

BINA PURI HOLDINGS BHD(Company No. 207184-X)
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016**

	3 months ended		Year ended	
	30-Jun-16 RM'000	30-Jun-15 RM'000	30-Jun-16 RM'000	30-Jun-15 RM'000
Revenue	302,584	266,381	597,066	604,794
Cost of sales	(277,820)	(246,452)	(552,461)	(564,418)
Gross profit	24,764	19,929	44,605	40,376
Other operating income	1,938	1,428	5,886	3,959
Administrative expenses	(12,062)	(16,389)	(27,549)	(31,980)
	14,640	4,968	22,942	12,355
Share of results in associates	(739)	(29)	(2,143)	(634)
Investment income	23	786	66	1,315
Finance costs	(4,043)	(3,846)	(8,437)	(8,060)
Profit before taxation	9,881	1,879	12,428	4,976
Taxation	(3,300)	9	(4,117)	(643)
Profit for the period	6,581	1,888	8,311	4,333
Other comprehensive (loss)/income				
- Foreign currency translation	473	(517)	1,005	(954)
	7,054	1,371	9,316	3,379
Profit attributable to :				
Owners of the Company	902	1,306	1,714	2,545
Non-controlling interests	5,679	582	6,597	1,788
	6,581	1,888	8,311	4,333
Total comprehensive profit attributable to :				
Owners of the Company	1,380	789	2,884	1,615
Non-controlling interests	5,674	582	6,432	1,764
	7,054	1,371	9,316	3,379
Earnings per share (sen)				
- basic	0.39	0.67	0.73	1.27
- diluted	0.39	0.67	0.73	1.27

(The condensed consolidated comprehensive income statement should be read in conjunction with the audited financial statements for year ended 31 Dec 2015 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 2016

	30-Jun-16 RM'000 (Unaudited)	31-Dec-15 RM'000 (Audited)
Non-current assets		
Property, plant and equipment	168,234	175,182
Investment properties	205,112	205,112
Investment in associates	3,437	5,578
Other investments	6,998	7,069
Goodwill	14,585	14,585
Trade receivables	67,572	68,155
Land held for development	8,216	5,394
Total non-current assets	474,154	481,075
Current assets		
Inventories	22,058	27,427
Property development cost	221,865	205,467
Gross amount due from contract customers	273,788	296,841
Trade and other receivables	572,478	683,077
Tax recoverable	1,401	1,356
Fixed deposits with licensed banks	7,345	7,589
Cash and bank balances	48,342	81,006
Total current assets	1,147,277	1,302,763
Current liabilities		
Gross amount due to contract customers	24,480	20,511
Trade and other payables	608,547	721,457
Hire purchase payables	6,368	6,489
Bank borrowings	381,095	458,501
Tax payable	9,293	12,374
Total current liabilities	1,029,783	1,219,332
	117,494	83,431
	591,648	564,506
Equity		
Share capital	119,662	115,319
Treasury shares	(404)	(404)
Reserves	104,428	101,564
Shareholders' funds	223,686	216,479
Non-controlling interests	81,417	74,985
Total equity	305,103	291,464
Non-current liabilities		
Hire purchase payables	6,086	8,643
Term loans	200,462	183,417
Trade payables	67,960	68,536
Deferred tax liabilities	12,037	12,446
Total non-current liabilities	286,545	273,042
	591,648	564,506
Net assets per share (RM)	0.9347	0.9386

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for year ended 31 Dec 2015 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 2016**

