

**BINA PURI HOLDINGS BHD**(Company No. 207184-X)  
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

	<b>3 months ended</b>		<b>Year ended</b>	
	31-Dec-16 RM'000	31-Dec-15 RM'000	31-Dec-16 RM'000	31-Dec-15 RM'000
Revenue	207,252	428,068	1,046,859	1,227,939
Cost of sales	(189,563)	(385,365)	(961,323)	(1,123,760)
Gross profit	17,689	42,703	85,536	104,179
Other operating income	14,305	35,515	23,355	43,106
Administrative expenses	(13,224)	(36,674)	(54,729)	(84,604)
	18,770	41,544	54,162	62,681
Share of results in associates	(1,447)	(9,451)	(7,548)	(11,030)
Finance costs	(5,959)	(4,421)	(19,613)	(15,913)
Profit before taxation	11,364	27,672	27,001	35,738
Taxation	(6,497)	(10,754)	(13,589)	(12,867)
Profit for the period	4,867	16,918	13,412	22,871
Other comprehensive (loss)/income				
- Foreign currency translation	(981)	516	(729)	(3,489)
	3,886	17,434	12,683	19,382
<b>Profit attributable to :</b>				
Owners of the Company	756	(389)	1,043	3,373
Non-controlling interests	4,111	17,307	12,369	19,498
	4,867	16,918	13,412	22,871
<b>Total comprehensive profit attributable to :</b>				
Owners of the Company	(371)	(81)	90	(177)
Non-controlling interests	4,257	17,515	12,593	19,559
	3,886	17,434	12,683	19,382
<b>Earnings per share (sen)</b>				
- basic	0.31	-0.20	0.44	1.60
- diluted	0.31	-0.20	0.44	1.60

(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 31 DECEMBER 2016

	31-Dec-16 RM'000 (Unaudited)	31-Dec-15 RM'000 (Audited)
<b>Non-current assets</b>		
Property, plant and equipment	188,347	175,182
Investment properties	205,112	205,112
Investment in associates	(4,250)	5,578
Other investments	4,001	7,069
Goodwill	14,585	14,585
Trade receivables	52,228	68,155
Land held for development	8,484	5,394
<b>Total non-current assets</b>	468,507	481,075
<b>Current assets</b>		
Inventories	19,409	27,427
Property development cost	232,688	205,467
Gross amount due from contract customers	297,302	296,841
Trade and other receivables	622,585	683,077
Tax recoverable	1,305	1,356
Fixed deposits with licensed banks	12,030	7,589
Cash and bank balances	59,877	81,006
<b>Total current assets</b>	1,245,196	1,302,763
<b>Current liabilities</b>		
Gross amount due to contract customers	55,113	20,511
Trade and other payables	596,037	721,457
Hire purchase payables	6,125	6,489
Bank borrowings	433,318	458,501
Tax payable	18,045	12,374
<b>Total current liabilities</b>	1,108,638	1,219,332
	136,558	83,431
	605,065	564,506
<b>Equity</b>		
Share capital	121,437	115,319
Treasury shares	-	(404)
Reserves	101,497	101,564
Shareholders' funds	222,934	216,479
Non-controlling interests	81,496	74,985
<b>Total equity</b>	304,430	291,464
<b>Non-current liabilities</b>		
Hire purchase payables	4,611	8,643
Term loans	209,320	183,417
Trade payables	74,164	68,536
Deferred tax liabilities	12,540	12,446
<b>Total non-current liabilities</b>	300,635	273,042
	605,065	564,506
<b>Net assets per share (RM)</b>	0.9179	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 31 DECEMBER 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					(954)		1,043	89	12,593	12,682
Issuance of ordinary shares	6,118		(156)	-	-	-	-	5,962	-	5,962
Disposal of treasury shares		404						404		404
Acquisition of non-controlling interest								-	(6,082)	(6,082)
Total transactions with owners	6,118	404	(156)	-	-	-	-	6,366	(6,082)	284
At 31 December 2016	121,437	-	4,877	15,682	(9,107)	3,078	86,967	222,934	81,496	304,430

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)

**CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

	31-Dec-16 RM'000	31-Dec-15 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit before taxation	27,001	35,738
Adjustments for:		
Allowance for impairment loss	-	7,062
Change in fair value of investment properties	-	(23,494)
Depreciation	15,344	13,818
Dividend income		(207)
Interest expense	37,697	38,292
Interest income	(4,723)	(4,463)
(Gain)/ Loss on disposal of property, plant and equipment	(2,278)	(901)
(Gain)/ Loss on disposal of investment properties		(374)
Net effect of unwinding of interest from discounting		(702)
Property, plant and equipment written off	41	17
Remeasurement of previously stakes to fair value		733
Impact of changes from associate to subsidiary		(243)
Loss on disposal of investments	71	76
Share of results in associates	7,548	11,030
Share options granted under ESOS		1,277
Unrealised loss on foreign exchange	(1,935)	645
	<u>78,766</u>	<u>78,304</u>
Net changes in current assets	60,372	(261,018)
Net changes in current liabilities	(85,345)	236,283
	<u>53,793</u>	<u>53,569</u>
Interest paid	(37,020)	(37,380)
Tax paid	(7,762)	(5,375)
Net Operating Cash Flows	<u>9,011</u>	<u>10,814</u>

**CONDENSED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016 (Continued)**

CASH FLOW FROM INVESTING ACTIVITIES:	31-Dec-16 RM'000	31-Dec-15 RM'000
Acquisition of subsidiary		(495)
Acquisition of associate		(900)
Interest received	4,723	4,463
Dividend received	200	207
Subscription of shares by non-controlling interest	(6,082)	120
Proceeds from disposal of property, plant and equipment	60,714	5,637
Proceeds from disposal of investment properties		661
Proceeds from disposal of other investment	(4)	129
Proceeds from disposal of treasury shares	384	-
Purchase of treasury shares		(404)
Purchase of property, plant and equipment	(75,010)	(13,015)
Purchase of investment properties		(1,793)
Release/(placement) of fixed deposits	(4,770)	4,253
Net Investing Cash Flows	<u>(19,845)</u>	<u>(1,137)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown/(repayment) of bank borrowings	10,334	3,488
Hire purchase interests paid	(676)	(912)
Repayment of hire purchase obligations	(8,056)	(7,794)
Dividend paid to shareholders of the Company		(4,346)
Proceeds from issuance of shares shares	5,961	26,378
Net Financing Cash Flows	<u>7,563</u>	<u>16,814</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,271)	26,491
EFFECT OF CHANGES IN EXCHANGE RATE	(10,706)	(14,028)
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>(12,053)</u>	<u>1,924</u>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Fixed deposits with licensed banks	12,030	7,589
Less: fixed deposits pledged to licensed banks	(12,030)	(7,062)
	<u>-</u>	<u>527</u>
Cash and bank balances	59,877	81,006
Bank overdrafts	(71,930)	(79,609)
	<u>(12,053)</u>	<u>1,924</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)

## **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 for the current financial period except for:

- During the period under review, the Company issued 12,234,800 new ordinary shares of RM0.50 each at the average issued price ranging from RM0.50 to RM0.51 per share.
- During the financial year, the Company sold 790,000 treasury share for a total consideration of RM387,100.

**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

<b>31-Dec-16</b>	<b>Construction</b> RM'000	<b>Property investment and development</b> RM'000	<b>Quarry and readymix concrete</b> RM'000	<b>Polyol</b> RM'000	<b>Power supply</b> RM'000	<b>Others</b> RM'000	<b>Group</b> RM'000
<b>Revenue</b>							
External customer	847,643	90,068	89,204	1,468	18,476	-	1,046,859
Inter-segment revenue	-		12			-	12
	<u>847,643</u>	<u>90,068</u>	<u>89,216</u>	<u>1,468</u>	<u>18,476</u>	<u>-</u>	<u>1,046,871</u>
Adjustments and eliminations							(12)
Consolidated revenue							<u>1,046,859</u>
<b>Results</b>							
Segment results	16,177	32,481	(3,119)	(1,140)	9,600	163	54,162
Adjustments and eliminations							-
							<u>54,162</u>
Share of results in associates	(954)	460	(18)	-	-	(7,036)	(7,548)
Finance costs	(9,617)	(8,621)	(728)	(101)	(2,712)		(21,779)
Adjustments and eliminations							2,166
Consolidated profit before taxation	<u>5,606</u>	<u>24,320</u>	<u>(3,865)</u>	<u>(1,241)</u>	<u>6,888</u>	<u>(6,873)</u>	<u>27,001</u>



