RM 0.332 million respectively. The increase in revenue is attributed to the gradual improvement in the construction sector, improvement in quarry product sales, strategic quarry locations and the reduction in material cost within Klang Valley.

Sg Long Industries Sdn Bhd and Easy Mix Sdn Bhd performed incredibly in-spite of the sluggish demand and continued its crucial role in ensuring the reliable supply of construction and building materials within the Group's projects both, locally and abroad.

In February 2006, Sg Long Industries Sdn Bhd continued its excellent performance when the team once again, was given the mandate by Dewan Bandaraya Kuala Lumpur (DBKL) to continue the supply of granite road stone, granite, premix macadam asphalted, concrete, pavers, rollers, excavators, plate compactors and tippers to all construction works site by DBKL within the Klang Valley for the duration of another three (3) years. Looking ahead, the Group is confident with the performance and track record shown by Sg Long Industries Sdn Bhd, to continue securing the resurfacing and pavement works in the future.

POLYOL DIVISION

Overall the manufacturing sector recorded a growth of 7% and was strengthened in 2006. However, for the chemical product base, the growth was subdued during the year and was also partly affected by a weak demand for intermediate plastics products from China due to reduced reliance on imports as domestics producers increased production.

The polyurethane production under Maskimi Polyol Sdn Bhd has performed reasonably well in that it managed to record an increase in its revenue to RM 17.068 million despite a drop in pre tax profit of RM 0.094 million, compared to year 2005 of RM 16.355 million and RM 0.277 million respectively. Lower profit margins have resulted from competitive pricing due to stiff market competition.

70 % of the production was supplied within the domestic market, while 30% of the production was exported to various countries especially in the Asian Region. Singapore being the major country of our export activity accounted for 47%, followed by Iran, 13%, and South East Asia countries including Brunei, Indonesia, Vietnam, Philippines sharing the balance 40%.

To ensure and enhance the supply of quality natural oil Polyol based products, the Research & Development Department is currently working very hard in the R & D activities to develop flexible Polyol and 2000 molecular weight Polyol to add to in the production line of the Group. The Group is optimistic with the performance of Polyol division. Samples were sent for business development activities to countries such as China, Pakistan, Kuwait, India, France, Taiwan, Hong Kong and Australia.

BUSINESS DIRECTION / OUTLOOK

With the construction sector projected to expand with the implementation of the 9th Malaysian Plan, coupled with our venture to overseas market, the Group is confident to do well in 2007. Although some might ask whether the risk of going overseas is worthwhile, when there are plenty of new projects in line with 9MP, we realize that we cannot be overly dependent on the local market alone.

Of course, we must also implement and supervise the projects to ensure timely completion with quality works provided to the clients. Our key business objective for the coming years is to remain focus in our core business, that is construction for business expansion and profit generation.

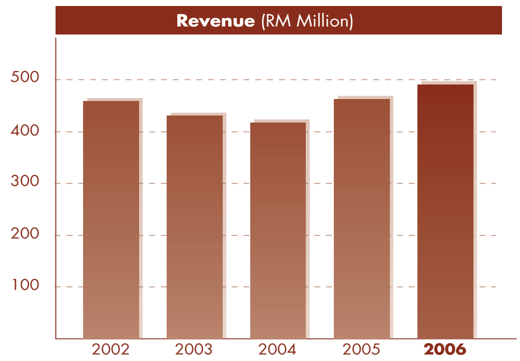
APPRECIATIONS

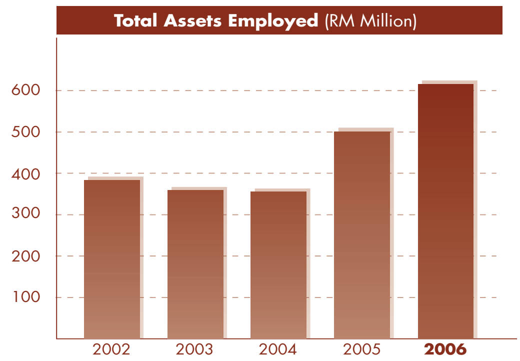
On behalf of the Board of Directors of Bina Puri Holdings Bhd, I would like to express my heartfelt gratitude for the tremendous support we received during the year from our shareholders, stakeholders, clients, business partners, financiers and various Government authorities. Finally we are deeply grateful to our staff, whose dedication and hard work we rely for our success.

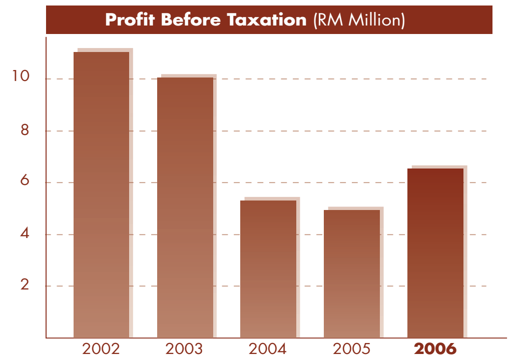
TAN SRI DATUK TEE HOCK SENG, PSM, PGDK, ASDK, JP
Group Managing Director

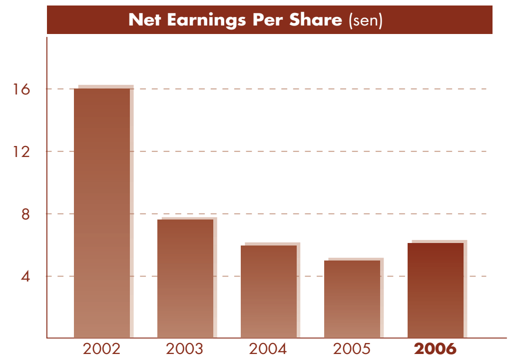
Group Financial Highlights

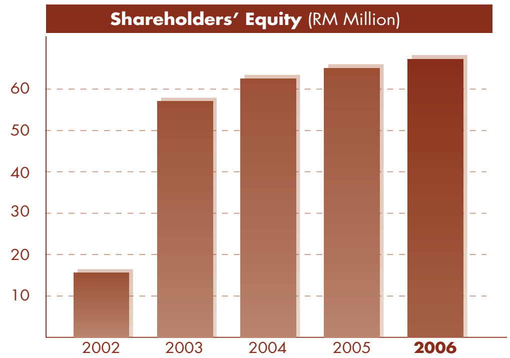
	2006 RM'000	2005 RM'000	2004 RM'000	2003 RM'000	2002 RM'000
Revenue	491,571	464,768	409,188	431,564	459,977
Profit before taxation	6,409	4,917	5,385	10,219	11,481
Profit attributable to the shareholders of the Company	5,122	4,054	4,737	4,108	6,400
Dividend Paid (Net)	2,330	1,748	-	864	-
Issued share capital	80,925	80,925	80,727	80,000	40,000
Shareholders' equity	67,984	65,460	62,956	57,492	15,169
Total assets employed	616,555	500,111	355,584	357,814	384,865
Net earnings per share (sen)	6.33	5.01	5.89	7.62	16.00
Net assets per share (RM)	0.84	0.81	0.78	0.72	0.38
Share price (RM)					
- High	0.90	1.23	1.63	1.33	1.95
- Low	0.60	0.66	1.01	0.72	0.91

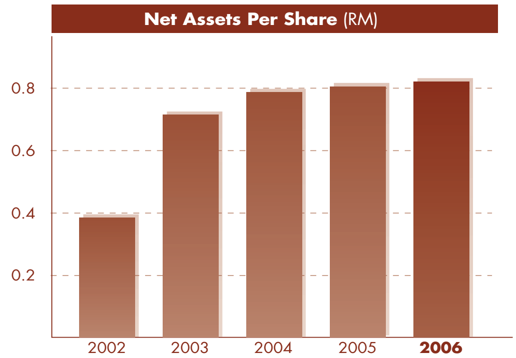












Bina Puri Regional Office, Bangkok, Thailand

Calendar Of Events 2006 - 2007

17 May 2006


8 April 2006


31 May 2006

8 April 2006

Bina Puri (Thailand) Ltd, a member company of Bina Puri Holdings Bhd, incorporated in Thailand, successfully secured the construction of 272 units of 2-storey Semi D House in Krasaebon, Rayong Province, Thailand with a contract value at TB 79,560,000 (equivalent to RM 7.9 million)

17 May 2006

The Ground-Breaking Ceremony of 5,640 units of 4-storey walk-up apartments in Bang Plee Bangkok was officiated by HE Mr. Wattana Mueangsuk, Minister of Social Development & Human Security, Thailand.

25 May 2006

Sg Long Industries Sdn Bhd successfully complied to ISO 9001:2000 Surveillance Audit by SIRIM Bhd.

31 May 2006

Bina Puri Construction Sdn Bhd successfully completed the construction RM 68.8 million of 193 units Shop Offices at Alamesra, Kota Kinabalu, Sabah for Lintasan Mayang Development Sdn Bhd.

22 June 2006

31 July 2006

20 - 23 June 2006

20 – 23 June 2006

Bina Puri Group of Companies participated in BUILDEX 2006, an international construction exhibition organised by Master Builders Association Malaysia (MBAM), held at PWTC, Kuala Lumpur.

22 June 2006

15th Annual General Meeting of Bina Puri Holdings Bhd, took place at Bina Puri Headquarters, Selayang, Selangor.

23 June 2006

The commencement of Rama II Project comprising 7,888 units of 4-storeys walk-up apartment in Bangkhuntien District, Bangkok, Thailand by Bina Puri (Thailand) Ltd.

17 – 20 July 2006

Seven out of eight Bina Puri's representatives won almost all top-6 (six) places in the 16th Malaysia Construction Skills Competition.

19 July 2006

Bina Puri Construction Sdn Bhd and Bina Puri Sdn Bhd were awarded MS 1722:1:2005 and OHSAS 18001:1999 certifications by SIRIM Bhd.

31 July 2006

Bina Puri Construction Sdn Bhd successfully completed the construction of 15-storey Hotel Complex in Sibu, Sarawak.

19 August 2006


3 August 2006


28 August 2006

5 - 7 September 2006

1 August 2006
Bina Puri Construction Sdn Bhd secured the RM 96 million construction works for the Main Building Works to North & South Towers of Capital Square Development, Kuala Lumpur.

3 August 2006
Bina Puri (Thailand) Ltd successfully secured construction of 3,964 units of 4-storey walk-up apartment worth of TB 823,380,000 (equivalent to RM 82.3 million) at Tha Jeen and Na Dee, Samut Sakorn, Bangkok, Thailand from the National Housing Authority of Thailand.

19 August 2006
The 8th Bina Puri Corporate Golf Tournament was held at Damai Golf & Country Club, Kuching, Sarawak.

28 August 2006
49th Malaysia's Independence Day celebration at Bina Puri Headquarters, Selayang, Selangor.

5 – 7 September 2006
Maskimi Polyol Sdn Bhd, a subsidiary of Bina Puri Holdings Bhd, participated in Polyurethane (PU) China Exhibition in Shanghai.

14 - 16 November 2006

25 November 2006

8 March 2007


5 January 2007

14 – 16 November 2006
Bina Puri Sdn Bhd and Bina Puri Sdn Bhd successfully completed the ISO 9001:2000 Surveillance Audit by SIRIM Bhd at Dewan Undangan Negeri Project site, Kuching, Sarawak.

20 November 2006
Bina Puri (Thailand) Ltd successfully secured the construction of 1,528 units of low cost apartment at Nong Jock, Bangkok, Thailand. The total contract valued at TB 446,940,000 (equivalent to RM 44.7 million)

25 November 2006
Official launch of "133 units of The Jesselton Hill Condominium" by Kota Kinabalu City Mayor, Y.Bhg. Datuk Iliyas Ibrahim.

5 January 2007
Sungai Long Industries Sdn Bhd, a subsidiary of Bina Puri Holdings Bhd, secured a RM13.25 million contract from Grand Saga Sdn Bhd for the pavement works at the Cheras-Kajang Highway.

8 March 2007
Bina Puri (Thailand) Ltd entered into two contracts agreements valued at TB 637,868,820 (equivalent to RM 63.7 million) with Wondera Co Ltd for the construction of 1,561 units of "A-Space" Condominiums in Suan Luang District, Bangkok, Thailand.

15 March 2006

19 March 2007

20 March 2007

30 March 2007

15 March 2007

The completion of high - rise building construction, the 180 units of Condominium valued at RM 75.2 million at Capital Square Development, Kuala Lumpur by Bina Puri Construction Sdn Bhd

19 March 2007

Official launch of Bina Puri Regional Office in Bangkok, Thailand by HE Dato' Shaarani Ibrahim, Malaysia's Ambassador to Thailand.

20 March 2007

Bina Puri (Thailand) Ltd entered into a contract agreement with A.S Associated Engineering (1964) Co Ltd, for the construction of 5-storey apartments comprising 1,391 units for Eua Arthon Housing Project in Hatai Rat, Bangkok , Thailand. Total contract value is at TB 359,282,032 (equivalent to RM 35.93 million)

30 March 2007

2006 Best Employees & Best Site Award and Undergraduate Scholarship Award presentation at Wisma Bina Puri, Selayang, Selangor, presented by Y.Bhg. Dato' Donald Lim Siang Chai, Deputy Minister of Tourism Malaysia

15-Storey Hotel at Sibu Town, Sarawak

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 of whom a majority shall be Independent Directors. The composition of the AC shall meet the independence and requirements of the Listing Requirements of Bursa Malaysia Securities Berhad and other rules and regulations of the Securities Commission.

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

i. must be a member of the Malaysian Institute of Accountants; or

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

iii. fulfils such other requirements as prescribed 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 alternative Director shall not be appointed as a member of the Audit Committee.