	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Other capital reserves RM'000	Translation reserve RM'000	Employee share option reserve RM'000	Unappropriated profit RM'000	Attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2015	88,956		4,714	15,682	(4,603)	2,105	86,897	193,751	55,306	249,057
Total comprehensive income for the financial period	-		-	-	(3,550)	-	3,373	(177)	19,559	19,382
Non-controlling interest arising from additional shares issued by a subsidiary	-		-	-	-	-	-	-	120	120
Grant of share options to employees	-		-	-	-	1,277	-	1,277	-	1,277
Dividends on ordinary shares	-		-	-	-	-	(4,346)	(4,346)	-	(4,346)
Issuance of ordinary shares	24,264		227	-	-	-	-	24,491	-	24,491
Exercise of employee share options	2,099		349	-	-	(304)	-	2,144	-	2,144
Shares buy-back		(404)						(404)		(404)
Share issuance expenses	-		(257)	-	-	-	-	(257)	-	(257)
Total transactions with owners	26,363	(404)	319	-	-	973	(4,346)	22,905	120	23,025
At 31 Dec 2015	115,319	(404)	5,033	15,682	(8,153)	3,078	85,924	216,479	74,985	291,464
Total comprehensive income for the financial period					1,170		1,714	2,884	6,432	9,316
Issuance of ordinary shares	4,343		(20)	-	-	-	-	4,323	-	4,323
Dividends on ordinary shares							-	-		-
Total transactions with owners	4,343	-	(20)	-	-	-	-	4,323	-	4,323
At 30 June 2016	119,662	(404)	5,013	15,682	(6,983)	3,078	87,638	223,686	81,417	305,103

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for year ended 31 Dec 2015 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 2016**

	30-Jun-16 RM'000	30-Jun-15 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before taxation	12,428	4,976
Adjustments for:		
Allowance for impairment loss	-	15
Depreciation	6,964	6,607
Interest expense	18,837	16,920
Interest income	(2,093)	(1,385)
(Gain)/ Loss on disposal of property, plant and equipment	(1,328)	(229)
Property, plant and equipment written off	3	40
Loss on disposal of investments	71	559
Share of results in associates	2,143	634
Unrealised loss on foreign exchange	(807)	(1,143)
	<u>36,218</u>	<u>26,994</u>
Net changes in current assets	122,009	(54,072)
Net changes in current liabilities	(109,671)	21,219
	<u>48,556</u>	<u>(5,859)</u>
Interest paid	(18,467)	(16,549)
Tax paid	(7,326)	(6,325)
Net Operating Cash Flows	<u>22,763</u>	<u>(28,733)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Interest received	2,093	1,385
Shares buy-back	-	(202)
Proceeds from disposal of property, plant and equipment	3,641	625
Proceeds from disposal of other investment	-	93
Purchase of property, plant and equipment	(10,181)	(16,894)
Release/(placement) of fixed deposits	(548)	4,428
Net Investing Cash Flows	<u>(4,995)</u>	<u>(10,565)</u>

**CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016 (Continued)**

	30-Jun-16 RM'000	30-Jun-15 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown/(repayment) of bank borrowings	(39,731)	16,556
Hire purchase interests paid	(367)	(371)
Repayment of hire purchase obligations	(4,988)	(4,222)
Proceeds from issuance of shares shares	4,322	19,735
Net Financing Cash Flows	<u>(40,764)</u>	<u>31,698</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(22,996)	(7,600)
EFFECT OF CHANGES IN EXCHANGE RATE	9,627	(2,733)
CASH AND CASH EQUIVALENTS AT BEGINNING OF BEGINNING OF THE FINANCIAL PERIOD	<u>1,924</u>	<u>(10,539)</u>
CASH AND CASH EQUIVALENTS AT END OF OF THE FINANCIAL PERIOD	<u>(11,445)</u>	<u>(20,872)</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Fixed deposits with licensed banks	7,345	6,384
Less: fixed deposits pledged to licensed banks	(7,345)	(6,384)
	-	-
Cash and bank balances	48,342	52,770
Bank overdrafts	(59,787)	(73,642)
	<u>(11,445)</u>	<u>(20,872)</u>

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for year ended 31 Dec 2015 and the accompanying notes attached to the interim financial statements)

Bina Puri Holdings Bhd
(Company No. 207184-X)
(Incorporated in Malaysia)

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 2015.

A2. Accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2015.

The new / revised accounting standards, amendments to standards and interpretations that came to effect during the financial year do not have significant financial impact on the results of the Group.

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

The MFRSs Framework is mandatory for adoption 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 MFRS 141 *Agriculture* and/or MFRS 15 *Revenue from Contracts with Customers* ("Transitioning Entities"). The Transitioning Entities are given an option to defer the adoption of MFRSs Framework. Transitioning Entities also include 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 1 January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework. As such, the Group and the Company will prepare their first MFRSs financial statements using the MFRSs framework for financial year ended 31 December 2018.

