

**BINA PURI HOLDINGS BHD**

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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018**

	<b>3 months ended</b>		<b>Year ended</b>	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	RM'000	RM'000	RM'000	RM'000
Revenue	166,571	279,033	166,571	279,033
Cost of sales	(143,513)	(258,123)	(143,513)	(258,123)
Gross profit	23,058	20,910	23,058	20,910
Other operating income	4,685	3,970	4,685	3,970
Administrative expenses	(15,816)	(14,887)	(15,816)	(14,887)
	11,927	9,993	11,927	9,993
Share of results in associates	(119)	(1,812)	(119)	(1,812)
Finance costs	(5,552)	(4,930)	(5,552)	(4,930)
Profit before tax	6,256	3,251	6,256	3,251
Taxation	(2,084)	(1,131)	(2,084)	(1,131)
Profit for the period	4,172	2,120	4,172	2,120
Other comprehensive income				
- Foreign currency translation	6	80	6	80
	4,178	2,200	4,178	2,200
<b>Profit attributable to :</b>				
Owners of the Company	829	626	829	626
Non-controlling interests	3,343	1,494	3,343	1,494
	4,172	2,120	4,172	2,120
<b>Total comprehensive profit attributable to :</b>				
Owners of the Company	836	664	836	664
Non-controlling interests	3,342	1,536	3,342	1,536
	4,178	2,200	4,178	2,200
<b>Earnings per share (sen)</b>				
- basic	0.31	0.25	0.31	0.25
- diluted	0.31	0.25	0.31	0.25

(The condensed consolidated comprehensive income statement should be read in conjunction with the audited financial statements for year ended 31 Dec 2017 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 MARCH 2018

	31-Mar-18 RM'000 (Unaudited)	31-Dec-17 RM'000 (Audited)
<b>Non-current assets</b>		
Property, plant and equipment	161,576	164,470
Investment properties	208,290	208,290
Investment in associates	10,213	10,752
Other investments	3,941	3,941
Goodwill	14,585	14,585
Trade receivables	38,998	42,656
Deferred tax assets	3	3
Land held for development	9,133	9,133
<b>Total non-current assets</b>	446,739	453,830
<b>Current assets</b>		
Inventories	758	707
Property development cost	245,329	248,993
Amount due from contract customers	347,682	328,273
Trade and other receivables	538,715	598,805
Tax recoverable	1,030	1,129
Fixed deposits with licensed banks	13,442	13,675
Cash and bank balances	25,393	37,314
<b>Total current assets</b>	1,172,349	1,228,896
<b>Current liabilities</b>		
Amount due to contract customers	3,128	6,887
Trade and other payables	586,233	673,336
Hire purchase payables	2,345	3,180
Bank borrowings	435,079	410,926
Tax payable	12,349	11,289
<b>Total current liabilities</b>	1,039,134	1,105,618
	133,215	123,278
	579,954	577,108
<b>Equity</b>		
Share capital	136,705	136,705
Reserves	103,939	103,104
Shareholders' funds	240,644	239,809
Non-controlling interests	103,685	100,343
<b>Total equity</b>	344,329	340,152
<b>Non-current liabilities</b>		
Hire purchase payables	2,429	2,635
Bank borrowings	182,434	180,366
Trade payables	40,520	43,776
Deferred tax liabilities	10,242	10,179
<b>Total non-current liabilities</b>	235,625	236,956
	579,954	577,108
<b>Net assets per share (RM)</b>	0.9007	0.8771

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for year ended 31 Dec 2017 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 MARCH 2018**

	Share capital RM'000	Share premium RM'000	Other capital reserves RM'000	Exchange reserve RM'000	Share option reserve RM'000	Retained earnings RM'000	Attributable to owners of the Company RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 January 2017	121,437	4,877	15,682	(9,076)	3,078	86,994	222,992	81,429	304,421
Total comprehensive income for the financial period	-	-	-	(273)	-	3,099	2,826	8,095	10,921
Changes in ownership interests in a subsidiary	-	-	-	-	-	3,600	3,600	10,819	14,419
Issuance of ordinary shares	10,391	-	-	-	-	-	10,391	-	10,391
Transition to no-par value regime	4,877	(4,877)	-	-	-	-	-	-	-
Total transactions with owners	15,268	(4,877)	-	-	-	3,600	13,991	10,819	24,810
At 31 Dec 2017	136,705	-	15,682	(9,349)	3,078	93,693	239,809	100,343	340,152
Total comprehensive income for the financial period	-	-	-	6	-	829	835	3,342	4,177
Total transactions with owners	-	-	-	-	-	-	-	-	-
At 31 March 2018	136,705	-	15,682	(9,343)	3,078	94,522	240,644	103,685	344,329