CHAIRMAN

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

ATTENDANCE AT MEETINGS

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

SECRETARY

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

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 2006, the Committee met a total five (5) times. The following is the attendance record of the Audit Committee members:

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

AUTHORITY

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

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

FUNCTIONS

The functions of the Committee shall be:

(a) to review with the external auditor, the audit plan and reports;

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

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

(d) to review the financial statements of the Company and of the Group before submitting to the Board for approval;

(e) to review the internal audit programme, processes, the results of the internal audit programme, processes or investigations undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

(f) to review the quarterly results and year end financial statements, prior to the approval by the board of directors, focusing particularly on:
   i. changes in or implementation of major accounting policy changes;
   ii. significant and unusual events; and
   iii. compliance with accounting standards and other legal requirements;

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

(h) to recommend and consider the nomination and appointment of external auditors, the audit fee and any questions of resignation or dismissal;

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

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, programmes and plans for the year under review and management's response;

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

(g) Reviewed the annual report and audited financial statements of the Company and the Group prior to the submission to the Board for consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the applicable accounting standards approved by 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.

INTERNAL AUDIT FUNCTION

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

REVIEW OF THE AUDIT COMMITTEE

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

Corporate Governance Statement

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

1. DIRECTORS

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

(a) Composition

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

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

(b) Board Meetings

The Board meets ordinarily four (4) times per year with additional meetings being convened where necessary. For the financial year 2006, 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
Tan Sri Datuk Tee Hock Seng, JP	4/4
Dr. Tony Tan Cheng Kiat	4/4
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 Bursa Malaysia Securities Berhad Listing Requirements.

(d) Group Executive Committee

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

(e) Audit Committee

The Audit Committee was established in June 1995. Please refer to the Audit Committee report in pages 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 2006 are as follows:

i. Aggregate remuneration of directors categorised into appropriate components:

In RM '000	Salaries	Fees	Bonus	EPF/ Socso	Benefits-in-kind	Total
Executive Directors	1,266	36	247	132	55	1,736
Non-Executive Directors	378	204	51	54	31	718
Total	1,644	240	298	186	86	2,454

ii. Aggregate remuneration of each Director

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

(h) ESOS Committee

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

(i) Directors' Training

All members of the Board have completed the Mandatory Accreditation Programme prescribed by the Bursa Malaysia Securities Berhad. During the year, all the directors attended training endorsed by Bursa Malaysia Securities Berhad.

2. SUPPLY OF INFORMATION

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

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

3. ACCOUNTABILITY AND AUDIT

(a) Financial Reporting

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

(b) Internal Control

The statement on internal control is set out in pages 35 to 36 of the Annual Report.

(c) Relationship with Auditors

The functions of the Audit Committee in relation to the external auditors are disclosed in pages 27 to 29 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 website at www.binapuri.com.my

(b) Annual General Meeting

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

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

5. ADDITIONAL COMPLIANCE INFORMATION

(a) Utilisation of Proceeds

There were no proceeds raised by the Company from any corporate proposals during the financial year ended 31 December 2006.

(b) Share Buy-Back

There was no share buy-back exercise for the financial year ended 31 December 2006.

(c) Options, Warrants or Convertible Securities Exercised

There were no options, warrants or convertible securities exercised during the financial year ended 31December 2006.

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

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

(e) Sanctions and/or Penalties Imposed

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

(f) Non-Audit Fees

The amount of non-audit fees paid to a company affiliated to the auditors' firm by the Company and its subsidiaries for the financial year ended 31 December 2006 was RM36,700.

(g) Variation of Results

The results for the financial year ended 31 December 2006 do not differ by 10% or more from the unaudited results previously released. The Company has not released or announced any estimated profit, financial forecast or projection during the said financial year.

(h) Profit Guarantee

The Company has not issued any profit guarantee in the financial year ended 31 December 2006.

(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.

Statement On Internal Control

1. Introduction

The Malaysian Code on Corporate Governance stipulates that the Board of Directors of listed companies should maintain a sound system of internal controls to safeguard shareholders' investments and the Group's assets. The Board of Directors is taking appropriate initiatives to further strengthen the transparency, accountability and efficiency of the Group's operations. This Statement on Internal Control has been prepared in accordance with the Guidance for Directors of Public Listed Companies issued by the KLSE Task Force on Internal Control.

2. Responsibility for risk and internal controls

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

3. Internal audit function

BDO Governance Advisory Sdn. Bhd. ("BDOGA") provides the Board with much of the assurance it requires regarding the adequacy and integrity of the system of internal controls. BDOGA independently reviews the system of internal controls and report to the Audit Committee on a quarterly basis. BDOGA review of the internal controls in the key activities of the Group's business is based on internal audit strategy and a detailed annual audit plan presented to the Audit Committee for approval. A risk-based approach is adopted and the audit strategy and plan is based on the risk profiles of the major business units of the Group.

BDOGA has completed four (4) internal control reviews according to the annual internal audit plan and the overall opinion on the areas reviewed is satisfactory.

4. Other key elements of internal control

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

(a) The Board of Directors has put in place an organisation structure, which formally defines lines of responsibility and delegation of authority.

(b) Internal control procedures are set out in a series of policies and procedures. These procedures are the subject of regular reviews and improvements to reflect changing risks or to resolve operational deficiencies.

(c) Regular information provided to management on key business indicators, such as sales performance, staff turnover and cash flow performance.

(d) Scheduled operations and management meetings.

(e) Centralised procurement function that ensures approval procedures are adhered to as well as to leverage on the Group's purchasing power.

5. Weaknesses in internal control that result in material losses

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

Responsibility Statement By The Board Of Directors

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

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

In preparing the financial statements, the Directors have:

1. selected suitable accounting policies and applied them consistently;

2. made judgements and estimates that are reasonable and prudent;

3. ensure that all applicable accounting standards have been followed; and

4. prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and Company have adequate resources to continue in operational existence for the foreseeable future and that the Group and Company have secured significant projects.

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

Capital Square Condominium, Kuala Lumpur

FINANCIAL

Directors' Report

For The Year Ended 31 December 2006

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 2006.

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	**5,181**	**17,438**
Attributable to:		
Shareholders of the Company	5,122	17,438
Minority interests	59	-
	5,181	**17,438**

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 2005 as disclosed in the directors' report of that year - Final dividend of 2% less 28% tax paid on 18 July 2006	**RM 1,165,314**
(b)	In respect of the financial year ended 31 December 2006 - Interim dividend of 2% less 28% tax paid on 28 September 2006	**RM 1,165,314**

The directors now recommend the payment of a final dividend of 3% less 27% tax amounting to RM1,772,000 for the financial year ended 31 December 2006 subject to the 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 consolidated statement of changes in equity.

ISSUE OF SHARES AND DEBENTURES

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

EMPLOYEES' SHARE OPTION SCHEME

In 2004, the Company granted options to eligible employees including executive directors of the Group to subscribe up to 10% of the issued and paid-up share capital of the Company under the Scheme approved by the shareholders of the Company at the Extraordinary General Meeting held on 30 June 2003 and the relevant authorities. The Scheme became operative on 1 December 2003 for a period of five years and the options may be exercised between 1 December 2003 and 30 November 2008.

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

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

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

	Number of options over ordinary shares
At 1 January 2006	5,621,400
Exercised	-
Lapsed	(914,300)
At 31 December 2006	**4,707,100**

DIRECTORS

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

Dato' Mohamed Feisal Bin Ibrahim
Tan Sri Datuk Tee Hock Seng, JP
Dr Tony Tan Cheng Kiat
Tee Hock Hin
Tay Hock Lee
Yusuf Khan Bin Ghows Khan
Khalid Bin Sufat
Dato' Anad Krishnan A/L Muthusamy

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

DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares of RM1 each			
The Company	At 1-1-2006	Bought	Sold	At 31-12-2006
Dato' Mohamed Feisal Bin Ibrahim	5,238,000	-	-	5,238,000
Tan Sri Datuk Tee Hock Seng, JP	13,295,978	243,600^	-	13,539,578 #
Dr Tony Tan Cheng Kiat	9,078,902	-	-	9,078,902 *
Tee Hock Hin	4,833,768	-	-	4,833,768 *
Tay Hock Lee	1,596,707	-	-	1,596,707
Dato' Anad Krishnan A/L Muthusamy	10,000	-	-	10,000 *

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

By virtue of their interests in shares in the Company, all the abovenamed directors except Dato' Anad Krishnan A/L Muthusamy are deemed to be interested in shares of the subsidiaries to the extent the Company has an interest.

	Number of options over ordinary shares			
	At 1-1-2006	Granted	Exercised	At 31-12-2006
Dato' Mohamed Feisal Bin Ibrahim	192,000	-	-	192,000
Tan Sri Datuk Tee Hock Seng, JP	192,000	-	-	192,000
Dr Tony Tan Cheng Kiat	240,000	-	-	240,000
Tee Hock Hin	192,000	-	-	192,000

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

	Number of ordinary shares of RM1 each			
	At 1-1-2006	Bought	Sold	At 31-12-2006
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 29 and 37 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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

OTHER STATUTORY INFORMATION

(a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain the action taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that 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.

(f) In the opinion of the directors:

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

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

AUDITORS

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

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

DATO' MOHAMED FEISAL BIN IBRAHIM
Director

TAN SRI DATUK TEE HOCK SENG, JP
Director

23 April 2007

Report Of The Auditors To The Members

Financial Statements - 31 December 2006

We have audited the financial statements of the Company set out on pages 46 to 120. These financial statements are the responsibility of the Company's directors.

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

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

In our opinion:

(a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards for Entities Other Than Private Entities so as to give a true and fair view of:
   (i) the state of affairs of the Group and of the Company at 31 December 2006 and of their results and cash flows for the year ended on that date; and
   (ii) the matters required by section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and

(b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and by the subsidiaries of which we acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 6 to the financial statements.

We are satisfied that the financial statement of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification, and in respect of subsidiaries incorporated in Malaysia, did not include any comment made under section 174(3) of the Act.

MOORES ROWLAND No. AF: 0539 Chartered Accountants	GAN MORN GHUAT No. 1499/5/07 (J) Partner

23 April 2007

Balance Sheets

31 December 2006

	Note	Group 2006 RM '000	Group 2005 RM '000	Company 2006 RM '000	Company 2005 RM '000
NON-CURRENT ASSETS					
Property, plant and equipment	3	52,292	63,777	19,073	19,726
Prepaid lease payments	4	2,144	2,253	643	651
Investment properties	5	1,680	-	-	-
Investments in subsidiaries	6	-	-	40,619	40,619
Investments in associates	7	2,023	2,539	790	790
Other investments	8	1,411	1,505	465	465
Land held for property development	9	10,257	16,362	-	6,105
Expressway development expenditure		19,919	18,625	6,318	5,909
Deferred tax assets	10	1,200	2,000	-	-
		90,926	107,061	67,908	74,265
CURRENT ASSETS					
Inventories	11	7,168	6,871	-	-
Property development costs	12	18,118	6,692	5,181	936
Gross amount due from customers	13	49,855	64,606	666	5,548
Trade and other receivables	14	401,589	278,773	19,349	1,337
Amount owing by subsidiaries	15	-	-	25,196	32,683
Amount owing by associates	16	7,573	6,517	5,462	3,382
Current tax assets		4,487	2,900	2,819	2,543
Fixed and time deposits	17	17,026	14,415	56	108
Cash and bank balances	18	19,813	12,276	550	214
		525,629	393,050	59,279	46,751
TOTAL ASSETS		**616,555**	**500,111**	**127,187**	**121,016**
EQUITY					
Share capital	19	80,925	80,925	80,925	80,925
Share premium, non-distributable		3,288	3,288	3,288	3,288
Merger reserve, non-distributable		40	40	-	-
Other capital reserves, non-distributable	20	15,682	15,932	-	-
(Accumulated loss)/Unappropriated profit		(31,951)	(34,725)	12,576	(2,532)
Equity attributable to shareholders of the company		67,984	65,460	96,789	81,681
Minority interests		10,664	10,779	-	-
TOTAL EQUITY		**78,648**	**76,239**	**96,789**	**81,681**

	Note	Group 2006 RM '000	Group 2005 RM '000	Company 2006 RM '000	Company 2005 RM '000
NON-CURRENT LIABILITIES					
Government grant	21	101	-	-	-
Hire purchase liabilities	22	3,843	3,242	186	219
Bank term loans	23	99,276	104,490	2,937	3,191
Deferred tax liabilities	24	663	1,223	200	145
		103,883	108,955	3,323	3,555
CURRENT LIABILITIES					
Gross amount due to customers	13	2,258	1,085	1,349	-
Trade and other payables	25	172,245	177,641	6,430	5,251
Amount owing to subsidiaries	15	-	-	5,991	20,645
Amount owing to associates	16	223	1,088	-	-
Hire purchase liabilities	22	1,994	2,213	33	31
Bank borrowings	26	255,342	127,537	13,272	9,853
Current tax liabilities		1,962	5,353	-	-
		434,024	314,917	27,075	35,780
TOTAL LIABILITIES		537,907	423,872	30,398	39,335
TOTAL EQUITY AND LIABILITIES		**616,555**	**500,111**	**127,187**	**121,016**

Notes to and forming part of the financial statements are set out on pages 54 - 120
Auditors' Report - Pages 45

Income Statements

For The Year Ended 31 December 2006

	Note	Group		Company	
		2006	2005	2006	2005
		RM '000	RM '000	RM '000	RM '000
Gross revenue	27	491,571	464,768	35,080	5,282
Cost of sales	28	(453,857)	(426,443)	(11,835)	(2,410)
Gross profit		37,714	38,325	23,245	2,872
Other operating income		7,136	3,483	2,565	3,681
Selling and distribution expenses		(3,883)	(2,280)	-	-
Administrative and general expenses		(29,182)	(28,392)	(7,867)	(12,756)
Profit/(Loss) from operations	29	11,785	11,136	17,943	(6,203)
Finance costs	30	(5,531)	(6,381)	(701)	(937)
Investment income	31	421	511	916	16,771
Share of results of associates		(266)	(349)	-	-
Profit before tax		6,409	4,917	18,158	9,631
Tax expense	32	(1,228)	(1,662)	(720)	(4,099)
Net profit for the year		**5,181**	**3,255**	**17,438**	**5,532**
Attributable to:					
Shareholders of the Company		5,122	4,054	17,438	5,532
Minority interests		59	(799)	-	-
Net profit for the year		**5,181**	**3,255**	**17,438**	**5,532**
Earnings per share (sen)	33				
- basic		6.33	5.01		
- fully diluted		-	-		
Net dividend per ordinary share (sen)	34	**2.88**	**2.15**	**2.88**	**2.15**