**A8. SEGMENTAL ANALYSIS (continued)**

<b>31-Dec-15</b>	<b>Construction</b> RM'000	<b>Property investment and development</b> RM'000	<b>Quarry and readymix concrete</b> RM'000	<b>Polyol</b> RM'000	<b>Power supply</b> RM'000	<b>Others</b> RM'000	<b>Group</b> RM'000
<b>Revenue</b>							
External customer	1,025,455	80,540	94,844	11,396	15,704	-	1,227,939
Inter-segment revenue	5,767		9,186			-	14,953
	<u>1,031,222</u>	<u>80,540</u>	<u>104,030</u>	<u>11,396</u>	<u>15,704</u>	<u>-</u>	<u>1,242,892</u>
Adjustments and eliminations							(14,953)
Consolidated revenue							<u>1,227,939</u>
<b>Results</b>							
Segment results	18,123	46,096	(1,245)	(252)	4,976	(29)	67,669
Adjustments and eliminations							(4,988)
							<u>62,681</u>
Share of results in associates	(220)	712	366	-	-	(11,888)	(11,030)
Finance costs	(10,380)	(9,693)	(686)	(171)	(788)		(21,718)
Elimination							5,805
Consolidated profit before taxation	<u>7,523</u>	<u>37,115</u>	<u>(1,565)</u>	<u>(423)</u>	<u>4,188</u>	<u>(11,917)</u>	<u>35,738</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:

	22-Feb-17 RM'000	Changes RM'000	31-Dec-15 RM'000
Corporate guarantees given to licensed banks for credit facilities granted to associates	167,344	(10,907)	178,251

**A12. Capital commitments**

Authorised capital commitments not recognised in the interim financial statements as at 31 December 2016 are as follows:

	31-Dec-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	-	1,708

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

The Group recorded revenue of RM1.0 billion for the year ended 31 December 2016 as compared to the previous corresponding year of RM1.2 billion.

The Group recorded a profit before tax of RM27.0 million for the year ended 31 December 2016 as compared to the previous corresponding year of RM35.7 million.

For the year ended 31 December 2016, the construction division recorded revenue of RM848 million and profit before tax of RM5.6 million as compared to the previous corresponding year of RM1.0 billion and RM7.5 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, 1000 units Housing at Kg. Lugu, Brunei, and completion of KLIA 2 project.

## **B1. Review of performance (continued)**

The property division recorded revenue of RM90.1 million and profit before tax of RM24.3 million for the year ended 31 December 2016 as compared to the previous corresponding year of RM80.5 million and RM37.1 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 RM89.2 million and loss before tax of RM3.9 million as compared to the previous corresponding period of RM104.0 million and RM1.6 million respectively. The quarry division's result was affected by the non-renewal of the quarry land lease in Hulu Langat by the Selangor State Government and losses incurred by an associated company in the steel engineering work which had ceased operation during the year. Nevertheless, the ready-mix concrete has recorded higher sales with operation in Klang Valley (Hulu Langat, Kajang, Melawati), Melaka and looking into expanding into other regions such as in Johor and Kedah.

The power supply division recorded revenue of RM18.5 million from the supply of electricity power to PT Perusahaan Listrik Negara (State Electricity Company owned by Indonesia government) and PLTM Bantaeng and profit before tax of RM6.9 million as compared to the previous corresponding year of RM15.7 million and RM4.1 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.

The Group's share of results in associates was mainly from the 50% owned LATAR highway (Templer Interchange to Ijok Interchange) Concession Company. The revenue of the Concession Company for the year ended 31 December 2016 was RM62.6 million, however the results was affected by the finance costs incurred of RM58.2 million.

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

During the quarter under review, the Group recorded revenue of RM207.3 million and profit before tax of RM11.4 million as compared to the immediate preceding quarter of RM242.5 million and RM3.2 million respectively.

The improved results was mainly contributed from sales of development properties for Main Place Residence in USJ 21

## **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 works 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, Bunus 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 have been 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.

