

BINA PURI HOLDINGS BHD

(Company No. 207184-X)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014**

	3 months ended		6 months ended	
	30-Jun-14 RM'000	30-Jun-13 RM'000	30-Jun-14 RM'000	30-Jun-13 RM'000
Revenue	272,606	256,236	543,424	529,913
Cost of sales	(257,530)	(239,668)	(512,804)	(498,177)
Gross profit	15,076	16,568	30,620	31,736
Other operating income	855	1,939	5,693	3,577
Administrative expenses	(12,972)	(14,362)	(26,030)	(26,479)
	2,959	4,145	10,283	8,834
Share of results in associates	886	499	923	778
Share of results in a jointly controlled entity	-	20	-	21
Investment income	111	105	403	283
Finance costs	(2,003)	(1,896)	(5,083)	(3,810)
Profit before taxation	1,953	2,873	6,526	6,106
Taxation	(558)	(1,123)	(1,928)	(2,075)
Profit for the period	1,395	1,750	4,598	4,031
Other comprehensive (loss)/income				
- Foreign currency translation	159	(67)	49	(163)
	1,554	1,683	4,647	3,868
Profit attributable to :				
Owners of the Company	2,125	1,599	3,292	3,172
Non-controlling interests	(730)	151	1,306	859
	1,395	1,750	4,598	4,031
Total comprehensive profit attributable to :				
Owners of the Company	2,279	1,534	3,195	3,043
Non-controlling interests	(725)	149	1,452	825
	1,554	1,683	4,647	3,868
Earnings per share (sen)				
- basic	1.23	1.25	1.96	2.51
- diluted	1.23	1.25	1.96	2.51

(The condensed consolidated comprehensive income statement should be read in conjunction with the audited financial statements for year ended 31 Dec 2013 and the accompanying explanatory notes attached to the interim financial statements)

BINA PURI HOLDINGS BHD

(Company No. 207184-X)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	30-Jun-14 RM'000 (Unaudited)	31-Dec-13 RM'000 (Audited)
Non-current assets		
Property, plant and equipment	108,194	107,010
Investment properties	107,658	103,638
Investment in associates	37,033	36,123
Other investments	7,309	7,309
Power plant under construction	18,539	7,764
Goodwill	13,585	13,585
Deferred tax assets	654	654
Total non-current assets	292,972	276,083
Current assets		
Inventories	6,280	5,417
Property development cost	97,439	100,290
Gross amount due from contract customers	235,571	197,780
Trade and other receivables	523,345	687,382
Tax recoverable	1,951	2,188
Fixed deposits with licensed banks	10,790	14,904
Cash and bank balances	35,369	55,692
Total current assets	910,745	1,063,653
Current liabilities		
Gross amount due to contract customers	15,060	16,185
Trade and other payables	396,261	498,217
Hire purchase payables	10,405	7,684
Bank borrowings	442,889	533,277
Tax payable	7,809	11,605
Total current liabilities	872,424	1,066,968
	38,321	(3,315)
	331,293	272,768
Equity		
Share capital	177,913	157,116
Reserves	16,482	13,417
Shareholders' funds	194,395	170,533
Non-controlling interests	15,667	14,215
Total equity	210,062	184,748
Non-current liabilities		
Hire purchase payables	7,470	9,508
Term loans	105,809	70,701
Deferred tax liabilities	7,952	7,811
Total non-current liabilities	121,231	88,020
	331,293	272,768
Net assets per share (RM)	1.0926	1.0854

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for year ended 31 Dec 2013 and the accompanying notes attached to the interim financial statements)

BINA PURI HOLDINGS BHD

(Company No. 207184-X)

Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

	Share capital RM'000	Share premium RM'000	Other capital reserves RM'000	Translation reserve RM'000	Employee share option reserve RM'000	Accumulated losses RM'000	Attributable to owners of the Company RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 January 2013	124,416	5,145	15,682	(2,065)	1,301	(9,099)	135,380	14,022	149,402
Total comprehensive income for the financial period	-	-	-	(1,025)	-	5,232	4,207	115	4,322
Acquisition of non-controlling interests	-	-	-	-	-	-	-	78	78
Grant of share options to employees	-	-	-	-	498	-	498	-	498
Dividends on ordinary shares	-	-	-	-	-	(1,997)	(1,997)	-	(1,997)
Issuance of ordinary shares	32,700	-	-	-	-	-	32,700	-	32,700
Share issuance expenses	-	(255)	-	-	-	-	(255)	-	(255)
Total transactions with owners	32,700	(255)	-	-	498	(1,997)	30,946	78	31,024
At 31 December 2013	157,116	4,890	15,682	(3,090)	1,799	(5,864)	170,533	14,215	184,748
Total comprehensive income for the financial period	-	-	-	(97)	-	3,292	3,195	1,452	4,647
Issuance of ordinary shares	20,797	-	-	-	-	-	20,797	-	20,797
Share issuance expenses	-	(130)	-	-	-	-	(130)	-	(130)
Total transactions with owners	20,797	(130)	-	-	-	-	20,667	-	20,667
At 30 June 2014	177,913	4,760	15,682	(3,187)	1,799	(2,572)	194,395	15,667	210,062

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for year ended 31 Dec 2013 and the accompanying notes attached to the interim financial statements)

BINA PURI HOLDINGS BHD

(Company No. 207184-X)

(Incorporated in Malaysia)

**CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014**

	30-Jun-14 RM'000	30-Jun-13 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before taxation	6,526	6,106
Adjustments for:		
Allowance for impairment loss receivables		
Depreciation	6,819	6,060
Interest expense	18,628	10,612
Interest income	(1,992)	(281)
Loss on disposal of property, plant and equipment	473	142
Property, plant and equipment written off	-	75
Share of results in:-		
- associates	(923)	(778)
- jointly controlled entity	-	(21)
Unrealised loss on foreign exchange	(520)	14
	<u>29,011</u>	<u>21,929</u>
Net changes in current assets	128,750	(75,461)
Net changes in current liabilities	(102,420)	(38,673)
	<u>55,341</u>	<u>(92,205)</u>
Interest paid	(18,162)	(9,992)
Tax paid	(5,455)	(3,426)
Net Operating Cash Flows	<u>31,724</u>	<u>(105,623)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Interest received	1,992	281
Dividend received	200	400
Proceeds from disposal of property, plant and equipment	42	222
Purchase of property, plant and equipment	(4,125)	(9,745)
Purchase of investment properties	(4,019)	(43,329)
Purchase of investment in associates	(200)	-
Payment of power plant construction cost	(10,775)	(4,355)
Release/(placement) of fixed deposits	3,654	5,253
Net Investing Cash Flows	<u>(13,231)</u>	<u>(51,273)</u>

**CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014 (Continued)**

	30-Jun-14 RM'000	30-Jun-13 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown/(repayment) of bank borrowings	(102,365)	95,196
Hire purchase interests paid	(466)	(620)
Repayment of hire purchase obligations	(3,390)	(3,077)
Proceeds from issuance of shares shares	20,667	6,586
Net Financing Cash Flows	(85,554)	98,085
NET CHANGE IN CASH AND CASH EQUIVALENTS	(67,061)	(58,811)
EFFECT OF CHANGES IN EXCHANGE RATE	(687)	2,127
CASH AND CASH EQUIVALENTS AT BEGINNING OF BEGINNING OF THE FINANCIAL PERIOD	5,591	38,160
CASH AND CASH EQUIVALENTS AT END OF OF THE FINANCIAL PERIOD	(62,157)	(18,524)
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Fixed deposits with licensed banks	10,790	10,695
Less: fixed deposits pledged to licensed banks	(10,790)	(10,695)
	-	-
Cash and bank balances	35,369	24,006
Bank overdrafts	(97,526)	(42,530)
	(62,157)	(18,524)

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for year ended 31 Dec 2013 and the accompanying notes attached to the interim financial statements)

Bina Puri Holdings Bhd
(Company No. 207184-X)
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NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirement of FRS 134 : Interim Financial Reporting and paragraph 9.22 of the Main Marketing Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2013.