Notes to and forming part of the financial statements are set out on pages 54 - 120
Auditors' Report - Pages 45

Consolidated Statement Of Changes In Equity

For The Year Ended 31 December 2006

	Attributable to equity holders of the Company							
	Share Capital RM'000	Share Premium RM'000	Merger Reserve RM'000	Other Capital Reserves RM'000	Accumulated Loss RM'000	Total RM'000	Minority Interests RM'000	Total RM'000
At 1 January 2005	80,727	3,288	40	15,932	(37,031)	62,956	12,002	74,958
Issue of share capital - ESOS	198	-	-	-	-	198	-	198
Disposal of shares in a subsidiary to minority interests	-	-	-	-	-	-	40	40
Net profit for the year	-	-	-	-	4,054	4,054	(799)	3,255
Dividends paid								
- Dividend of the Company (Note 34)	-	-	-	-	(1,748)	(1,748)	-	(1,748)
- Dividends of subsidiaries	-	-	-	-	-	-	(464)	(464)
At 31 December 2005	80,925	3,288	40	15,932	(34,725)	65,460	10,779	76,239
Effect of adopting FRS 140 (Note 1(a))	-	-	-	-	(268)	(268)	-	(268)
At 1 January 2006, restated	80,925	3,288	40	15,932	(34,993)	65,192	10,779	75,971
Net profit for the year	-	-	-	-	5,122	5,122	59	5,181
Transfer from capital reserves	-	-	-	(250)	250	-	-	-
Dividends paid								
- Dividends of the Company (Note 34)	-	-	-	-	(2,330)	(2,330)	-	(2,330)
- Dividends of subsidiaries	-	-	-	-	-	-	(174)	(174)
At 31 December 2006	**80,925**	**3,288**	**40**	**15,682**	**(31,951)**	**67,984**	**10,664**	**78,648**

Notes to and forming part of the financial statements are set out on pages 54 - 120
Auditors' Report - Pages 45

Statement Of Changes In Equity

For The Year Ended 31 December 2006

	Share Capital RM '000	Share Premium RM '000	(Accumulated Loss) / Unappropriated Profit RM '000	Total RM '000
At 1 January 2005	80,727	3,288	(6,316)	77,699
Issue of share capital - ESOS	198	-	-	198
Net profit for the year	-	-	5,532	5,532
Dividend paid (Note 34)	-	-	(1,748)	(1,748)
At 31 December 2005	80,925	3,288	(2,532)	81,681
Net profit for the year	-	-	17,438	17,438
Dividends paid (Note 34)	-	-	(2,330)	(2,330)
At 31 December 2006	**80,925**	**3,288**	**12,576**	**96,789**

Notes to and forming part of the financial statements are set out on pages 54 - 120

Auditors' Report - Pages 45

Cash Flows Statements

For The Year Ended 31 December 2006

	Group		Company	
	2006	2005	2006	2005
	RM '000	RM '000	RM '000	RM '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	6,409	4,917	18,158	9,631
Adjustments for:				
Allowance for diminution in value of other investments	166	-	-	-
Amortisation of government grant	(7)	-	-	-
Amortisation of prepaid lease payment	109	108	8	8
Depreciation of property, plant and equipment	8,538	10,271	746	666
Property, plant and equipment written off	37	10	-	1
(Gain)/Loss on disposal of property, plant and equipment	(1,813)	2,474	(13)	(114)
Impairment loss on land held for development written back	-	(1,500)	-	-
Gain on disposal of investment in subsidiary	-	(62)	-	-
Gain on disposal of investment in associate	(250)	-	-	-
Loss on disposal of other investments	-	43	-	43
Share of results of associates	266	349	-	-
Allowance for doubtful debts	701	105	-	6,856
Allowance for doubtful debts written back	(1,134)	(240)	(204)	(3,005)
Bad debts written off	67	-	-	-
Unrealised gain on foreign exchange	(15)	(18)	-	-
Dividend income	(1)	(5)	(150)	(16,809)
Interest income	(339)	(552)	(766)	(5)
Interest on bank term loan waived	-	(46)	-	-
Interest expenses	7,719	7,400	956	937
Hire purchase term charges	353	664	10	-
Operating profit/(loss) before working capital changes	20,806	23,918	18,745	(1,791)
Changes in inventories	(297)	551	-	-
Changes in property development costs	(5,320)	(1,851)	1,255	625
Changes in receivables	(110,919)	(155,535)	(16,332)	247
Changes in payables	(5,617)	27,183	2,528	2,781
Cash (utilised in)/generated from operations	(101,347)	(105,734)	6,196	1,862
Expressway development expenditure	(1,294)	(4,048)	(409)	(746)
Interest paid	(7,719)	(7,142)	(956)	(937)
Tax paid	(5,966)	(4,190)	(899)	-
Net cash (used in)/from operating activities	**(116,326)**	**(121,114)**	**3,932**	**179**

	Group		Company	
	2006	2005	2006	2005
	RM '000	RM '000	RM '000	RM '000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(4,370)	(6,164)	(93)	(546)
Additions to prepaid lease payment	-	(36)	-	-
Purchase of new subsidiaries, net of cash (Note 35)	-	-	-	*
Purchase of additional investments in subsidiaries	-	-	#	(60)
Purchase of additional investment in associate	-	(557)	-	(557)
Purchase of other investments	(72)	(16)	-	(16)
Proceeds from disposal of property, plant and equipment	10,988	6,815	13	117
Disposal of subsidiary, net of cash (Note 35)	-	99	-	-
Proceeds from disposal of associate	500	-	-	-
Proceeds from disposal of other investments	-	597	-	597
Dividends received from subsidiaries	-	-	108	12,100
Dividends received from associate	-	100	-	-
Dividends received from other investments	1	5	-	4
Interest received	339	552	766	5
Repayment from subsidiaries	-	-	7,869	963
Repayment from/(Advances to) associates	2,179	(2,531)	1,549	(2,127)
Net placement of fixed and time deposits	(2,663)	(1,373)	-	-
Net cash from/(used in) investing activities	**6,902**	**(2,509)**	**10,212**	**10,480**
CASH FLOWS FROM FINANCING ACTIVITIES				
Government grant received	108	-	-	-
Proceeds from issue of shares	-	198	-	198
Shares issued to minority shareholders	-	40	-	-
Repayment to subsidiaries	-	-	(14,654)	(10,696)
(Repayment to)/Advances from associates	(108)	100	-	-
Dividends paid to shareholders of the Company	(2,330)	(1,748)	(2,330)	(1,748)
Dividends paid to minority interests	(174)	(464)	-	-
Drawdown/(Repayment) of bank borrowings, net	125,131	112,912	3,244	(277)
Payment of hire purchase instalments	(2,825)	(2,990)	(31)	-
Hire purchase term charges paid	(353)	(664)	(10)	-
Net cash from/(used in) financing activities	**119,449**	**107,384**	**(13,781)**	**(12,523)**
NET CHANGES IN CASH AND CASH EQUIVALENTS	10,025	(16,239)	363	(1,864)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	(12,711)	3,528	(6,287)	(4,423)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**(2,686)**	**(12,711)**	**(5,924)**	**(6,287)**

	Group		Company	
	2006	2005	2006	2005
	RM '000	RM '000	RM '000	RM '000
Represented by:				
TIME DEPOSITS	-	52	-	52
CASH AND BANK BALANCES	19,813	12,276	550	214
BANK OVERDRAFTS	(22,499)	(25,039)	(6,474)	(6,553)
	(2,686)	**(12,711)**	**(5,924)**	**(6,287)**

During the financial year, the Group and the Company acquired property, plant and equipment amounting to RM8,213,000 (2005 : RM10,317,000) and RM93,000 (2005 : RM796,000) respectively, of which RM3,207,000 (2005 : RM3,699,000) for the Group and Nil (2005 : RM250,000) for the Company were financed under hire purchase. An amount of RM4,370,000 (2005 : RM6,164,000) and RM93,000 (2005 : RM546,000) respectively for the Group and the Company were paid by cash and the balance of RM636,000 (2005 : RM454,000) of the Group remained unpaid and included in other payables.

* Represents RM2

Represents RM61

Notes to and forming part of the financial statements are set out on pages 54 - 120
Auditors' Report - Pages 45

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board. At the beginning of the current financial year, the Group and the Company had adopted the following new and revised Financial Reporting Standards ("FRS") which are mandatory and applicable to the Group and the Company for financial periods beginning on or after 1 January 2006:

FRS 2	Share-based payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 132	Financial Instruments : Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The Group has opted for early adoption of the revised FRS 117, Leases and FRS 124, Related Party Disclosures which are effective for financial periods beginning on or after 1 October 2006. The Company has not opted for early adoption of FRS 139, Financial Instruments : Recognition and Measurement, which has been deferred to an effective date yet to be announced.

In the opinion of the directors, the adoption of these FRSs other than as described below does not result in significant changes in the accounting policies of the Group and the Company, or has significant impact on the financial statements of the Group and the Company except for the presentation of the balance sheets of the Group and the Company upon the adoption of FRS 101. The principal changes in accounting policies and their effects resulting from the adoption of the following FRSs are discussed below:

(i) FRS 2, Share-based payment

Prior to 1 January 2006, no compensation expense was recognised in profit or loss for share options granted. With the adoption of FRS 2, the fair value of share options granted to employees is recognised as an employee expense with a corresponding increase in equity over the vesting period. The total amount to be recognised as compensation expense is determined by reference to the fair value of the share options at date of the grant and the number of share options to be vested by vesting date. At balance sheet date, the Group's revised estimate is included in profit or loss and a corresponding adjustment to equity over the remaining vesting period.

The Group has applied the transitional provisions of FRS 2, which allow the change in accounting policy to be applied to share options that were granted after 31 December 2004 and had not yet vested on 1 January 2006. The change in accounting policy had no impact on the financial statements of the Company because the share options were granted by the Company before 31 December 2004.

(ii) FRS 3, Business Combination, FRS 136, Impairment of Assets and FRS 138, Intangible Assets

FRS 3 has resulted in consequential amendments to two other accounting standards, FRS 136 and FRS 138. In accordance with the transitional provisions, FRS 3 has been applied for business combinations for which the agreement date is on or after 1 January 2006.

Prior to 1 January 2006, goodwill, if any, was amortised on a straight line basis over its estimated useful life of 25 years and negative goodwill, if any, is credited to the income statement over a suitable period in relation to the particular circumstances which give rise to it, otherwise, it is charged to the income statement in the year it arises. At each balance sheet date, the Group assessed if there was any indication of impairment of the cash-generating unit in which the goodwill is attached. The adoption of FRS 3 and FRS 136 has had no impact on the financial statements of the Group for the financial year ended 31 December 2006 and amounts reported for 2005 or prior periods as the Group did not have any goodwill or negative goodwill brought forward at 1 January 2006.

In accordance with the transitional provisions of FRS 3, the Group has applied the revised accounting policy for goodwill prospectively from 1 January 2006. The new accounting policy on the recognition and measurement of goodwill is disclosed in Note 1(f).

(iii) FRS 101, Presentation of Financial Statements

Prior to 1 January 2006, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and equity. Upon the adoption of FRS 101, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the year. A similar requirement is also applicable to the consolidated statement of changes in equity. FRS 101 also requires disclosure, on the face of the consolidated statement of changes in equity, total recognised income and expenses for the year, showing separately the amounts attributable to equity holders of the Company and to minority interests.

These changes in presentation have been applied retrospectively, and accordingly, the comparatives have been restated. These changes in presentation have no impact on the financial statements of the Company.

Prior to 1 January 2006, the Group's share of tax expense of associates accounted for using the equity method was included as part of the Group's income tax expense in the consolidated income statement. Upon the adoption of FRS 101, the share of tax expense of associates accounted for using the equity method is now included in the respective share of profit or loss reported in the consolidated income statement before arriving at the Group's profit or loss before tax.

These changes in presentation have been applied retrospectively, and accordingly, the comparatives have been restated as shown in Note 42. These changes in presentation have no impact on the financial statements of the Company.

(iv) FRS 117, Leases

Prior to 1 January 2006, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of FRS 117 has resulted in a change in accounting policy relating to the classification of leases of land and buildings. 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 buildings elements of a lease of land and land held for own use are now classified as operating lease and where necessary, the minimum lease payments or the up-front payments made are allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payments represent prepaid lease payments and are amortised on a straight-line basis over the lease term.

The Group has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 January 2006, the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions. The reclassification of leasehold land as prepaid lease payments has been applied for retrospectively, and accordingly, the comparatives have been restated as shown in Note 42.

(v) FRS 140, Investment Property

Prior to 1 January 2006, investment properties were included in property, plant and equipment and were stated at cost less accumulated depreciation and accumulated impairment losses. Upon the adoption of FRS 140, investment properties are now classified separately and stated at fair value and gains and losses arising from changes in fair value are recognised in the income statement in the year in which they arise.

The Group has applied FRS 140 in accordance with the transitional provisions. The change in accounting policy has had no impact on amounts reported for 2005 or prior periods as the Group had not previously disclosed publicly the required fair value information annually in its financial statements. Accordingly, the comparatives are not restated. Instead, the changes have been accounted for by restating the following opening balances of the Group at 1 January 2006:

	Group RM '000
Increase in accumulated loss	**268**

Had there not been a change in accounting policy, the net loss attributable to the shareholders of the Company for the year ended 31 December 2006 at the Group level would increase by RM72,000 arising from annual depreciation charges for the year which would have been charged to the income statement for the year.