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for year ended 31 Dec 2017 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 MARCH 2018**

	31-Mar-18 RM'000	31-Mar-17 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit before taxation	6,256	3,251
Adjustments for:		
Depreciation	2,600	3,745
Interest expense	8,858	8,160
Interest income	(3,516)	(1,492)
Gain on disposal of property, plant and equipment	(706)	(702)
Loss on disposal of investments	-	288
Share of results in associates	119	1,813
Unrealised loss on foreign exchange	-	(568)
	13,611	14,495
Net changes in current assets	41,085	(6,131)
Net changes in current liabilities	(86,828)	(29,015)
	(32,132)	(20,651)
Interest paid	(8,791)	(8,028)
Tax paid	(833)	(2,672)
Net Operating Cash Flows	(41,756)	(31,351)
 <b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Interest received	3,516	1,492
Dividend received	-	200
Proceeds from disposal of property, plant and equipment	1,012	1,353
Purchase of property, plant and equipment	(13)	(1,097)
Release/(placement) of fixed deposits	232	-
Net Investing Cash Flows	4,747	1,948

**CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018 (Continued)**

	31-Mar-18 RM'000	31-Mar-17 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Repayment)/ drawdown of bank borrowings	41,559	38,763
Hire purchase interests paid	(67)	(132)
Repayment of hire purchase obligations	(1,041)	(1,321)
Proceeds from issuance of shares shares to non-controlling interests	-	5,275
Net Financing Cash Flows	<u>40,451</u>	<u>42,585</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	3,442	13,182
<b>EFFECT OF CHANGES IN EXCHANGE RATE</b>	(27)	100
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF BEGINNING OF THE FINANCIAL PERIOD</b>	<u>(12,345)</u>	<u>(12,120)</u>
<b>CASH AND CASH EQUIVALENTS AT END OF OF THE FINANCIAL PERIOD</b>	<u>(8,930)</u>	<u>1,162</u>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Fixed deposits with licensed banks	13,442	12,030
Less: fixed deposits pledged to licensed banks	(13,442)	(12,030)
	-	-
Cash and bank balances	25,393	61,954
Bank overdrafts	(34,323)	(60,792)
	<u>(8,930)</u>	<u>1,162</u>

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for year ended 31 Dec 2017 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 Market 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 2017.

### A2. Accounting policies

The significant accounting policies, method of computation and basis of consolidation applied in the consolidated condensed interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2017, except for the adoption of MFRS framework effective for the financial year beginning on 1 January 2018.

#### **Malaysian Financial Reporting Standards (MFRS) Framework**

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. These consolidated condensed interim financial statements as part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2018 and the Group expects to fully comply with the requirements of the MFRS framework for the financial year ending 31 December 2018.

The effect on the adoption of MFRS framework as follows:

#### **MFRS 9: Financial Instruments**

MFRS 9 introduces an approach for classification and measurement of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments and expected-loss impairment model that will require more timely recognition of expected credit losses which replaces the "incurred loss" model in MFRS 139.

## **A2. Accounting policies (continued)**

### **MFRS 15: Revenue from Contract**

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

- (i) identify the contracts with a customer;
- (ii) identify the performance obligation in the contract;
- (iii) determine the transaction price;
- (iv) allocate the transaction price to the performance obligations in the contract; and
- (v) recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The following MFRSs and IC Interpretations will be withdrawn on the application of MFRS 15:

MFRS 111	Construction Contracts
MFRS 118	Revenue
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 131	Revenue – Barter Transactions Involving Advertising Services