A2. Accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2013, except for the adoption of the following new Financial Reporting Standards (FRS), amendment to FRS and IC Interpretations that are relevant to its operations:

FRS 127	Separate Financial Statements
FRS 132	Financial Instruments : Presentation
FRS 136	Impairment of Assets
FRS 132	Financial Instruments : recognition and measurement

Adoption of the above FRS did not have any impact on the financial statements of the Group.

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, MFRS.

The MFRS is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MRFS 141 Agriculture and Issues Committee Interpretation 15 Agreements for Construction of Real Estate.

Transitioning Entities will be allowed to defer adoption of the new MFRS; the Transitioning Entities would be required to adopt the new MFRS from annual periods beginning on or after 1 January 2015.

The Group falls within the scope definition of Transitioning Entities. The Transitioning Entities are given an option to defer adoption of the MFRSs framework. Transitioning Entities also includes those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1st January 2014.

Accordingly, the Group has chosen to defer the adoption of the MFRSs framework. The Group and the Company will prepare its first MFRSs financial statements using the MFRSs framework when the MFRSs framework is mandated by the MASB. For the financial year ending 31 December 2014, the Group will continue to prepare financial statements using Financial Reporting Standards.

A2. Accounting policies (continued)

IC Int 15 Agreements for the Construction of Real Estate

IC Int 15 establishes that the developer will have to evaluate whether control and significant risks and rewards of the ownership of work in progress can be transferred to the buyer as construction progresses before revenue can be recognised. The Group is currently assessing the impact of the adoption of this Interpretation.

A3. Seasonal or cyclical factors

The business operations of the Group were not significantly affected by seasonal or cyclical factors.

A4. Unusual items affecting assets, liabilities, equity, net income or cash flow

There were no significant unusual items that affect the assets, liabilities, equity, net income or cash flow during the quarter under review.

A5. Material Changes in estimates

There was no material changes in estimates of amounts reported in the prior interim periods of the current financial year or the previous financial period.

A6. Issuances, repurchases and repayments of debt and equity securities

There were no issuance and repayment of debts, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period except for the private placement of 20,797,000 new ordinary shares of RM1 each.

A7. Dividend paid

There was no dividend paid in the current quarter.

A8. SEGMENTAL ANALYSIS

The Group's operations comprise the following business segments:

- (i) Construction
- (ii) Property development
- (iii) Polyol manufacturing
- (iv) Quarry and ready mix concrete
- (v) Power supply

	Construction RM'000	Property development RM'000	Quarry and readymix concrete RM'000	Polyol RM'000	Power supply RM'000	Others RM'000	Group RM'000
30-Jun-14							
Revenue							
External customer	442,812	43,184	41,219	12,224	3,985	-	543,424
Inter-segment revenue	13,426		1,659			-	15,085
	<u>456,238</u>	<u>43,184</u>	<u>42,878</u>	<u>12,224</u>	<u>3,985</u>	<u>-</u>	<u>558,509</u>
Adjustments and eliminations							(15,085)
Consolidated revenue							<u>543,424</u>
Results							
Segment results	5,332	2,866	(86)	165	1,913	93	10,283
Investment income	102	301	-	-	-	-	403
Share of results in associates	181	151	591	-	-	-	923
Share of results in a jointly controlled entity	-						-
Finance costs	(3,212)	(1,380)	(298)	(117)	(76)		(5,083)
Consolidated profit before taxation	<u>2,403</u>	<u>1,938</u>	<u>207</u>	<u>48</u>	<u>1,837</u>	<u>93</u>	<u>6,526</u>