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

The financial statements of the Group and 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.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in Note 6 : Measurement of impairment loss on investments in subsidiaries.

(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(y).

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

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

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

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

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

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

(f) Intangible assets

(i) Goodwill

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

(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) 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 any accumulated 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 land and buildings are amortised on the straight line basis over the remaining lease periods of between 16 and 95 years. Depreciation is calculated to write off the cost of other property, plant and equipment on 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 embodies in the items of property, plant and equipment.

(h) Leases

(i) Finance Leases - assets acquired under hire purchase agreements

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

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

(ii) Operating leases

The Group as lessee

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

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

The Group's leasehold land is amortised over the remaining lease periods of between 10 to 91 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 both and are measured initially at cost, including transaction costs. Subsequent to initial recognition, the investment properties are stated at fair value. The fair value, which is determined by the directors, is arrived at by reference to market evidence of transaction prices for similar properties and reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair value of the investment properties are recognised as income or expense in the income statement in the period in which they arise.

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

(j) Land held for property development

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

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.

(k) 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.

(l) 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.

(m) 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 the 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.

(n) 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.

(o) 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).

(p) 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.

(q) 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.

(r) 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.

(s) 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.

(t) Government grants

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

(v) Foreign currencies

(i) Functional and presentation currency

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

(ii) Foreign currency transactions

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

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

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

(iii) Foreign operations

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

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

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

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

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

(v) 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.

(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.

(w) 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.

(x) Borrowing costs

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

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

The interest component of hire purchase payments is charged to the income statement over the hire purchase periods so as to give a constant periodic rate of interest on the remaining hire purchase liabilities.

(y) 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.

(z) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, time deposits, bank overdrafts and other short term, highly liquid investments that are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value.

(aa) Financial instruments

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

(i) Financial instruments recognised in the balance sheet

The recognised financial instruments of the Group comprise other investments, cash and cash equivalents, receivables, payables, bank borrowings, hire purchase liabilities as well as ordinary share capital. These financial instruments are recognised when a contractual relationship has been established. All the financial instruments are denominated in Ringgit Malaysia, unless otherwise stated. The accounting policies and methods adopted, including the criteria for recognition and the basis of measurement applied, are disclosed above. The information on the extent and nature of these recognised financial instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows are disclosed in the respective notes to the financial statements.

(ii) Financial instruments not recognised in the balance sheet

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

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

(i) Credit risk

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

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

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

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

(ii) Interest rate risk

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

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

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

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

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

(iii) Market risk

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

The Group's exposure to market risk is in respect of its quoted investments. The investments are monitored regularly and subject to periodic review. The investments are assessed for any diminution in the carrying values and allowances are made for such diminution in value which is other than temporary.

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

(iv) Foreign currency exchange risk

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

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

(v) Liquidity and cash flow risk

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

3. PROPERTY, PLANT AND EQUIPMENT

Group 2006	Freehold land and buildings RM'000	Long term leasehold buildings RM'000	Short term leasehold buildings RM'000	Quarry face development RM'000	Plant, machinery, moulds and factory equipment RM'000	Tractors and motor vehicles RM'000	Renovation, electrical installations and furniture and fittings RM'000	Office equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Cost										
At 1 January	3,104	39,569	461	1,941	40,041	45,623	7,631	10,712	2,704	151,786
Effects of adopting FRS 140										
- elimination of accumulated depreciation	(74)	(37)	-	-	-	-	-	-	-	(111)
- reclassification to investment properties (Note 5)	(1,661)	(287)	-	-	-	-	-	-	-	(1,948)
At 1 January, restated	1,369	39,245	461	1,941	40,041	45,623	7,631	10,712	2,704	149,727
Additions	-	15	-	-	2,330	3,393	1,134	880	461	8,213
Disposals	-	(8,398)	-	-	(2,450)	(4,058)	(61)	(122)	-	(15,089)
Write-off	-	-	-	-	(6)	-	(1)	(111)	-	(118)
Reclassification	-	3,004	-	-	-	-	-	-	(3,004)	-
At 31 December	1,369	33,866	461	1,941	39,915	44,958	8,703	11,359	161	142,733

Group 2006	Freehold land and buildings RM'000	Long term leasehold buildings RM'000	Short term leasehold buildings RM'000	Quarry face development RM'000	Plant, machinery, moulds and factory equipment RM'000	Tractors and motor vehicles RM'000	Renovation, electrical installations and furniture and fittings RM'000	Office equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Accumulated depreciation										
At 1 January	152	2,354	191	1,740	32,190	36,409	5,517	7,219	-	85,772
Effect of adopting FRS 140	(74)	(37)	-	-	-	-	-	-	-	(111)
At 1 January, restated	78	2,317	191	1,740	32,190	36,409	5,517	7,219	-	85,661
Charge for the year	9	245	28	201	2,054	4,244	657	1,100	-	8,538
Disposals	-	(631)	-	-	(1,234)	(3,954)	(11)	(84)	-	(5,914)
Write-off	-	-	-	-	-	-	(1)	(80)	-	(81)
At 31 December	87	1,931	219	1,941	33,010	36,699	6,162	8,155	-	88,204
Accumulated impairment loss										
At 1 January	-	2,047	-	-	-	-	138	52	-	2,237
Charge for the year	-	-	-	-	-	-	-	-	-	-
At 31 December	-	2,047	-	-	-	-	138	52	-	2,237
Net book value at 31 December	**1,282**	**29,888**	**242**	**-**	**6,905**	**8,259**	**2,403**	**3,152**	**161**	**52,292**

Group 2005	Freehold land and buildings RM'000	Long term leasehold buildings RM'000	Short term leasehold buildings RM'000	Quarry face development RM'000	Plant, machinery, moulds and factory equipment RM'000	Tractors and motor vehicles RM'000	Renovation, electrical installations and furniture and fittings RM'000	Office equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Cost										
At 1 January	6,362	42,748	461	1,941	50,963	44,281	8,365	9,845	-	164,966
Additions	-	350	-	-	2,011	4,063	226	963	2,704	10,317
Disposals	(2,934)	(3,853)	-	-	(12,823)	(2,721)	(957)	(75)	-	(23,363)
Write-off	-	-	-	-	(110)	-	(3)	(21)	-	(134)
Reclassification	(324)	324	-	-	-	-	-	-	-	-
At 31 December	3,104	39,569	461	1,941	40,041	45,623	7,631	10,712	2,704	151,786
Accumulated depreciation										
At 1 January, restated	214	2,636	163	1,290	38,861	34,730	5,604	6,201	-	89,699
Charge for the year	74	685	28	450	2,990	4,282	680	1,082	-	10,271
Disposals	(105)	(998)	-	-	(9,551)	(2,603)	(764)	(53)	-	(14,074)
Write-off	-	-	-	-	(110)	-	(3)	(11)	-	(124)
Reclassification	(31)	31	-	-	-	-	-	-	-	-
At 31 December	152	2,354	191	1,740	32,190	36,409	5,517	7,219	-	85,772

Group 2005	Freehold 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
Accumulated impairment loss										
At 1 January	-	2,047	-	-	-	-	138	52	-	2,237
Charge for the year	-	-	-	-	-	-	-	-	-	-
At 31 December	-	2,047	-	-	-	-	138	52	-	2,237
Net book value										
at 31 December	**2,952**	**35,168**	**270**	**201**	**7,851**	**9,214**	**1,976**	**3,441**	**2,704**	**63,777**

Company 2006	Long leasehold buildings RM'000	Electrical installation and furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost					
At 1 January	19,600	3,101	1,329	606	24,636
Additions	-	30	63	-	93
Disposals	-	-	(4)	(80)	(84)
At 31 December	19,600	3,131	1,388	526	24,645
Accumulated depreciation					
At 1 January	1,626	2,168	890	226	4,910
Charge for the year	213	314	142	77	746
Disposals	-	-	(4)	(80)	(84)
At 31 December	1,839	2,482	1,028	223	5,572
Net book value at 31 December	**17,761**	**649**	**360**	**303**	**19,073**
2005					
Cost					
At 1 January	19,250	3,094	1,308	904	24,556
Additions	350	7	53	386	796
Disposals	-	-	(23)	(684)	(707)
Write-off	-	-	(9)	-	(9)
At 31 December	19,600	3,101	1,329	606	24,636
Accumulated depreciation					
At 1 January	1,416	1,855	781	904	4,956
Charge for the year	210	313	137	6	666
Disposals	-	-	(20)	(684)	(704)
Write-off	-	-	(8)	-	(8)
At 31 December	1,626	2,168	890	226	4,910
Net book value at 31 December	**17,974**	**933**	**439**	**380**	**19,726**

The title deeds to certain land and buildings of the Group and the Company with net book value of RM11,665,000 and RM2,519,000 (2005 : RM19,745,000 and RM2,547,000) respectively, have yet to be issued by the relevant authorities.

Included in property, plant and equipment of the Group is freehold land with a net book value of RM935,000 (2005 : RM935,000) held in trust by a director of the Company.

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

	2006 RM '000	2005 RM '000
Freehold land and buildings	349	2,018
Long term leasehold buildings	-	287
Short term leasehold buildings	39	50
Plant, machinery, moulds and factory equipment	1,361	2,121
Tractors and motor vehicles	521	459
Renovation, electrical installations and furniture and fittings	840	549
Office equipment	110	172
	3,220	**5,656**

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

	Group		Company	
	2006 RM '000	**2005 RM '000**	**2006 RM '000**	**2005 RM '000**
Plant, machinery, moulds and factory equipment	319	1,198	-	-
Tractors and motor vehicles	6,208	6,180	303	380
Office equipment	524	338	-	-
	7,051	**7,716**	**303**	**380**

4. PREPAID LEASE PAYMENTS

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
At 1 January	3,921	3,885	775	775
Additions	-	36	-	-
Disposal	-	-	-	-
At 31 December	3,921	3,921	775	775
Accumulated amortisation				
At 1 January	1,668	1,560	124	116
Charge for the year	109	108	8	8
Disposal	-	-	-	-
At 31 December	1,777	1,668	132	124
Net carrying amount at 31 December	**2,144**	**2,253**	**643**	**651**

The Group and Company had previously classified leasehold land as finance lease under property, plant and equipment. On early adoption of FRS 117, Leases, the Group and Company account for its leasehold land as operating lease with the unamortised carrying amount classified as prepaid lease payments in accordance with the transitional provisions of FRS 117.

Leasehold land of the Group with net carrying amount of RM213,000 (2005 : RM261,000) is charged to licensed financial institutions for banking facilities granted to the Group.

5. INVESTMENT PROPERTIES

	Group	
	2006	**2005**
	RM '000	**RM '000**
At 1 January		
Effect of adopting FRS 140		
- Reclassification from property,plant and equipment (Note 3)	1,948	-
- Fair value adjustment at 1 January	(268)	-
At 1 January, restated	1,680	-
Addition/Disposal	-	-
Changes in fair value	-	-
At 31 December	1,680	-

Investment properties comprise:		
Freehold land and commercial buildings	1,500	-
Long term leasehold industrial land	180	-
	1,680	-

The investment properties which were previously classified under property, plant and equipment have been reclassified as investment properties during the financial year upon the adoption of FRS 140.

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

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualified as an investment property. Investment property is a property held to earn rentals or for capital appreciation of both. The Group has adopted the fair value model in measuring the above investment properties with effect from 1 January 2006. The fair value of the investment properties at the end of the financial year was determined by the directors based on valuation personal judgement which reasonably reflect market conditions of similar properties at the balance sheet date.

6. INVESTMENTS IN SUBSIDIARIES

	2006 RM '000	2005 RM '000
Unquoted shares		
- at cost	40,829	40,829
- at valuation	4,264	4,264
	45,093	45,093
Less:		
Allowance for diminution in value	4,474	4,474
	40,619	40,619

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

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

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

	Gross equity interest		
Subsidiaries of the Company	**2006 %**	**2005 %**	**Principal activities**
Bina Puri Sdn Bhd	100	100	Contractor of earthworks, building and road construction
Aksi Bina Puri Sdn Bhd	70	70	Property developer
Maskimi Sdn Bhd	100	100	Investment holding
Bina Puri Plantation Sdn Bhd	100	100	Investment holding
*Bina Puri Infrastructure Pte Ltd (Incorporated in India)	100	100	Contractor of road construction
KL-Kuala Selangor Expressway Berhad (formerly known as Lebuhraya Assamjawa Taman Rimba Berhad)	60	60	Builder of an expressway
Bina Puri (Libya) Sdn Bhd (formerly known as Bina Puri HG Corporation Sdn Bhd)	100	60	Investment holding
Konsortium Bina Puri-Panzana Enterprise Sdn Bhd	51	51	Inactive

Subsidiaries of the Company	Gross equity interest 2006 %	2005 %	Principal activities
Gugusan Murni Sdn Bhd	100	100	Property developer (no active development)
Bina Puri Mining Ventures Sdn Bhd	60	60	Dormant
*DPBS-BPHB Sdn Bhd	60	60	Investment holding and contractors of earthworks, building and road construction
Bina Puri Juara Sdn Bhd	100	100	Investment holding
Bina Puri Gah Sdn Bhd (formerly known as Aerohills Construction Sdn Bhd)	60	-	Inactive
Subsidiaries of Bina Puri Sdn Bhd			
Bina Puri Machinery Sdn Bhd	100	100	Provision of maintenance services for plant and machinery and as contractors for earthworks projects
Bina Puri Construction Sdn Bhd	100	100	Contractors of earthworks, building and road construction and property development
Easy Mix Sdn Bhd	100	100	Producer of readymix concrete
Karseng Industries & Engineering Sdn Bhd	70	70	Property developer (no active development)
Subsidiaries of Maskimi Sdn Bhd			
Sungai Long Industries Sdn Bhd	51	51	Quarry operator and contractor of road paving projects
K M Quarry Sdn Bhd	70	70	Quarry operator and contractor of road paving projects
Maskimi Polyol Sdn Bhd	90	90	Manufacturer of polyol
Maskimi Venture Sdn Bhd	100	100	Commission agent
Hamay Glass Sdn Bhd	60	60	Inactive
Subsidiary of DPBS-BPHB Sdn Bhd			
*Konsortium DPBSH-BPHB-AGSB Sdn Bhd	55	55	Contractor of earthworks, building and road construction
Subsidiaries of Bina Puri Construction Sdn Bhd			
Latar Project Management Sdn Bhd	60	60	Provision of project management services (operations suspended)
*Bina Puri Cambodia Ltd (Incorporated in Cambodia)	100	100	Inactive
*Bina Puri Development Sdn Bhd	60	60	Inactive
*Bina Puri Vietnam Co. Ltd (Incorporated in Vietnam)	100	100	Inactive

Subsidiary of Easy Mix Sdn Bhd	Gross equity interest 2006 %	2005 %	Principal activities
Bina Puri Properties Sdn Bhd	100	100	Property developer
Subsidiary of Sungai Long Industries Sdn Bhd			
Sungai Long Bricks Sdn Bhd	100	100	Manufacturer of bricks
Subsidiary of Sungai Long Bricks Sdn Bhd			
Sungai Long Plaster Industries Sdn Bhd	100	100	Manufacturer of plaster cement

* Subsidiaries not audited by Moores Rowland or its associates.