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 cancellations and resale of treasury shares for the current financial period.

During the period under review, the company issued 8,684,800 new ordinary shares of RM0.50 each at the average issued price at RM0.50 per share.

As at 30 June 2016, out of the total 239,323,650 issued and fully paid ordinary shares, 790,000 shares were held as treasury shares at the purchase price from RM0.47 to RM0.56 per share. The share buyback were financed by internal generated funds.

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 investment and development
- (iii) Polyol manufacturing
- (iv) Quarry and ready mix concrete
- (v) Power supply

	Construction RM'000	Property investment and development RM'000	Quarry and readymix concrete RM'000	Polyol RM'000	Power supply RM'000	Others RM'000	Group RM'000
30-Jun-16							
Revenue							
External customer	509,185	39,640	40,243	185	7,813	-	597,066
Inter-segment revenue	-		12			-	12
	<u>509,185</u>	<u>39,640</u>	<u>40,255</u>	<u>185</u>	<u>7,813</u>	<u>-</u>	<u>597,078</u>
Adjustments and eliminations							(12)
Consolidated revenue							<u>597,066</u>
Results							
Segment results	4,903	17,474	(1,172)	(406)	3,770	22	24,591
Adjustments and eliminations							(1,649)
							<u>22,942</u>
Investment income	66	-	-	-	-	-	66
Share of results in associates	(442)	345	977	-	-	(3,023)	(2,143)
Finance costs	(3,975)	(4,608)	(376)	(74)	(1,053)		(10,086)
Adjustments and eliminations							1,649
Consolidated profit before taxation	<u>552</u>	<u>13,211</u>	<u>(571)</u>	<u>(480)</u>	<u>2,717</u>	<u>(3,001)</u>	<u>12,428</u>

A8. SEGMENTAL ANALYSIS (continued)

30-Jun-15	Construction RM'000	Property investment and development RM'000	Quarry and readymix concrete RM'000	Polyol RM'000	Power supply RM'000	Others RM'000	Group RM'000
Revenue							
External customer	513,149	30,349	47,377	6,635	7,284	-	604,794
Inter-segment revenue	-		-			-	-
	<u>513,149</u>	<u>30,349</u>	<u>47,377</u>	<u>6,635</u>	<u>7,284</u>	<u>-</u>	<u>604,794</u>
Adjustments and eliminations							-
Consolidated revenue							<u>604,794</u>
Results							
Segment results	6,058	5,978	(835)	(137)	1,232	59	12,355
Adjustments and eliminations							-
							<u>12,355</u>
Investment income	31	1,284	-	-	-	-	1,315
Share of results in associates	(166)	380	366	-	-	(1,214)	(634)
Finance costs	(4,316)	(2,881)	(371)	(87)	(405)		(8,060)
Consolidated profit before taxation	<u>1,607</u>	<u>4,761</u>	<u>(840)</u>	<u>(224)</u>	<u>827</u>	<u>(1,155)</u>	<u>4,976</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 2015 were as follows:

	23-Aug-16 RM'000	Changes RM'000	31-Dec-15 RM'000
Corporate guarantees given to licensed banks for credit facilities granted to associates	171,766	(6,485)	178,251

A12. Capital commitments

Authorised capital commitments not recognised in the interim financial statements as at 30 June 2016 are as follows:

	30-Jun-16 RM'000	31-Dec-15 RM'000
Approved and not contracted for :		
- construction of power plant in Sulawesi	-	14,000
Approved and contracted for :		
- property, plant and equipment	6,619	1,708

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

The Group recorded revenue of RM597.1 million for the six months ended 30 June 2016 as compared to the previous corresponding period of RM604.8 million

The Group recorded a profit before tax of RM12.4 million for the six months ended 30 June 2016 as compared to the previous corresponding year of RM5.0 million.