A8. SEGMENTAL ANALYSIS (continued)

	Construction RM'000	Property development RM'000	Quarry and readymix concrete RM'000	Polyol RM'000	Power supply RM'000	Others RM'000	Group RM'000
30-Jun-13							
Revenue							
External customer	428,807	42,550	44,263	9,760	4,533	-	529,913
Inter-segment revenue	30,039		1,177			-	31,216
	<u>458,846</u>	<u>42,550</u>	<u>45,440</u>	<u>9,760</u>	<u>4,533</u>	<u>-</u>	<u>561,129</u>
Adjustments and eliminations							(31,216)
Consolidated revenue							<u>529,913</u>
Results							
Segment results	3,621	949	2,457	43	1,706	58	8,834
Investment income	262	15	-	-	6	-	283
Share of results in associates	177	37	564	-	-	-	778
Share of results in a jointly controlled entity	21						21
Finance costs	(2,371)	(902)	(311)	(73)	(153)		(3,810)
Consolidated profit before taxation	<u>1,710</u>	<u>99</u>	<u>2,710</u>	<u>(30)</u>	<u>1,559</u>	<u>58</u>	<u>6,106</u>

A9. Material events subsequent to the end of the period

In the opinion of the directors, there has not arisen in the interval between the end of the current quarter and the date of the announcement, any item, transaction or event of a material and unusual nature likely to affect substantially the result of the Group.

A10. Changes in the composition of the Group

There were no material changes in the composition of the Group during the period under review.

A11. Changes in contingent liabilities or contingent assets

The changes in contingent liabilities since 31 December 2013 were as follows:

	18-Aug-14 RM'000	Changes RM'000	31-Dec-13 RM'000
Corporate guarantees given to licensed banks for credit facilities granted to associates	1,229,491	70,896	1,158,595

A12. Capital commitments

Authorised capital commitments not recognised in the interim financial statements as at 30 June 2014 are as follows:

	30-Jun-14 RM'000	31-Dec-13 RM'000
Approved and not contracted for :		
- construction of power plant in Sulawesi	12,461	23,236
Approved and contracted for :		
- property, plant and equipment	16,378	2,061

B : Additional notes to Bursa Malaysia Securities Berhad listing requirements**B1. Review of performance**

The Group recorded a revenue of RM272.6 million for the current quarter under review and RM543.4 million for the six months ended 30 June 2014 as compared to the previous corresponding period of RM256.2 million and RM529.9 million respectively.

The Group recorded a profit before tax of RM2.0 million for the current quarter under review and RM6.5 million for the six months ended 30 June 2014 as compared to the previous corresponding period of RM2.9 million and RM6.1 million respectively.

For the six months ended 30 June 2014, the construction division recorded revenue of RM456.2 million and profit before tax of RM2.4 million as compared to the previous corresponding period of RM458.8 million and RM1.8 million respectively. The decrease in revenue was mainly due to final stage of completion of some projects.

The property division recorded revenue of RM43.2 million and profit before tax of RM1.9 million for the six months ended 30 June 2014. This was mainly from sales of development properties for Main Place Residence in USJ 21, Puri Tower in Puchong, Laman Vila in Mont. Kiara North and Jesselton View in Kota Kinabalu.

B1. Review of performance (continued)

The quarry and ready mix concrete division recorded revenue of RM42.9 million and profit before tax of RM0.2 million as compared to the previous corresponding period of RM45.4 million and RM2.7 million respectively. The result of the division was affected by lower revenue and additional maintenance costs incurred in the 2nd quarter of 2014.

The polyol division recorded revenue of RM12.2 million and profit before tax of RM48,000 as compared to the previous corresponding period of RM9.8 million and incurred a loss of RM30,000 respectively.

The power supply division recorded revenue of RM4.0 million from the micro power service to PT Perusahaan Listrik Negara (State Electricity Company owned by Indonesia government) and profit before tax of RM1.8 million.