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

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

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

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

(i) Budgeted revenue

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

(ii) Budgeted expenses

Expenses are budgeted to grow at the inflation rate

(iii) Discounted rate

The discounted rate used is 8%

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

7. INVESTMENT IN ASSOCIATES

	Group		Company	
	2006	2005	2006	2005
	RM '000	RM '000	RM '000	RM '000
Unquoted shares, at cost	1,240	1,240	790	790
Group's share of post acquisition results	783	1,299	-	-
	2,023	**2,539**	**790**	**790**

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

	Gross equity interest		
Associates of the Company	**2006 %**	**2005 %**	**Principal activities**
Konsortium Bina Puri-Panzana (Nilai) Sdn Bhd	40	40	Contractor of road construction
Bina Puri Holdings (Thailand) Ltd (Incorporated in Thailand)	49	49	Investment holding
Bina Puri (Thailand) Ltd (Incorporated in Thailand)	49	49	Contractor of earthworks, building and road construction
Associates of Sungai Long Industries Sdn Bhd			
SLM Gabungan Sdn Bhd	-	50	Quarry operator and contractor of road paving projects
Rock Processors (Melaka) Sdn Bhd	40	40	Quarry operator and contractor of road paving projects
Sungai Long Properties Sdn Bhd	50	50	Inactive

The dates 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 last 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 and any share of contingent liabilities that arise whereby the Group is serverally liable for all or part of the liabilities of the associates.

The summarised financial information of the associates at 31 December 2006 are as follows:

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
Assets and liabilities				
Non-current assets	8,647	11,214	5,441	310
Current assets	178,769	37,460	165,816	14,340
Total assets	187,416	48,674	171,257	14,650
Non-current liabilities	2,696	1,740	165,339	852
Current liabilities	180,306	41,859	2,696	11,467
Total liabilities	183,002	43,599	168,035	12,319
Results				
Revenue	191,576	52,110	164,500	24,639
(Loss)/Profit for the year	**(1,022)**	**(1,315)**	**922**	**153**

8. OTHER INVESTMENTS

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
Shares quoted in Malaysia, at cost	216	216	-	-
Less:				
Allowance for diminution in value	(166)	-	-	-
	50	216	-	-
Shares quoted outside Malaysia, at cost	72	-	-	-
Unquoted shares, at cost	1,068	1,068	629	629
Less:				
Allowance for diminution in value	281	281	281	281
	787	787	348	348
Mutual funds and unit trusts quoted in Malaysia, at cost	107	107	107	107
Transferable corporate membership in golf and country resorts, at cost	395	395	10	10
	1,411	**1,505**	**465**	**465**

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
Market value				
- shares quoted in Malaysia	53	87	-	-
- shares quoted outside Malaysia	72	-	-	-
- mutual funds and unit trusts quoted in Malaysia	112	107	112	107
	237	**194**	**112**	**107**

Included in the cost of unquoted shares of the Group is an amount of RM439,000 (2005 : 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.

9. LAND HELD FOR PROPERTY DEVELOPMENT

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
Interest in long leasehold land, at cost				
At 1 January	15,757	20,957	5,500	5,500
Addition during the year	-	-	-	-
Disposal during the year	-	(5,200)	-	-
Transfer to property development cost (Note 12)	(5,500)	-	(5,500)	-
At 31 December	10,257	15,757	-	5,500
Add:				
Development costs				
At 1 January	605	7,455	605	605
Addition during the year	-	-	-	-
Disposal during the year	-	(6,850)	-	-
Transfer to property development cost (Note 12)	(605)	-	(605)	-
At 31 December	-	605	-	605
	10,257	16,362	-	6,105
Less:				
Accumulated impairment loss				
At 1 January	-	1,500	-	-
Impairment loss written back	-	(1,500)	-	-
At 31 December	-	-	-	-
Net carrying value at 31 December	**10,257**	**16,362**	**-**	**6,105**

10. DEFERRED TAX ASSETS

	Group 2006 RM '000	Group 2005 RM '000
At 1 January	2,000	-
Transfer (to)/from income statement	(800)	2,000
At 31 December	1,200	2,000
The deferred tax assets comprise:		
Deductible temporary differences on		
- unused tax losses	523	1,345
- unabsorbed capital allowances	785	992
	1,308	2,337
Less:		
Taxable temporary differences		
- between net book value and tax written down value of property, plant and equipment	104	331
- on unrealised gain on foreign exchange	4	6
	1,200	**2,000**

At 31 December 2006, the Group has not recognised deferred tax assets arising from the following temporary differences as it is not probable that future taxable profit will be available against which the assets can be utilised.

	2006 RM '000	2005 RM '000
Deductible temporary differences on		
- unused tax losses	8,541	7,487
- unabsorbed capital allowances	7,459	7,911
	16,000	15,398
Less:		
Taxable temporary differences between net book value and tax written down value of property, plant and equipment	370	334
	15,630	**15,064**

11. INVENTORIES

	Group	
	2006	2005
	RM '000	RM '000
At cost		
Inventories of completed development units	2,788	2,970
Raw materials and consumables	1,640	1,676
Finished goods	2,735	2,210
	7,163	6,856
At net realisable value		
Finished goods	5	15
	7,168	**6,871**

12. PROPERTY DEVELOPMENT COSTS

	Group		Company	
	2006	2005	2006	2005
	RM '000	RM '000	RM '000	RM '000
At 1 January				
Land cost	2,244	2,244	2,244	2,244
Transfer from land held for property development (Note 9)	5,500	-	5,500	-
Development costs	15,603	5,569	-	-
	23,347	7,813	7,744	2,244
Add:				
Development costs incurred during the year	10,941	10,034	425	-
Transfer from land held for property development (Note 9)	605	-	605	-
Transfer of unsold completed units to inventories (Note 11)	(1,092)	-	-	-
	33,801	17,847	8,774	2,244
Less:				
Cost recognised as an expense in the income statement				
Recognised in previous financial years	11,155	2,972	1,308	683
Recognised during the year	4,528	8,183	2,285	625
	15,683	11,155	3,593	1,308
At 31 December	**18,118**	**6,692**	**5,181**	**936**

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

13. GROSS AMOUNTS DUE FROM/TO CUSTOMERS

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
Cost of contracts	1,488,978	1,104,565	9,914	5,548
Attributable profit recognised to date	84,521	92,674	277	-
	1,573,499	1,197,239	10,191	5,548
Less:				
Progress billings	(1,525,902)	(1,133,718)	(10,874)	-
	47,597	63,521	(683)	5,548
Represented by:				
Gross amount due from customers	49,855	64,606	666	5,548
Gross amount due to customers	(2,258)	(1,085)	(1,349)	-
	47,597	63,521	(683)	5,548
Retention sums receivable from customers included in trade receivables (Note 14)	34,793	21,292	1,088	-
Advances received for contract work not yet performed included in other payables (Note 25)	**10,047**	**11,388**	**47**	**103**

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
Gross trade receivables	379,273	262,031	10,875	-
Less:				
Allowance for doubtful debts	7,800	15,473	-	-
	371,473	246,558	10,875	-
Accrued billings on property development projects	561	505	561	505
Gross other receivables	31,026	33,043	8,026	972
Less:				
Allowance for doubtful debts	6,314	6,347	151	183
	24,712	26,696	7,875	789
Deposits	1,928	2,215	10	10
Prepayments	2,915	2,799	28	33
	401,589	**278,773**	**19,349**	**1,337**

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.

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

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**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	2,635	2,785	-	-
- other receivables	761	572	1	2

The currency profiles of the receivables are as follows:

	Group	
	2006	**2005**
	RM '000	**RM '000**
Trade receivables		
- Ringgit Malaysia	378,801	261,130
- Singapore Dollar	422	426
- US Dollar	50	475
	379,273	**262,031**

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
Other receivables				
- Ringgit Malaysia	26,861	32,330	3,879	290
- US Dollar	3,476	-	3,476	-
- Indian Rupee	618	618	618	618
- Thai Baht	53	64	53	64
- Vietnam Dong	18	31	-	-
	31,026	33,043	8,026	972

15.AMOUNT OWING BY/TO SUBSIDIARIES

The amount owing by the subsidiaries comprises:

	Company	
	2006	**2005**
	RM '000	**RM '000**
Trade receivables	521	310
Non-trade receivables	53,992	61,861
	54,513	62,171
Less:		
Allowance for doubtful debts	29,317	29,488
	25,196	32,683

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.

16.AMOUNT OWING BY/TO ASSOCIATES

The amount owing by the associates comprises:

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
Trade receivables	6,872	3,637	4,781	1,152
Non-trade receivables	701	2,880	681	2,230
	7,573	6,517	5,462	3,382

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

The amount owing to the associates comprises:

	Group	
	2006	**2005**
	RM '000	**RM '000**
Trade payables	188	945
Non-trade payables	35	143
	223	1,088

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.

17. FIXED AND TIME DEPOSITS

	Group		Company	
	2006	2005	2006	2005
	RM '000	RM '000	RM '000	RM '000
Fixed and time deposits placed with licensed banks	13,669	9,752	56	108
Fixed deposits placed with insurance companies	3,357	4,663	-	-
	17,026	14,415	56	108

Included in fixed and time deposits are amounts of RM17,026,000 and RM56,000 (2005 : RM14,363,000 and RM56,000) for the Group and the Company respectively, which are pledged to secure performance bonds and bank guarantee facilities issued on behalf of the Group.

The fixed and time deposits earn effective interest rates of between 2.0% and 3.7% (2005 : 2.0% and 3.7%) per annum and have maturity periods of not more than one year.

18. CASH AND BANK BALANCES

Included in cash and bank balances of the Group are:

(a) an amount of RM2,339,000 (2005 : RM249,000) held in special projects bank account from which withdrawals are restricted to contract expenditure incurred in respect of specific projects, and

(b) an amount of RM2,172,000 (2005 : RM298,000) maintained in a housing development account in accordance with the Housing Developers (Housing Development Account) Regulations 1991. Withdrawals from the Housing Development Account are restricted to property development expenditure incurred in respect of the specific development project.

19. SHARE CAPITAL

	2006		2005	
	Number of Share '000	Nominal Value RM '000	Number of Share '000	Nominal Value RM '000
Authorised				
Ordinary shares of RM1 each	100,000	100,000	100,000	100,000
Issued and fully paid Ordinary shares of RM1 each				
At 1 January	80,925	80,925	80,727	80,727
Issue of shares under ESOS at RM1 per share	-	-	198	198
At 31 December	80,925	80,925	80,925	80,925

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

The salient features of the Scheme are:

(a) The maximum number of shares to be offered and allotted under the Scheme shall not exceed 10% of the issued and paid-up share capital of the Company at any point in time during the duration of the Scheme.

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

(i) They must be at least eighteen (18) years of age on the Date of Offer;

(ii) They must have been employed for a continuous period of at least one (1) year in the Group, including probation period and his employment as an Eligible Employee must have been confirmed in writing on the Date of Offer;

(iii) If an Eligible Employee is employed by a company which is acquired by the Group during the duration of the Scheme and becomes a subsidiary of the Company upon such acquisition, the Eligible Employee must have completed a continuous period of at least one (1) year in the Group following the date such company becomes or is deemed to be a subsidiary;

(iv) If an employee is not a Malaysian citizen, he must, in addition to the conditions stipulated in paragraphs (i) to (iii) above, also fulfil the following conditions:

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

- in the event that the employee is serving under an employment contract, the contract should be for a duration of at least three (3) years.

(v) If an employee is serving under an employment contract for a fixed duration, he must have been in the service for a continuous period of one (1) year in the Group.

(c) An employee who during the tenure of the Scheme becomes an Eligible Employee may be eligible to a grant of an Option under the Scheme which shall be decided by the Option Committee.

(d) No Option shall be granted for more than 500,000 new ordinary shares to any Eligible Employee. The maximum number of Options granted to Executive Directors and senior management of the Group shall not exceed 50% of the total number of options available under the Scheme, and the number of options granted to any individual Executive Director or selected employee who, either singly or collectively through his/her associates (as defined in the Companies Act, 1965), hold 20% or more of the issued and paid-up share capital of the Company, shall not exceed 10% of the total number of Options available under the Scheme.

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

(f) An offer shall be valid for a period of sixty (60) days from the date of offer or such longer period as may be determined by the Option Committee on a case-by-case basis at its discretion. An offer shall be accepted by an Eligible Employee within the offer period by written notice to the Option Committee accompanied by a non-refundable sum of RM1 as consideration. If the offer is not accepted in the manner aforesaid, such offer shall automatically lapse upon the expiry of the offer period and become null and void and be of no further force and effect.