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	
	31-Dec-16 RM'000	31-Dec-15 RM'000	31-Dec-16 RM'000	31-Dec-15 RM'000
<b>Income tax</b>				
- current year				
Malaysian income tax	4,442	5,456	9,339	7,418
Foreign income tax	1,172	479	2,612	734
- prior year				
Malaysian income tax	717	2,444	1,463	2,443
	6,331	8,379	13,414	10,595
<b>Deferred taxation</b>				
- current year	166	2,375	175	2,272
- prior year	-	-	-	-
	166	2,375	175	2,272
	6,497	10,754	13,589	12,867

**B6. Status of corporate proposals**

There were no pending corporate proposals except for:

- 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. We expect the listing to be completed in 3<sup>rd</sup> quarter 2017.
- The proposed private placement of up to 26,128,420 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 26 October 2016 and 28 June 2016 respectively.

The Group is looking into participating in a resort integrated development project in Pahang through a corporate proposal.

## B7. Group borrowings and debt securities

The group borrowings as at 31 December 2016 were as follows:

	<----- 31 December 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)	25,707	196,614	222,321	202,043
(ii) Short term loans				
- secured	2,200	-	2,200	3,400
- unsecured	86,512	-	86,512	75,916
	88,712	-	88,712	79,316
(iii) Project financing (secured)	318,899	12,706	331,605	360,559
Total borrowings	433,318	209,320	642,638	641,918

The borrowings were denominated in the following currencies :-

	<----- 31 December 2016 ----->			31-Dec-15
	Secured RM'000	Unsecured RM'000	Total RM'000	Total RM'000
Ringgit Malaysia	487,829	86,512	574,341	552,801
United States Dollar	51,553	-	51,553	61,292
Brunei Dollar	16,744	-	16,744	27,825
	556,126	86,512	642,638	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 are 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.

Written Submissions have been filed by all Parties, pending decision of the award by the 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 Court 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 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.

The arbitration has been concluded, pending Oral Submissions before award to be delivered by the Arbitrator.

The estimated maximum exposure to liabilities is minimal as no counter-claim was 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.

According to BPPPL’s Solicitors, there is more than average probability that BPPPL has a strong case with a reasonable likelihood of success.

### **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 4<sup>th</sup> defendant) to claim for sub-structure related work done in respect of Melawati Mall Project and claimed against BPHB for sum of RM2.66 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 concluded on 28 September 2016. On 26 January 2017, the Court allowed Keller’s claim against the Defendants. In respect of the retention sum claimed by Keller against BPHB amounting to RM1,913,080.25, the Court dismissed this claim and found that there was no concluded contract but further ordered the claim for RM717,721.96 under the direct payment arrangement to be paid by BPHB to Keller despite payment had been made by BPHB to 3<sup>rd</sup> Defendant.

According to BPHB’s Solicitors, the Judge has erred in requiring BPHB to pay this sum first, amongst others, failed to appreciate that the direct payment arrangement is not a contract and is therefore not enforceable against BPHB. BPHB had filed a Notice of Appeal on 15.2.2017.

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

BPHB initiated action against VESB under the Construction Industry Payment & Adjudication Act 2012 (CIPAA) on 13 January 2016 for the retention sum and was awarded the sum of RM4,625,000.00 by the Adjudicator on 13 July 2016. The total award together with interest was RM5.039 million (Adjudication Decision). BPHB had received the said amount on 20 October 2016.

**B8. Changes in material litigation (continued)**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.

The Hearing date is fixed on 17 April 2017 to 20 April 2017 and 24 April 2017 to 27 April 2017.

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

	31-Dec-16 RM'000	31-Dec-15 RM'000
<b>Total retained profits/(accumulated losses)</b>		
- realised	48,031	44,893
- unrealised	79,810	72,506
	127,841	117,399
<b>Total share of retained profits/ (accumulated losses) of associates:</b>		
- realised	(37,472)	(28,073)
- unrealised	-	-
	(37,472)	(28,073)
<b>Total share of accumulated losses of jointly controlled entity</b>		
- realised	(3,402)	(3,402)
- unrealised	-	-
	(3,402)	(3,402)
<b>Total</b>	86,967	85,924

**B10. Dividend**

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

**B11. Earnings per share**

	<b>3 months ended</b>		<b>Year ended</b>	
	31-Dec-16 '000	31-Dec-15 '000	31-Dec-16 '000	31-Dec-15 '000
(a) Basic earnings per share				
Profit after taxation attributable to owners of the Company (RM)	756	(389)	1,043	3,373
Weighted average number of ordinary shares (Unit):	242,874	189,885	238,475	210,766
Basic earnings per share (sen)	0.31	-0.20	0.44	1.60

**B11. Earnings per share (continued)**

(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.