For the six months ended 30 June 2016, the construction division recorded revenue of RM509.2 million and profit before tax of RM0.6 million as compared to the previous corresponding period of RM513.1 million and RM1.6 million respectively. The result was mainly attributable to progressive profit recognised from projects secured, which include Rapid Steam Cracker Complex and Main Control building and laboratory building and 2 Blocks of 23 storey office Building in Johor, Movenpick Hotel Resort in Terengganu, Pusat Pentadbiran Negeri Sabah in Kota Kinabalu, Sabah, LKIM Fishery Complex in Kuching, Sarawak, Melawati Mall in Kuala Lumpur, Malaysian Embassy in Moscow, Russia and 1000 units Housing at Kg. Lugu, Brunei.

B1. Review of performance (continued)

The property division recorded revenue of RM39.6 million and profit before tax of RM13.2 million for the period ended 30 June 2016 as compared to the previous corresponding period of RM30.3 million and RM4.8 million respectively. This was mainly contributed from sales of development properties for Main Place Residence in USJ 21, The Opus at Jalan Tallala in Kuala Lumpur, Laman Vila in Mont. Kiara North, Jesselton View and One Jesselton in Kota Kinabalu.

The quarry and ready mix concrete division recorded revenue of RM40.3 million and loss before tax of RM0.6 million as compared to the previous corresponding period of RM47.4 million and RM0.8 million respectively. The quarry division's result was affected by lower pricing but the ready-mix concrete has recorded higher sales with operation in Klang Valley and Melaka.

The power supply division recorded revenue of RM7.8 million from the supply of electricity power to PT Perusahaan Listrik Negara (State Electricity Company owned by Indonesia government) and profit before tax of RM2.7 million as compared to the previous corresponding period of RM7.3 million and RM0.8 million respectively. The improved performance was mainly contributed from the new diesel power plants supply contract secured and in operation and the mini hydro power plant with capacity of 4,200 KW in Sulawesi has commenced operation in June 2016.

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

During the quarter under review, the Group recorded revenue of RM302.6 million and profit before tax of RM9.9 million as compared to the immediate preceding quarter of RM294.5 million and RM2.5million respectively. The profit before tax for the current quarter under review was mainly contributed from sales of development properties for Main Place Residence in USJ 21.

As at 30 June 2016, the final accounts mediation with Malaysia Airports Holdings Berhad with regards to the construction works carried out by UEMC-Bina Puri JV have been resolved and brought to satisfactory closure.

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 civil work for Rapid Steam Cracker Complex and Main Control building and laboratory building and 2 Blocks of 23 storey office building in Johor, Movenpick Hotel Resort in Terengganu, Bonus Regional Sewerage Treatment in Kuala Lumpur, Melawati Mall in Gombak, Selangor, Pusat Pentadbiran Negeri Sabah in Kota Kinabalu, Sabah, LKIM Fishery Complex in Kuching, Sarawak, Malaysian Embassy in Moscow, Russia and 1000 units Housing at Kg. Lugu, Brunei approximately RM2 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, several projects were launched which include The Opus at Jalan Tallala, and One Jesselton in Kota Kinabalu, Sabah. The Group would continue with other developments projects in Klang Valley, Johor Bahru, Pahang and East Malaysia with an estimated projected gross development value of RM3 billion. The above is expected to contribute 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. The tenure of the Power Purchase Agreement is 20 years effective from the date of commercial run of the power plant in June 2016.

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		Year ended	
	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
	RM'000	RM'000	RM'000	RM'000
Income tax				
- current year				
Malaysian income tax	2,603	75	3,120	695
Foreign income tax	879	281	1,187	281
- prior year				
Malaysian income tax	-	-	-	(1)
	3,482	356	4,307	975
Deferred taxation				
- current year	(182)	(365)	(190)	(332)
- prior year	-	-	-	-
	(182)	(365)	(190)	(332)
	3,300	(9)	4,117	643

B6. Status of corporate proposals

There were no pending corporate proposals except for:

1. The proposed private placement of up to 24,234,570 new shares, representing approximately ten percent (10%) of the enlarged issued and paid-up share capital of the Company (excluding treasury shares, if any).