(g) The new ordinary shares to be allotted upon any exercise of Options under the Scheme shall, upon allotment and issue, rank pari passu in all respects with the then existing ordinary shares. However, the new ordinary shares so issued shall not be entitled to any dividend or other distributions declared, made or paid prior to the date of exercise of the Options.

(h) The Scheme shall continue to be in force for a duration of up to five (5) years commencing the date of lodgement. Upon the expiry of the Scheme, all unexercised Options shall become null and void unless the Scheme is extended for a further five (5) years upon recommendation of the Option Committee.

(i) These Options may be exercised at any date during the Option Period not later than 30 November 2008 subject to the following maximum limits:

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

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

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

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

	Number of options over ordinary shares
At 1 January 2006	5,621,400
Exercised	-
Lapsed	(914,300)
At 31 December 2006	4,707,100

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

Exercise period	Exercise price	Number of share options outstanding
	RM	31-12-2006
1-12-2003 to 30-11-2008	1.00	4,707,100

20.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.

21.GOVERNMENT GRANT

During the current financial year, a subsidiary was awarded a government grant of RM108,000, which represents the fair value of a factory equipment pursuant to a subgrant agreement entered between Government of Malaysia and the said subsidiary. The factory equipment has been 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.

22.HIRE PURCHASE LIABILITIES

	Group		Company	
	2006	2005	2006	2005
	RM '000	RM '000	RM '000	RM '000
Outstanding hire purchase instalments due:				
- not later than one year	2,342	2,475	41	41
- later than one year and not later than five years	4,080	3,423	166	166
- later than five years	75	125	41	83
	6,497	6,023	248	290
Less:				
Unexpired term charges	660	568	29	40
Outstanding principal amount due	5,837	5,455	219	250
Less:				
Outstanding principal amount due not later than one year (included in current liabilities)	1,994	2,213	33	31
Outstanding principal amount due later than one year	3,843	3,242	186	219

The effective interest rates of the hire purchase liabilities are between 2.45% and 12% (2005 : 4% and 12%) per annum.

23. BANK TERM LOANS

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
Bank term loan bearing effective interest rate of 8.00% (2005 : 7.25%) per annum, repayable by 120 monthly instalments commencing September 2004	3,259	3,491	3,259	3,491
Bank term loan bearing effective interest rate of 5% (2005 : 5%) per annum	189,269	99,816	-	-
Bank term loan bearing effective interest rate of 7% (2005 : 7%) per annum, repayable by 108 monthly instalments commencing November 2005	1,823	1,650	-	-
Bank term loan bearing effective interest rate of 7.5% per annum, repayable by 72 instalments	61	-	-	-
	194,412	104,957	3,259	3,491
Less:				
Repayments due within 12 months (included in current liabilities, Note 26)	95,136	467	322	300
Repayments due after 12 months	99,276	104,490	2,937	3,191

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

The bank term loan of RM189,269,000 (2005 : RM99,816,000) is secured by assignment of contract proceeds from a project of a subsidiary. The loan is repayable in 2 instalments as follows:

(a) 50% of the principal and interest one month after the construction completion date of the project as stipulated in the certificate of practical completion ("CPC") for the project; and

(b) the remaining 50% of the principal and interest one year after the issuance of CPC or on the 36th month from 28 December 2004, whichever is earlier.

The bank term loan of RM1,823,000 (2005 : RM1,650,000) 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 RM61,000 of a subsidiary is secured by way of specific debenture incorporating a fixed charge over certain assets of the said subsidiary.

24.DEFERRED TAX LIABILITIES

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
At 1 January	1,223	2,432	145	243
Transfer (to)/from income statement	(560)	(1,209)	55	(98)
At 31 December	663	1,223	200	145

The deferred tax liabilities comprise:

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
Taxable temporary differences between net book value and tax written down value of property, plant and equipment	526	1,521	200	281
Less:				
Deductible temporary differences on				
- unabsorbed capital allowances	-	(136)	-	(136)
- other temporary differences	137	(162)	-	-
	137	(298)	-	(136)
	663	1,223	200	145

25.TRADE AND OTHER PAYABLES

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
Trade payables	136,000	135,653	4,020	-
Progress billings	1,722	581	-	-
Other payables	26,917	33,647	1,915	4,717
Accruals	7,229	7,418	495	454
Sundry deposits	377	342	-	80
	172,245	177,641	6,430	5,251

Trade payables comprise amounts outstanding from trade purchases, sub-contractors claim on contract works performed and retention sums payable. Progress billings represent excess of billings to purchasers of development units over revenue recognised in the income statement. The normal credit periods granted by trade suppliers and sub-contractors range from 30 to 90 days whereas retention sums are payable upon the expiry of the defect liability periods of the respective construction contracts. The defect liability periods of the construction contracts are between 12 and 24 months.

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

Included in trade payables of the Group is an amount of RM1,585,000 (2005 : RM2,805,000) owing to companies in which certain directors of the Company have substantial financial interests. The amount owing is unsecured, interest free and has no fixed terms of repayment.

The currency exposure profiles of payables are as follows:

	Group	
	2006	**2005**
	RM '000	**RM '000**
Trade payables		
- Ringgit Malaysia	134,833	135,102
- US Dollar	1,167	551
	136,000	135,653

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
Other payables				
- Ringgit Malaysia	26,575	33,257	1,868	4,614
- Nepalese Rupee	218	218	-	-
- Thai Baht	47	103	47	103
- Indian Rupee	38	38	-	-
- US Dollar	16	16	-	-
- Vietnam Dong	23	15	-	-
	26,917	33,647	1,915	4,717

26. BANK BORROWINGS

	Group 2006 RM '000	Group 2005 RM '000	Company 2006 RM '000	Company 2005 RM '000
Trust receipts, secured	3,964	1,849	-	-
Bankers' acceptances, unsecured	13,861	10,714	-	-
Revolving credits				
- secured	78,197	42,301	3,476	-
- unsecured	41,685	47,167	3,000	3,000
	119,882	89,468	6,476	3,000
Bank overdrafts, unsecured	22,499	25,039	6,474	6,553
	160,206	127,070	12,950	9,553
Current portion of bank term loans (Note 23)	95,136	467	322	300
	255,342	127,537	13,272	9,853

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

	Group 2006 %	Group 2005 %	Company 2006 %	Company 2005 %
Bankers' acceptances, revolving credits and trust receipts	3.40 to 9.25	3.00 to 8.50	5.19 to 7.61	4.75 to 4.95
Bank overdrafts	7.65 to 9.25	7.00 to 9.50	8.50	8.25

The bank borrowings are secured by the following:

(a) Fixed charges over those charged property, plant and equipment and prepaid lease payments referred to in Notes 3 and 4 respectively and floating charges over the entire assets of certain subsidiaries,

(b) A negative pledge over the assets of the Company,

(c) Deeds of assignment over the proceeds of contracts awarded to subsidiaries.

The unsecured bankers' acceptances, revolving credits and bank overdrafts are guaranteed by the Company.

27.GROSS REVENUE

	Group		Company	
	2006	2005	2006	2005
	RM '000	RM '000	RM '000	RM '000
Contract revenue	385,334	382,973	11,836	3,418
Sale of goods	80,670	60,735	-	-
Property development revenue from sale of development units	7,219	10,260	2,546	1,058
Sale of development land	-	10,800	-	-
Management fees	18,348	-	20,698	806
	491,571	464,768	35,080	5,282

28.COST OF SALES

	Group		Company	
	2006	2005	2006	2005
	RM '000	RM '000	RM '000	RM '000
Contract costs	379,259	354,520	9,550	1,785
Cost of goods sold	68,946	51,942	-	-
Property development costs relating to development units sold	5,652	8,551	2,285	625
Cost of development land sold	-	11,430	-	-
	453,857	426,443	11,835	2,410

29.PROFIT FROM OPERATIONS

	Group		Company	
	2006 RM '000	2005 RM '000	2006 RM '000	2005 RM '000
Profit from operations is stated after charging				
Allowance for doubtful debts	701	105	-	6,856
Amortisation of prepaid lease payments	109	108	8	8
Auditors' remuneration				
- current year	175	176	25	25
- underestimated in prior year	1	24	-	5
Bad debts written off	67	-	-	-
Depreciation of property, plant and equipment	8,538	10,271	746	666
Directors' fees				
- directors of the Company	243	258	243	258
- directors of a subsidiary	49	48	-	-
Directors' remuneration other than fees				
- directors of the Company	2,125	1,868	1,227	1,092
- directors of subsidiaries	741	560	-	-
Loss on disposal of property, plant and equipment	-	2,474	-	-
Property, plant and equipment written off	37	10	-	1
Realised loss on foreign exchange	31	-	31	-
Rental expenses				
- operating leases	300	300	-	-
- land and premises	600	530	-	-
- motor vehicles	98	47	-	-
- machinery and equipment	11,297	4,753	-	-
Research and development expenditure	60	176	-	-

and crediting:				
	1,134	240	204	3,005
Allowance for doubtful debts written back	7	-	-	-
Amortisation of government grants	69	-	-	-
Bad debts recovered	1,813	-	13	114
Gain on disposal of property, plant and equipment				
Gain on foreign exchange	129	70	-	-
- realised	15	18	-	-
- unrealised	1,365	520	-	-
Hire of motor vehicles and machinery				
Impairment loss on land held for development	-	1,500	-	-
written back	3	65	-	-
Interest income	-	46	-	-
Interest on bank term loan waived	-	-	1,087	-
Interest expense waived by a subsidiary	482	1,256	449	449
Rental income				

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

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
Directors of the Company	86	54	24	10
Directors of subsidiaries	16	17	-	-

30. FINANCE COSTS

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
Finance costs incurred during the year comprise:				
Hire purchase term charges	353	664	10	-
Interest expenses on bank borrowings	7,719	7,142	956	937
Other interest expenses	-	258	-	-
	8,072	8,064	966	937
Less:				
Finance costs classified in contract costs under cost of sales				
Hire purchase term charges	(159)	(445)	-	-
Interest expenses on bank borrowings	(2,382)	(1,238)	(265)	-
	5,531	6,381	701	937

31. INVESTMENT INCOME

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
Dividend income from:				
- shares quoted in Malaysia	1	1	-	-
- mutual funds and unit trusts	-	4	-	4
- subsidiary	-	-	150	16,805
	1	5	150	16,809
Interest income	336	487	766	5
Gain on disposal of investment in an associate	250	-	-	-
Gain on disposal of investment in a subsidiary	-	62	-	-
Loss on disposal of other investments	-	(43)	-	(43)
Allowance for diminution in value of other investments	(166)	-	-	-
	421	511	916	16,771

32.TAX EXPENSE

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
Current tax expense				
- current year	1,723	3,974	1,855	4,197
- (over)/underestimated in prior years	(735)	897	(1,190)	-
	988	4,871	665	4,197
Deferred tax expense/(income) relating to origination and reversal of temporary differences during the year	372	(3,212)	55	(98)
Deferred tax expense (over)/under estimated in prior year	(132)	3	-	-
	240	(3,209)	55	(98)
	1,228	1,662	720	4,099

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

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
Accounting profit (excluding share of results of associates)	6,675	5,266	18,158	9,631
Tax at the average tax rate of 27.8% (2005 : 27.8%) for the Group and 28% (2005 : 28%) for the Company	1,856	1,464	5,084	2,697
Add:				
Tax effect of expenses not deductible in determining taxable profit:				
Depreciation of non-qualifying property, plant and equipment	477	526	104	86
Other non-deductible expenses	2,526	2,493	354	2,560
Deferred tax expense relating to origination and reversal of temporary differences during the year	762	-	-	-
Deferred tax income relating to reversal of temporary differences not recognised during the year	566	-	-	-
Balance carried forward	6,187	4,483	5,542	5,343

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
Balance brought forward	6,187	4,483	5,542	5,343
Less:				
Tax effect of income not taxable in determining taxable profit:				
Tax exempt management fees received	2,969	-	2,969	-
Other non-taxable income	1,123	1,270	663	1,244
Deferred tax income relating to reversal of temporary differences not recognised in prior year	-	884	-	-
Realisation of deferred tax liability on disposal of land held for development	-	1,258	-	-
Tax effect on utilisation of deferred tax assets during the year not previously recognised	-	309	-	-
	-	2,451	-	-
	2,095	762	1,910	4,099
(Less)/Add:				
Current tax expense (over)/under estimated in prior years	(735)	897	(1,190)	-
Deferred tax expense (over)/under estimated in prior year	(132)	3	-	-
Tax expense for the year	1,228	1,662	720	4,099

33.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 RM5,122,000 (2005 : RM4,054,000) and on 80,925,000 (2005 : 80,881,000) weighted average number of ordinary shares in issue during the year calculated as follows:

	2006 RM '000	2005 RM '000
Number of ordinary shares at 1 January	80,925	80,727
Effects of shares issued from ESOS between		
January 2005 and July 2005	-	154
Weighted average number of ordinary shares	80,925	80,881

(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.

34.DIVIDENDS PAID

Recognised as distribution to equity holders during the year:

	Group / Company	
	2006 RM '000	2005 RM '000
Final dividend of 2% less 28% tax for the financial year ended 31 December 2005	1,165	-
Interim dividend of 2% less 28% tax for the financial year ended 31 December 2006 (2005 : Interim dividend of 3% less 28% tax for the financial year ended 31 December 2005)	1,165	1,748
	2,330	1,748
Net dividend per ordinary share (sen)	2.88	2.15

At the forthcoming annual general meeting, a final dividend of 3% less 27% tax amounting to RM1,772,000 (RM0.02 net per ordinary share) in respect of the financial year ended 31 December 2006 will be proposed for approval by the shareholders of the Company. The proposed final dividend is payable in respect of all ordinary shares in issue at the date of the financial statements. These financial statements do not reflect this final dividend which will be accounted for in the shareholders' equity as an appropriation of unappropriated profit in the financial year in which the dividend is paid.