B2. Material changes in the quarterly results as compared with the immediate preceding quarter

During the quarter under review, the Group achieved revenue of RM272.6 million and profit of RM2.0 million as compared to the immediate preceding quarter of RM270.9 million and RM4.6 million respectively.

The performance for 2nd quarter of 2014 was affected by lower progress work due to final stage of completion of the projects and additional maintenance cost incurred by quarry division.

B3. Prospects

The Group will continue to focus on and develop its major business segments, which are in construction and property development. The current value of contract work in progress for the construction of several projects which include Melawati Mall in Gombak, Selangor, KK Times Square (Phase 2) and Pusat Pentadbiran Negeri Sabah both in Kota Kinabalu, Sabah and the facilities works (Package A and B) for Ampang Line Extension and supply of fabrication and delivery of Segmental Box Girders for Ampang Line Extension is approximately RM2.18 billion, which is expected to provide a steady stream of revenue for the Group over the next three (3) years.

For the property development business segment, the Group had launched several projects which include Jesselton View in Kota Kinabalu, Puri Tower in Puchong, Laman Villa in Mont Kiara North and Main Place Residence in USJ 21 and would continue with other developments in Klang Valley, Johor Bahru, Kota Bharu and East Malaysia with an estimated projected gross development value of RM3 billion. The above will contribute to a better profit margin for the Group in comparison to the construction business segment of the Group.

For other business segment, the Group had entered into an agreement with PT.PLN (Persero), Wilayah Sulawesi on 30 May 2012 to build and operate a mini hydro power plant with capacity of 4,200 KW in Sulawesi at an estimated development cost of US\$10 million. The tenure of the Power Purchase Agreement is 15 years effective from the date of commercial run of the power plant in 2015. The mini hydro operation is expected to contribute positively to the earnings of the Group for the financial year ending 31 December 2015 onwards. The Group has secured additional diesel power plants with total capacity of 11,000 KW in 2nd quarter of 2014 and the investment cost of approximately US\$5.5 million and expected to contribute positively to the earnings of the Group for the 2nd half of the financial year 2014.

In addition to the above, the Group is currently exploring other business opportunities that would contribute more recurring income to the Group in the future.

B4. Profit forecast or profit guarantee

The Group did not issue any profit forecast or profit guarantee in the current quarter or in the prior financial year.

B5. Taxation

	3 months ended		6 months ended	
	30-Jun-14	30-Jun-13	30-Jun-14	30-Jun-13
	RM'000	RM'000	RM'000	RM'000
Income tax				
- current year				
Malaysian income tax	361	956	1,528	1,718
Foreign income tax	80	152	308	332
- prior year				
Malaysian income tax	-	1	-	1
	441	1,109	1,836	2,051
Deferred taxation				
- current year	117	14	92	24
- prior year	-	-	-	-
	117	14	92	24
	558	1,123	1,928	2,075

The Group's effective tax rate was higher compared to the statutory taxation rate mainly due to certain non-tax deductible expenses.

B6. Status of corporate proposals

There were no pending corporate proposals except for the proposed private placement of up to 44,108,000 new ordinary shares of RM1.00 each, representing approximately 30% of the enlarged issued and paid-up share capital of the Company. The proposal had been approved by Bursa Malaysia and shareholders of the Company on 27 May 2013 and 28 June 2013 respectively.