The proposal had been approved by Bursa Malaysia and shareholders of the Company on 30 June 2015 and 17 June 2015 respectively. The Private Placement is deemed completed on 29 June 2016 pursuant to the deadline for the implementation of the Private Placement under the extension of time granted by Bursa Securities until 29 June 2016 vide its approval letter dated 15 December 2015 to complete the Private Placement.

As at 30 June 2016, the Company had successfully placed out 21,684,800 new Bina Puri Shares pursuant to the Private Placement, which raised cumulative gross proceeds of approximately RM10.8 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	8,716	8,716	-
Repayment of bank borrowings	2,049	2,049	-
Expenses in relation to the Private Placement	77	77	-
Total	10,842	10,842	-

2. The proposed listing of the indirect subsidiary, PT Megapower Makmur Tbk of which the application has been submitted to the Indonesia Stock Exchange on 18 April 2016 and pending approval.

B7. Group borrowings and debt securities

The group borrowings as at 30 June 2016 were as follows:

	<----- 30 June 2016 ----->			31-Dec-15
	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)	19,097	175,804	194,901	202,043
(ii) Short term loans				
- secured	2,900	-	2,900	3,400
- unsecured	70,339	-	70,339	75,916
	73,239	-	73,239	79,316
(iii) Project financing (secured)	288,759	24,658	313,417	360,559
Total borrowings	381,095	200,462	581,557	641,918

The borrowings were denominated in the following currencies :-

	<----- 30 June 2016 ----->			31-Dec-15
	Secured RM'000	Unsecured RM'000	Total RM'000	Total RM'000
Ringgit Malaysia	437,286	70,339	507,625	552,801
United States Dollar	52,697	-	52,697	61,292
Brunei Dollar	21,235	-	21,235	27,825
	511,218	70,339	581,557	641,918

B8. Changes in material litigation

1. EP Engineering Sdn. Bhd. ("EP") v Bina Puri Sdn Bhd ("BPSB") & Kris Heavy Engineering & Construction Sdn. Bhd. ("KH") (Arbitration)

Arbitration proceedings were instituted by EP against BPSB and KH for RM16,834,453 plus interest thereon for loss and damages suffered by reason of KH's repudiation of a subcontract which was awarded by KH to EP to construct the Chilled Water Loop System at the KLIA MAS Cargo Complex. BPSB denies the claim as there is no contract in existence between EP and BPSB. 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 their written submissions.

EP had duly filed their written submissions. KH requested for an extension of time to file their Reply and the Arbitration has granted KH's request up to 31 May 2016 and further requested for extension up to 30 August 2016 which was approved by arbitrator.

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

There is a more than average probability that the claim by EP against BPSB may be dismissed with cost.

B8. Changes in material litigation (continued)

2. 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.

The Court in Pakistan 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 Pakistani Rupee (PKR) 26,760,300,964 (RM950 million approximately based on PKR28.2 to RM1) from NHA as damages (including loss of profit), interest, cost and expenses.

Arbitration proceedings continued from 12 May 2014 until 16 May 2014 in Pakistan. The hearing which was scheduled on 17 November 2014 was adjourned to 26 February 2015 as one of the witnesses was unwell.

The hearing proceeded on 29 January 2016 and further fixed for continue hearing on 26 February 2016. Cross-examination of our witnesses was concluded on 2 April 2016. The arbitration proceedings is completed, pending parties to submit their transcripts and written arguments before award to be delivered by the Arbitrator.

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, including commitment to the contractors and consultants engaged, both local and in Pakistan.

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.

3. Keller (M) Sdn Bhd (“Keller”) v Ong Leong Chou & 3 Ors

Keller initiated court action against the Defendants (including Bina Puri Holdings Bhd (“BPHB”) as the 4th defendant) to claim for sub-structure related work done in respect of Melawati Mall Project. Keller is claiming against BPHB for sums amounting to approximately RM2.66 million (RM717,721.96 allegedly owed under a direct payment and a retention sum of RM1.94 million).

BPHB denies the claim as there is no contract in existence between Keller and BPHB. The alleged amount of loss suffered was by reason of Keller’s subcontract with other Defendants.