35.ANALYSIS OF ACQUISITION AND DISPOSAL OF SUBSIDIARIES

(a) Acquisition of subsidiary

On 10 April 2006, the Company acquired 60% equity interest, representing 60 ordinary shares of RM1 each in Bina Puri Gah Sdn Bhd (formerly known as Aerohills Construction Sdn Bhd), at a cash consideration of RM60. The newly acquired subsidiary is currently inactive and its intended principal activity is building construction.

In the previous financial year, the Group acquired the entire equity interests in two companies at a total cash consideration of RM191,002.

The effects of acquisition 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

	Subsidiaries acquired in	
	2006	**2005**
	RM '000	**RM '000**
Gross revenue	-	-
Cost of sales	-	-
Loss before tax	(16)	(4)
Tax expense	-	-
Decrease in Group's net profit	(16)	(4)

(ii) Effect on consolidated financial position

	Subsidiaries acquired in 2006 RM '000	2005 RM '000
Non-current assets	-	-
Current assets	-	527
Non-current liabilities	-	-
Current liabilities	(16)	(340)
(Decrease)/Increase in Group's share of net assets	(16)	187

(iii) Effect on consolidated cash flow statement

	Subsidiaries acquired in 2006 RM '000	2005 RM '000
Net assets acquired		
Current assets	-	191
Minority interest	-	-
Total purchase consideration	-	191
Less:		
Cash and cash equivalents	-	191
Net cash flows on acquisition	-	-

(b) Disposal of a subsidiary in the previous financial year

In the previous financial year, the Group disposed of Bumi Pipeline Services Sdn Bhd, a wholly-owned subsidiary of Bina Puri (Libya) Sdn Bhd (formerly known as Bina Puri HG Corporation Sdn Bhd), at a consideration of RM100,000.

The effects of disposal of the subsidiary 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 ended 31 December 2005

	RM '000
Gross revenue	-
Loss before tax	-
Tax expense	-
Decrease in Group's net profit	-

(ii) Effect on consolidated financial position at 31 December 2005

	RM '000
Current assets	39
Current liabilities	(1)
Decrease in Group's share of net assets	38

(iii) Effect on consolidated cash flow statement for the year ended 31 December 2005

	RM '000
Net assets disposed:	
Current assets	39
Current liabilities	(1)
Gain on disposal of subsidiary	62
Sale proceeds	100
Less:	
Cash and cash equivalents	(1)
Net cash flows on disposal	99

36.EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
Salaries, wages, allowances and bonuses				
- Executive Directors'	2,665	-	1,095	975
- Other employees	29,439	28,430	2,727	1,711
Defined contribution plan				
- EPF contributions	3,366	3,113	454	317
Social security costs				
- SOCSO contributions	340	281	24	12
Other benefits expenses	4,559	5,067	241	197
	40,369	36,891	4,541	3,212

37. RELATED PARTY DISCLOSURES

(a) The Group has a controlling related party relationship with its subsidiaries referred to in Note 6 and associates referred to in Note 7.

(b) The Group also has related party relationship with companies in which certain directors of the Company have substantial financial interests.

(c) The Group has the following significant transactions with the related parties during the financial year:

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
Sales of quarry products to an associate of a subsidiary	2,804	678	-	-
Sales of ready mix concrete to a company in which a director of the Company has substantial financial interest	37	-	-	-
Management fees charged to:				
- subsidiaries	-	-	2,350	786
- associate	18,348	-	18,348	-
Rental income received from subsidiaries	-	-	367	367
Project commission received from:				
- subsidiaries	-	-	1,446	1,453
- associate	-	-	-	942
Advances from associates	-	100	-	-
Repayment of advances from subsidiaries	-	-	7,869	963
Repayment of advances from associates	2,179	-	1,549	-
Construction services charged by				
- former associates	4,260	9,360	-	-
- associates	2,682	-	-	-
Purchase of quarry products from a former associate	6	11	-	-
Hiring charges by former associates	1,424	250	-	-
Sub-contractor claims charged by an associate	1,145	441	-	-
Security and safety charges by a subsidiary	-	-	162	162
Purchase of air tickets from a company in which a director of the Company has substantial financial interest	886	703	239	140
Purchase of diesel from a company in which a director of the Company has substantial financial interest	3,278	4,643	-	-
Repayment of advances to subsidiaries	-	-	14,654	10,696
Advances to associates	-	2,531	-	2,127
Repayment of advances to associates	108	-	-	-

Information regarding outstanding balances arising from related party transactions at year end are disclosed in Notes 14, 15, 16 and 25.

(d) Compensation of key management personnel

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

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
Short-term employee benefits	5,363	4,700	2,192	1,925
Post employment benefits				
- defined contribution plan	556	481	227	195
Other long term benefits	-	-	-	-
	5,919	5,181	2,419	2,120

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

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
At 1 January	1,376	1,405	608	623
Granted	-	-	-	-
Exercised	-	(29)	-	(15)
Lapsed	-	-	-	-
At 31 January	1,376	1,376	608	608

38.COMMITMENTS

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
(a) Capital commitments				
Approved capital expenditure in respect of contracted expressway development expenditure (estimated)	1,356,940	1,356,940	550,000	550,000

(b) Operating lease commitments

The Group as lessee

The Group leased a land under non-cancellable operating leases for its operations. The lease has a tenure of 10 years, with an option to renew the lease after the expiry of the lease. Increases in lease payments, if any, after the expiry date, are negotiated between the Group and the lessor which will normally reflects 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	
	2006	**2005**
	RM '000	**RM '000**
Future minimum lease payments		
- payable not later than one year	300	300
- payable later than one year and not later than five years	900	1,200
	1,200	1,500

39.CONTINGENT LIABILITIES

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM '000	**RM '000**	**RM '000**	**RM '000**
(a) Unsecured guarantees				
Guarantees given in favour of financial institutions for credit facilities granted to subsidiaries	-	-	420,069	282,238
Guarantees given for performance bonds granted to				
- subsidiaries	-	-	58,993	58,993
- associate	40,444	90	40,444	-
- former associate	82	-	-	-
Guarantees given in favour of suppliers of goods for credit terms granted to subsidiaries	-	-	2,451	3,134
Guarantees given to secure hire purchase liabilities of				
- subsidiaries	-	-	308	315
- associate	-	314	-	-
- former associate	256	-	-	-
Guarantees given in favour of the Government of Malaysia for financial assistance under the Industry Research and Development Grant Scheme to a subsidiary	978	546	978	546
	41,760	950	523,243	345,226

(b) Material litigations

(i) A writ action was filed against the Company in the Shah Alam High Court by Kimpoint Sdn Bhd ("Kimpoint") for a sum of RM8,773,437.50 purportedly owed under a contract. The Company has in turn filed a counter claim against Kimpoint for the return of a sum of RM1,226,562.50. Kimpoint applied to amend their Statement of Claim to which the Company objected. On 18 December 2006, the court dismissed with costs Kimpoint's application to amend the Statement of Claim and on 20 December 2006, Kimpoint filed notice of appeal. The appeal is pending hearing date to be fixed by the court. At this juncture, the Company's directors have been advised that there is an even chance of defending the matter.

(ii) On 10 July 2002, a subsidiary, namely, Bina Puri Construction Sdn Bhd ("BPCSB") filed its defence against a suit initiated by Sribuan Jaya Sdn Bhd ("Sribuan") in the Kota Kinabalu High Court for work done in respect of the construction of a school building. The claim is for the sum of RM775,961.17 and general damages to be assessed by the Court. Trial was conducted on 27 November 2006 and on 8 December 2006, judgement was delivered in favour of Sribuan. On 12 December 2006, BPCSB filed notice of appeal and an application for a stay of execution. The appeal is pending hearing date to be fixed by the court and the stay of execution has been fixed for mention on 7 May 2007. The directors have been advised that BPCSB has an even chance of defending this matter.

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

On 28 February 2005, the arbitration proceedings were proceeded upon by EP for the sum of RM17,002,760, general damages, interest and cost against BPSB and Kris Heavy and the continued proceedings were scheduled from 23 April to 28 April 2007, 28 May to 1 June 2007, 16 July to 27 July 2007, 22 August to 30 August 2007, 12 November to 23 November 2007 and 10 December to 14 December 2007. The directors have been advised that BPSB has an even chance of success.

(iv) Selesa Timur Sdn Bhd ("Selesa") brought an action against BPCSB for the sum of RM351,147.66 for non payment of contract claims. BPCSB has in turn filed a counter claim of RM94,569 against Selesa and had served further and better particulars to Selesa.

Case management has been fixed on 6 November 2007. At this juncture, the directors have been advised that BPCSB has an even chance of success.

40. 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.

2006	Construction RM'000	Property development RM'000	Polyol manufacturing RM'000	Quarry and ready mix concrete RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
REVENUE							
External sales	403,682	7,219	17,050	63,620	-	-	491,571
Inter-segment sales	359	217	18	2,606	-	(3,200)	-
Total revenue	404,041	7,436	17,068	66,226	-	(3,200)	491,571

2006	Construction RM'000	Property development RM'000	Polyol manufacturing RM'000	Quarry and ready mix concrete RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
RESULTS							
Segment operating profit/(loss)	9,656	563	204	2,202	(278)	(562)	11,785
Finance costs	(5,088)	-	(110)	(333)	(1,099)	1,099	(5,531)
Investment income	1,078	(10)	-	382	1,158	(2,187)	421
Share of results of associates	452	-	-	(718)	-	-	(266)
Profit before tax	6,098	553	94	1,533	(219)	(1,650)	6,409
Tax expense	426	(283)	(800)	(567)	(40)	36	(1,228)
Profit after tax	6,524	270	(706)	966	(259)	(1,614)	5,181
Minority interests	(34)	-	70	(96)	1	-	(59)
Net profit for the year	6,490	270	(636)	870	(258)	(1,614)	5,122
OTHER INFORMATION							
Segment assets	553,743	33,083	7,453	45,649	7,298	(39,792)	607,434
Associates	1,542	-	-	481	-	-	2,023
Other investments	1,372	1	-	35	3	-	1,411
Current tax assets	4,342	8	-	20	117	-	4,487
Deferred tax assets	-	-	1,200	-	-	-	1,200
Total assets	560,999	33,092	8,653	46,185	7,418	(39,792)	616,555

2006	Construction RM'000	Property development RM'000	Polyol manufacturing RM'000	Quarry and ready mix concrete RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
OTHER INFORMATION							
Segment liabilities	144,876	19,712	3,324	35,917	58,637	(87,740)	174,726
Borrowings	353,635	-	2,395	4,425	-	-	360,455
Government grant	-	-	101	-	-	-	101
Current tax liabilities	1,733	140	-	87	2	-	1,962
Deferred tax liabilities	639	-	-	24	-	-	663
Total liabilities	500,883	19,852	5,820	40,453	58,639	(87,740)	537,907
Capital expenditure	7,466	20	318	409	-	-	8,213
Depreciation and amortisation	6,751	12	680	1,204	1	(1)	8,647
Non-cash expenses other than depreciation	2,531	15	138	842	(1,030)	3,254	5,750

2005	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	382,973	21,060	15,665	45,070	-	-	464,768
Inter-segment sales	347	-	690	13,631	-	(14,668)	-
Total revenue	383,320	21,060	16,355	58,701	-	(14,668)	464,768
RESULTS							
Segment operating profit/(loss)	8,789	930	436	1,127	(3,376)	3,230	11,136
Finance costs	(5,521)	(2,340)	(159)	(371)	(74)	2,084	(6,381)
Investment income	865	-	-	-	-	(354)	511
Share of results of associates	75	-	-	(424)	-	-	(349)
Profit before tax	4,208	(1,410)	277	332	(3,450)	4,960	4,917
Tax expense	(3,666)	1,063	2,000	(1,059)	-	-	(1,662)
Profit after tax	542	(347)	2,277	(727)	(3,450)	4,960	3,255
Minority interests	70	593	(228)	364	-	-	799
Net profit for the year	612	246	2,049	(363)	(3,450)	4,960	4,054

2005	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	449,921	30,278	7,309	45,580	2,343	(44,264)	491,167
Associates	1,090	-	-	1,449	-	-	2,539
Other investments	1,340	-	-	165	-	-	1,505
Current tax assets	2,657	10	-	233	-	-	2,900
Deferred tax assets	-	-	2,000	-	-	-	2,000
Total assets	455,008	30,288	9,309	47,427	2,343	(44,264)	500,111
Segment liabilities	152,118	21,190	3,251	37,399	34,292	(68,436)	179,814
Borrowings	230,344	-	2,519	4,619	-	-	237,482
Current tax liabilities	5,308	-	-	45	-	-	5,353
Deferred tax liabilities	1,036	-	-	187	-	-	1,223
Total liabilities	388,806	21,190	5,770	42,250	34,292	(68,436)	423,872
Capital expenditure	9,969	-	215	169	-	-	10,353
Depreciation and amortisation	6,468	16	670	1,830	1,396	(1)	10,379
Non-cash expenses other than depreciation	6,454	840	119	599	2,617	(2,084)	8,545

(b) Secondary reporting - geographical segment

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

41. 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 2006 approximated their fair values except for other investments as stated below:

	Group		Company	
	Carrying amounts RM '000	**Fair values RM '000**	**Carrying amounts RM '000**	**Fair values RM '000**
Unquoted shares	787	*	348	*
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 without incurring excessive costs. These investments are carried at their original costs less allowance for diminution in value.

42. COMPARATIVE FIGURES

a) The following comparative figures of the Group and the Company have been restated arising from changes in accounting policies upon adoption of the revised FRS 101 and FRS 117.