The Company had successfully placed out 41,056,000 new Bina Puri Shares pursuant to the Private Placement, which raised a cumulative gross proceeds of approximately RM41.06 million as detailed in the table below. The Company has utilised the proceeds in the following manner:

	Amount raised from the Private Placement RM'000	Amount utilised RM'000	Amount unutilised RM'000
Working capital requirements	31,194	31,194	-
Repayment of bank borrowings	9,664	9,664	-
Expenses in relation to the Private Placement	198	198	-
Total	41,056	41,056	-

B7. Group borrowings and debt securities

The group borrowings as at 30 June 2014 were as follows:

	<----- 30 June 2014 ----->			31-Dec-13
	Repayable within next 12 months RM'000	Repayable after next 12 months RM'000	Total RM'000	Total RM'000
(i) Long term loans (secured)	9,013	64,026	73,039	36,952
(ii) Short term loans				
- secured	3,800	-	3,800	3,800
- unsecured	88,092		88,092	80,747
	91,892	-	91,892	84,547
(iii) Project financing (secured)	341,984	41,783	383,767	482,479
Total borrowings	442,889	105,809	548,698	603,978

The borrowings were denominated in the following currencies :-

	<----- 30 June 2014 ----->			31-Dec-13
	Secured RM'000	Unsecured RM'000	Total RM'000	Total RM'000
Ringgit Malaysia	416,759	88,092	504,851	569,184
United States Dollar	18,745	-	18,745	11,060
Brunei Dollar	25,102	-	25,102	23,734
	460,606	88,092	548,698	603,978

B8. Changes in material litigation

(i) EP Engineering Sdn Bhd (“EP”) v Bina Puri Sdn Bhd (“BPSB”) & Kris Heavy Engineering & Construction Sdn Bhd (“KH”) (Arbitration)

The nature of the proceeding is an Arbitration which has been instituted by EP against BPSB together with KH for an amount of RM16,834,453 together with interest thereon for loss and damages suffered by reason of KH’s repudiation of a subcontract which was awarded by KH to EP for the execution and completion of a Chilled Water Loop System in respect of the KLIA MAS Cargo Complex. BPSB denies the claim on the ground that there is no contract in existence between EP and BPSB and the alleged amount of loss and damage suffered was by reason of KH’s repudiation of the aforementioned subcontract.

EP has closed its case in the Arbitration proceeding. Directions have been given by the arbitrator to file written submissions. EP had applied for extension of time from the Arbitrator to file the submissions. Arbitrator had granted extension of time and parties are to file the final submissions by 14th January 2015.

BPSB has also entered into a settlement agreement with EP wherein EP has agreed with BPSB not to enforce any award, if any, which may be made by the arbitrator against BPSB.

B8. Changes in material litigation (continued)

EP Engineering Sdn Bhd (“EP”) v Bina Puri Sdn Bhd (“BPSB”) & Kris Heavy Engineering & Construction Sdn Bhd (“KH”) (Arbitration) (continued)

There is a more than average probability that the claim by EP against BPSB may be dismissed with cost. In the worst case scenario, BPSB will be liable to EP for the full amount awarded (if any) by the arbitrator against KH. The parties are presently filing their respective written submissions and on 14th January 2015, the arbitrator may fix a date for decision or clarification.

(ii) MDC Precast Industries Sdn Bhd (“MDC”) v Bina Puri Sdn Bhd (“BPSB”)

MDC is claiming for an amount of RM479,870 for goods which have been supplied and late payment interest of RM87,605. BPSB counter claimed, inter alia, that the goods delivered by MDC are defective and unfit for its purpose. BPSB avers that due to the defective goods supplied by MDC and the rejection of those defective goods by BPSB’s employer, BPSB had incurred an additional cost of RM1,642,336 for rectification works and accelerating of the work in order to complete the project.

On 25 May 2012, the High Court had granted MDC’s Summary Judgment but has further allowed a stay of execution of the judgment on the basis that BPSB has a plausible counterclaim against MDC. BPSB’s appeal against the Summary Judgment was allowed on 25 September 2012 and the High Court’s decision was set aside. MDC had appealed against the decision. The matter was fixed for a full trial on 3 June 2013, 5 June 2013 and 14 June 2013.