The trial commenced on 24 March 2016 and resumed on 28 April 2016, 4 May 2016, 5 May 2016 and 6 May 2016. Trial continued on 16 August 2016 to 18 August 2016 and further fixed on 28 and 29 September 2016.

According to BPHB’s Solicitors, it is unlikely that Keller will succeed in their claim against BPHB.

B8. Changes in material litigation (continued)

4. Bina Puri Holdings Bhd (“BPHB”) v View Esteem Sdn Bhd (“VESB”)

BPHB initiated court action against VESB on 28 May 2013 for a sum of RM12,860,689.02 for payment of Interim Certificates Nos. 23 to 26R and was awarded the sum of RM8,809,769.87. The total award together with interest is RM8.92 million.

BPHB initiated action against VESB under the Construction Industry Payment & Adjudication Act 2012 (CIPAA) on 16 June 2015 and was awarded by the Adjudicator the sum of RM15,459,856.06. The total award together with interest is RM17.3 million.

So far BPHB has received total judgement sum of RM26.22 million together with interest from the above 2 judgements.

VESB appealed to the Court of Appeal against the above decision from High Court, amongst others, allowing the registration of the Adjudication Decision (“Appeal”). The Appeal is fixed for hearing on 30 May 2016. The Court of Appeal dismissed View Esteem’s Appeal with cost of RM20,000.00 on 22 August 2016.

BPHB served another Notice of Adjudication on 13 January 2016 against VESB under the CIPAA for the sum of RM4,625,000.00 being payment of second half of the retention sum. On 13 July 2016, adjudicator has awarded BPHB the claims of RM4.625 million together with interest. The total award together with interest is RM5.039 million.

As payment has not been received by BPHB by 28 July 2016 as directed by Adjudicator, BPHB has served winding up notice under S.218 against VESB. On 16 August 2016, View Esteem filed an application to amongst others, stay and set aside the adjudication decision of 13 July 2016.

On 17 August 2016, the Court granted an *ad interim* injunction to View Esteem with condition that View Esteem is to place the sums awarded by the Adjudicator with View Esteem’s solicitors in an interest bearing account, as stakeholders, within 14 days from 17 August 2016.

The case is fixed for *inter partes* hearing of the application to set aside the Adjudication Decision and injunction by View Esteem on 19 October 2016.

5. View Esteem Sdn Bhd (“VESB”) v Bina Puri Holdings Bhd (“BPHB”) (“Arbitration”)

VESB initiated actions against BPHB for, amongst others, breach of contract, negligence, encroachment of neighbouring boundaries and loss of reputation at Kuala Lumpur High Court (“Court Proceedings”). BPHB has counterclaimed against VESB for sums remain unpaid under progress claim no.28 and all other sums for undervalued works, but it was subsequently stayed by the Court for reference to arbitration.

By notice of arbitration dated 31 July 2015, VESB commenced an arbitration proceeding which includes undetermined issues in the Court Proceedings. VESB is due to submit its Statement of Case on 9 June 2016 but subsequently was granted an extension of time to file on 23 June 2016. BPHB thereafter filed its Defence and Counterclaim on 18 August 2016. VESB is due to submit its Reply to Defence on 1 September 2016.

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

	30-Jun-16 RM'000	31-Dec-15 RM'000
Total retained profits/(accumulated losses)		
- realised	41,193	44,893
- unrealised	79,186	72,506
	120,379	117,399
Total share of retained profits/ (accumulated losses) of associates:		
- realised	(29,339)	(28,073)
- unrealised	-	-
	(29,339)	(28,073)
Total share of accumulated losses of jointly controlled entity		
- realised	(3,402)	(3,402)
- unrealised	-	-
	(3,402)	(3,402)
Total	87,638	85,924

B10. Dividend

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

B11. Earnings per share

	3 months ended		Year ended	
	30-Jun-16 '000	30-Jun-15 '000	30-Jun-16 '000	30-Jun-15 '000
(a) Basic earnings per share				
Profit after taxation attributable to owners of the Company (RM)	902	1,306	1,714	2,545
Weighted average number of ordinary shares (Unit):	233,357	194,184	234,313	199,877
Basic earnings per share (sen)	0.39	0.67	0.73	1.27

(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 2015 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.