(i) FRS 117, Leases

	Group		Company	
	As restated RM '000	**As previously reported RM '000**	**As restated RM '000**	**As previously reported RM '000**
Consolidated balance sheets at 31 December 2005				
Property, plant and equipment	63,777	66,030	19,726	20,377
Prepaid lease payments	2,253	-	651	-

(ii) FRS 101, Presentation of financial statements

	Group	
	As restated RM '000	As previously reported RM '000
Income statement for the year ended 31 December 2005		
Share of results of associates	(349)	(272)
Tax expense of associates	-	(77)

b) The following comparative figures of the Group and the Company have been restated to conform with the presentation of the current year.

	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 2005				
Land held for property development	16,362	10,257	6,105	-
Gross amount due from customers	64,606	70,711	5,548	11,653

43. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements of the Group and Company were authorised for issue by the board of directors on 23 April 2007.

Statement By Directors

In the opinion of the directors, the financial statements set out on pages 46 to 120 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 2006 and of their results and cash flows for the year then ended; and

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

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

DATO' MOHAMED FEISAL BIN IBRAHIM	**TAN SRI DATUK TEE HOCK SENG, JP**
Director	Director

23 April 2007

STATUTORY DECLARATION

I, Tan Sri Datuk Tee Hock Seng, JP, being the director primarily responsible for the financial management of Bina Puri Holdings Bhd, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 46 to 120 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 23 April 2007)
)
) TAN SRI DATUK TEE HOCK SENG, JP

Before me:

ROBERT LIM HOCK KEE (W092)
Commissioner for Oaths

Analysis of Shareholdings

as at 30 April 2007

Authorised Capital	:	RM100,000,000.00
Issued and Paid-up Capital	:	RM80,930,600.00
Class of Shares	:	Ordinary shares of RM1.00 each

List of Substantial Shareholders as per Register of Substantial Shareholders (excluding bare trustees)

	No. of Shares		% of Shares
Tan Sri Datuk Tee Hock Seng, JP	13,539,578	#	16.73
Jentera Jati Sdn. Bhd.	20,388,000	*	25.19
Dr. Tony Tan Cheng Kiat	9,078,902	*	11.22
Dato' Mohamed Feisal Bin Ibrahim	5,238,000		6.47
Henry Tee Hock Hin	4,834,768	*	5.97
Cheo Chet Lan @ Chow Sak Nam, KMN	4,200,884	*	5.19

includes beneficial interest held through nominee companies and indirect holding through Tee Hock Seng Holdings Sdn. Bhd.
* includes beneficial interest held through nominee company(ies).

Directors' Interest as per Register of Directors' Shareholdings

Name of Directors	Direct Interest	%	Deemed Interest	%
Dato' Mohamed Feisal Bin Ibrahim	5,238,000	6.47	-	-
Tan Sri Datuk Tee Hock Seng, JP	13,351,878 *	16.50	187,700 #	0.23
Dr. Tony Tan Cheng Kiat	9,078,902 *	11.22	-	-
Tee Hock Hin	4,833,768 *	5.97	-	-
Tay Hock Lee	1,596,707	1.97	-	-
Dato' Anad Krishnan A/L Muthusamy	10,000 *	0.01	-	-

* includes beneficial interest held through nominee company(ies).
# indirect holding through Tee Hock Seng Holdings Sdn. Bhd.

Distribution of Shareholdings as per Record of Depositors

Range of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	3	0.14	164	0.00
100 - 1,000	572	26.86	550,833	0.68
1,001 - 10,000	1,251	58.73	5,263,833	6.50
10,001 - 100,000	258	12.11	7,236,577	8.94
100,001 to less than 5% of issued shares	40	1.88	21,731,901	26.85
5% and above of issued shares	6	0.28	46,147,292	57.03
Total	2,130	100.00	80,930,600	100.00

Thirty Largest Shareholders

as at 30 April 2007

		No. of Shares	% of Shares
1.	Jentera Jati Sdn. Bhd.	12,088,000	14.94
2.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Dr. Tony Tan Cheng Kiat (861025)	8,400,000	10.38
3.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account for Jentera Jati Sdn. Bhd. (ITSB IB1005)	8,300,000	10.26
4.	Cimsec Nominees (Tempatan) Sdn. Bhd. Qualifier : CIMB for Tan Sri Datuk Tee Hock Seng, JP (PB Retail Banking)	8,234,878	10.18
5.	Dato' Mohamed Feisal Bin Ibrahim	5,238,000	6.47
6.	Henry Tee Hock Hin	4,186,414	5.17
7.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Tan Sri Datuk Tee Hock Seng, JP (100508)	2,850,000	3.52
8.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Cheo Chet Lan @ Chow Sak Nam, KMN (100528)	2,401,177	2.97
9.	Tan Sri Datuk Tee Hock Seng, JP	2,267,000	2.80
10.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Cheo Chet Lan @ Chow Sak Nam, KMN	1,756,707	2.17
11.	Tay Hock Lee	1,596,707	1.97
12.	Tee Hock Loo	1,243,707	1.54
13.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Qualifier : Pheim Asset Management Sdn. Bhd. for Employees Provident Fund	1,095,300	1.35
14.	Dr. Tony Tan Cheng Kiat	678,902	0.84
15.	ABB Nominee (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Tee Hock Hin (o/a Bina Jati Sdn. Bhd.-Tmn Midah)	648,354	0.80

	No. of Shares	% of Shares
16. Malini A/P Arulampalam	609,000	0.75
17. Toh Hee Chooy	600,000	0.74
18. Chang Yock Chai	585,000	0.72
19. Ang Beng Eng	541,077	0.67
20. TA Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Chong Khong Shoong	500,000	0.62
21. Chong Kooi Yoon @ Choong Kooi Yoon	494,470	0.61
22. Sai Yee @ Sia Say Yee	355,000	0.44
23. AllianceGroup Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Cheah Ban Seng (100469)	324,200	0.40
24. Wong Siew Keng	241,000	0.30
25. Hee Kah Pau	238,000	0.29
26. Kuan Ming Ling	215,877	0.27
27. Matthew Tee Kai Woon	200,100	0.25
28. Pacific Strike Sdn. Bhd.	197,200	0.24
29. Tee Hock Seng Holdings Sdn. Bhd.	187,700	0.23
30. Low Kok Chuan	173,000	0.21
Total	**66,446,770**	**82.10**

List Of Properties

Location	Description	Date of Acquisition	Tenure	Year Expiry	Land / Built-up Area	Age Building (years)	Existing Use	Book Value 31 Dec 06 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	9	Office	15,885
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	14	Guest House	1,156
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	14	Office	763
Master Title PM 279 Lot 52161 Mukim Batu District of Gombak Selangor Darul Ehsan	1 unit 2 1/2 storey shoplot	13 Nov 1997	Leasehold	2089	2,278 sq ft	14	Office	599
Unit 104, 105, 106 & 107 Block L Alamesra Plaza Permai Alamesra Sabah	2 storey shop cum office	18 Jan 2005	Leasehold	2098	18,331sq ft	2	Office	2,984
GM806/MI/4/34 PTK No. 34, TLET 4 BGN MI - Lot 5820 GM806/MI/4/35 PTK No. 35, TLET 4 BGN MI - Lot 5820 Mukim of Sri Rusa, Port Dickson	2 units condominium	1 Jan 1997	Freehold	-	1,992 sq ft	10	Guest House	348

Location	Description	Date of Acquisition	Tenure	Year Expiry	Land / Built-up Area	Age Building (years)	Existing Use	Book Value 31 Dec 06 RM'000
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	8	Tenanted	180
HS(M) 5918 No. 7439 HS(M) 5919 PT No.7440 Mukim Hulu Langat District of Hulu Langat State of Selangor	2 units Semi - detached Houses	27 May 2004	Freehold	-	303 Sq meter	3	Vacant	1,100
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	6	Vacant	400
HS (D) 23094 Lot No 1495 Mukim of Hulu Langat District of Ulu Langat Selangor Darul Ehsan	Granite deposit area	1 May 1990	Leasehold	2010	634 acres	-	Extracting of granite aggregates	213
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	986
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	301
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 22 June 2006, the Company obtained Shareholders' Mandate to allow the Group to enter into recurrent related party transactions of a revenue or trading nature.

In accordance with Section 4.1.5 of Practice Note No. 12/2001of the Bursa Malaysia Securities Berhad Listing Requirements, the details of recurrent related party transactions conducted during the financial year ended 31 December 2006 pursuant to the Shareholders' Mandate are disclosed as fallows:

Nature of transactions undertaken by Bina Puri Holdings Bhd and / or its subsidiaries	Related Parties	Transacting Parties	Value of Transactions RM'000
Purchase of air tickets (to facilitate air travel in the course of business, eg. travel to project sites)	Sea Travel and Tours Sdn Bhd, a company in which Director YBhg. Tan Sri Datuk Tee Hock Seng,JP and a member of his family collectively hold approximately 86.26% financial interest	(i) Bina Puri Holdings Bhd (ii) Bina Puri Sdn Bhd (iii) Bina Puri Construction Sdn Bhd (iv) Sungai Long Industries Sdn Bhd (v) Easy Mix Sdn Bhd (vi) Maskimi Polyol Sdn Bhd	239 204 303 85 1 54
Purchase of diesel	New Hoong Wah Holdings Sdn Bhd, a company in which Director Ybhg. Tan Sri Datuk Tee Hock Seng, JP has 50% financial interest	(i) Bina Puri Sdn Bhd (ii) Bina Puri Construction Sdn Bhd (iii) Sungai Long Industries Sdn Bhd (iv) Easy Mix Sdn Bhd (v) Bina Puri Machinery Sdn Bhd	930 100 1,991 17 240
Sale of ready-mix concrete	Perkasa Sutera Sdn Bhd, a company in which Director Ybhg. Dato' Mohamed Feisal Bin Ibrahim has approximately 70% financial interest	(i) Easy Mix Sdn Bhd	37

Group Corporate Directory

BINA PURI HOLDINGS BHD. (207184-X)
Wisma Bina Puri
88, Jalan Bukit Idaman 8/1
Bukit Idaman, 68100 Selayang
Selangor Darul Ehsan, Malaysia
Tel : (603) 6136 3333
Fax : (603) 6136 9999
Website : www.binapuri.com.my
E-mail : bphb@po.jaring.my

SUBSIDIARIES

BINA PURI SDN.BHD. (23296-X)
Wisma Bina Puri
88, Jalan Bukit Idaman 8/1
Bukit Idaman, 68100 Selayang
Selangor Darul Ehsan, Malaysia
Tel : (603) 6136 3333
Fax : (603) 6136 9999
E-mail : bpuri@po.jaring.my

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

BINA PURI CONSTRUCTION SDN.BHD (181471-P)
Kuala Lumpur Office
14 & 15, Jalan Bukit Idaman 8/1
Bukit Idaman, 68100 Selayang
Selangor Darul Ehsan, Malaysia
Tel : (603) 6137 8500
Fax : (603) 6137 8511
E-mail : bpcon@po.jaring.my

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

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

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

BINA PURI DEVELOPMENT SDN.BHD. (645395-X)
No 25, 1st Floor, Lot 311, Jalan Bukit Mata,
93100 Kuching, Sarawak, Malaysia
Tel : (6082) 248 766
Fax : (6082) 243 766
E-mail : bpdev@myjaring.net

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

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

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

MASKIMI VENTURE SDN.BHD. (377437-V)
Wisma Bina Puri
88, Jalan Bukit Idaman 8/1
Bukit Idaman, 68100 Selayang
Selangor Darul Ehsan, Malaysia
Tel : (603) 6136 3333
Fax : (603) 6136 9999
E-mail : bpuri@po.jaring.my

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

ASSOCIATED COMPANIES

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

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

OTHER COMPANY

IDEAL HEIGHTS PROPERTIES SDN.BHD. (127701-D)
No 1 & 2, Jalan Bukit Idaman 8/1
P.O. Box 20, Bukit Idaman
68100 Selayang, Selangor Darul Ehsan, Malaysia
Tel : (603) 6138 6102
Fax : (603) 6138 7890
E-mail : ihp@po.jaring.my

This Page Is Intentionally Left Blank

Proxy Form

BINA PURI HOLDINGS BHD

(207184-X)

Since 1975

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 Sixteenth 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 Tuesday, 5 June 2007 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 2006 and the Reports of Directors and Auditors thereon.		
2.	To re-elect YBhg. Dato' Mohamed Feisal Bin Ibrahim		
3.	To re-elect Mr. Tay Hock Lee		
4.	To re-elect En. Khalid Bin Sufat		
5.	To approve the final dividend of 3% less 27% income tax		
6.	To ratify and approve directors' annual fees of RM 243,000		
7.	To re-appoint Messrs Moores Rowland as Auditors of the Company and to authorise the Directors to fix their remuneration.		
	Special Business		
8.	Sea Travel and Tours Sdn. Bhd. and New Hoong Wah Holdings Sdn. Bhd.		
9.	Perkasa Sutera Sdn. Bhd.		
10.	Kumpulan Melaka Berhad		
11.	Proposed Amendments to the Articles of Association		

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

NO. OF SHARES HELD	

____
Signature (First or Sole Shareholder or Common Seal)

Dated this ________day of ___________2007

Notes :
1. A proxy may but need not be a member of the Company and the provision of Section 149 (1)(b) of the Act shall not apply to the Company.
2. If the appointor is a corporation, this form must be executed under its Common Seal or the hand of its attorney.
3. In the event the member duly executes the Form of Proxy but does not name any proxy, such member shall be deemed to have appointed the Chairman of the meeting as his proxy.
4. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting. The provision of Section 149 (1)(c) of the Act shall not apply to the Company.
5. Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
6. Where a member is an authorised nominee as defined under the Central Depositories Act, it may appoint 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.

Fold Here

AFFIX
STAMP

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

Fold Here

BINA PURI HOLDINGS BHD (207184X)

Wisma Bina Puri

88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang,

Selangor Darul Ehsan, Malaysia

Tel : 603 - 6136 3333 Fax : 603 - 6136 9999

E-mail : bphb@po.jaring.my

Website : www.binapuri.com.my