On 31 March 2014, after the full trial, the High Court had allowed only the principal sum of RM479,689.86 claimed by MDC, together with an interest of 5% per annum from the filing date of the writ of summons and the statement of claim until full realisation. However, the sum of RM87,604.97 being the contractual interest claimed by MDC was disallowed by the High Court. On the other hand, BPSB’s counter claim was dismissed with costs of RM20,000 to be paid by BPSB to MDC.

BPSB disagreed with the High Court’s decision and maintains that it has a good counter claim. As such, BPSB has lodged an appeal to the Court of Appeal on 15 April 2014. BPSB has also filed an application for stay of execution of the judgment on 21 April 2014. The Stay Application was dismissed on 25th June 2014. MDC had also filed an appeal to the Court of Appeal against part of the decisions of the High Court.

We have paid MDC the Judgment sum on 2nd June 2014.

The Court of Appeal have fixed 17th November 2014 for hearing of our Appeal.

There is a possibility BPSB’s counter claim be allowed with costs and that MDC’s claim be dismissed. The exposure of liabilities as a result of this would be the legal fees incurred in BPSB’s engagement of the solicitors to litigate this matter.

(iii) Bina Puri Pakistan (Private) Limited (“BPPPL”) v National Highway Authority of Pakistan (“NHA”)

BPPPL had filed an application under Section 20 of the Arbitration Act, 1940 of Pakistan to refer the disputes out of the unlawful termination of the concession agreement by NHA to arbitration in accordance with the terms of the said concession agreement and the Court in Pakistan in this regard had directed the parties to proceed with arbitration. First arbitration hearing of this matter has already taken place before the Hon’ble Arbitrators in Pakistan where BPPPL has claimed Pak Rupees 26,760,300,964 from NHA as damages (including loss of profit), cost and expenses.

B8. Changes in material litigation (continued)**Bina Puri Pakistan (Private) Limited (“BPPPL”) v National Highway Authority of Pakistan (“NHA”) (continued)**

10 out of 12 witnesses gave evidence on the hearing from 12 May 2014 until 16 May 2014 in Pakistan. The next hearing date is fixed on 15th September 2014 to continue with 2 more witnesses.

The estimated maximum exposure to liabilities is minimal as there is no counter-claim being filed by NHA against BPPPL. The exposure to liability would be in terms of cost and expenses incurred in bringing the matter to arbitration. There is also the commitment to the contractors and consultants engaged, both local and in Pakistan, for the project, to be settled. Based on facts of the case, BPPPL’s Pakistan lawyer is of the opinion that BPPPL has a strong case with a reasonable likelihood of success upon conclusion of arbitration proceedings leading to an award in BPPPL’s favour.

B9. Breakdown of realised and unrealised profits or losses of the Group

	30-Jun-14 RM'000	31-Dec-13 RM'000
Total retained profits/(accumulated losses)		
- realised	6,092	5,600
- unrealised	(6,953)	(9,044)
	(861)	(3,444)
Total share of retained profits/ (accumulated losses) of associates:		
- realised	1,691	982
- unrealised	-	-
	1,691	982
Total share of accumulated losses of jointly controlled entity		
- realised	(3,402)	(3,402)
- unrealised	-	-
	(3,402)	(3,402)
Total	(2,572)	(5,864)

B10. Dividend

No interim dividend has been declared for the financial period under review.

B11. Earnings per share

	3 months ended		6 months ended	
	30-Jun-14 '000	30-Jun-13 '000	30-Jun-14 '000	30-Jun-13 '000
(a) Basic earnings per share				
Profit after taxation attributable to owners of the Company (RM)	2,125	1,599	3,292	3,172
Weighted average number of ordinary shares (Unit):	172,828	128,394	167,618	126,521
Basic earnings per share (sen)	1.23	1.25	1.96	2.51

B11. Earnings per share

(b) Diluted earnings per share

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

B12. Audit report qualification

The financial statements of the Group for the year ended 31 December 2013 were not subject to any audit qualification.

B13. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with resolution of the Directors.