## **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.

## **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) Quarry and ready-mix concrete
- (iv) Power supply

	<b>Construction</b> RM'000	<b>Property investment and development</b> RM'000	<b>Quarry and readymix concrete</b> RM'000	<b>Power supply</b> RM'000	<b>Others</b> RM'000	<b>Group</b> RM'000
<b>31-Mar-18</b>						
<b>Revenue</b>						
External customer	106,412	44,380	11,251	4,528	-	166,571
	<u>106,412</u>	<u>44,380</u>	<u>11,251</u>	<u>4,528</u>	<u>-</u>	<u>166,571</u>
Adjustments and eliminations						-
Consolidated revenue						<u>166,571</u>
<b>Results</b>						
Segment results	(767)	11,447	(887)	1,908	226	11,927
Adjustments and eliminations						<u>11,927</u>
Share of results in associates	(106)	(113)	100	-		(119)
Finance costs	(2,138)	(1,818)	(204)	(1,383)	(9)	(5,552)
						-
Consolidated (loss)/profit before taxation	<u>(3,011)</u>	<u>9,516</u>	<u>(991)</u>	<u>525</u>	<u>217</u>	<u>6,256</u>



**A8. SEGMENTAL ANALYSIS (continued)**

<b>31-Mar-17</b>	<b>Construction</b> RM'000	<b>Property investment and development</b> RM'000	<b>Quarry and readymix concrete</b> RM'000	<b>Power supply</b> RM'000	<b>Others</b> RM'000	<b>Group</b> RM'000
<b>Revenue</b>						
External customer	241,171	19,964	12,343	5,555	-	279,033
Inter-segment revenue	-		-		-	-
	<u>241,171</u>	<u>19,964</u>	<u>12,343</u>	<u>5,555</u>	<u>-</u>	<u>279,033</u>
Adjustments and eliminations						-
Consolidated revenue						<u>279,033</u>
<b>Results</b>						
Segment results	2,641	6,446	(1,814)	2,839	(119)	9,993
Adjustments and eliminations						-
						<u>9,993</u>
Share of results in associates	262		337	-	(2,411)	(1,812)
Finance costs	(1,946)	(1,823)	(166)	(982)	(13)	(4,930)
Elimination						-
Consolidated profit before taxation	<u>957</u>	<u>4,623</u>	<u>(1,643)</u>	<u>1,857</u>	<u>(2,543)</u>	<u>3,251</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 2017 were as follows:

	25-May-18 RM'000	Changes RM'000	31-Dec-17 RM'000
Corporate guarantees given to licensed banks for credit facilities granted to associates	144,615	(4,356)	148,971

**A12. Capital commitments**

Authorised capital commitments not recognised in the interim financial statements as at 31 March 2018 are as follows:

	31-Mar-18 RM'000	31-Dec-17 RM'000
Approved capital expenditure - leasehold land	13,810	13,810

**B : Additional notes to Bursa Malaysia Securities Berhad listing requirements**

**B1. Review of performance**

The Group recorded revenue of RM166.6 million for the financial period ended 31 March 2018 as compared to the previous corresponding period of RM279.0 million.

The Group recorded a profit before tax of RM6.3 million for the period ended 31 March 2018 as compared to the previous corresponding period of RM3.3 million.

For the financial period ended 31 March 2018, the construction division recorded revenue of RM106.4 million and loss before tax of RM3.0 million as compared to the previous corresponding period of RM241.0 million and profit before tax of RM1.0 million respectively.

The revenue in the current quarter was lower due to reduce volume of construction work.

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

The property division recorded revenue of RM44.4 million and profit before tax of RM9.5 million for the financial period ended 31 March 2018 as compared to the previous corresponding period of RM20.0 million and RM4.6 million respectively. This was mainly contributed from sales of development properties for The Opus at Jalan Tallala in Kuala Lumpur, Jesselton View and One Jesselton in Kota Kinabalu, The Valley, Karak @ Bentong in Pahang and rental income from Main Place Mall.

The quarry and ready mix concrete division recorded revenue of RM11.3 million and loss before tax of RM1.0 million as compared to the previous corresponding period of RM12.3 million and RM1.6 million respectively.

The power supply division recorded revenue of RM4.5 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 RM0.5 million as compared to the previous corresponding period of RM5.6 million and RM1.9 million respectively.

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

During the quarter under review, the Group recorded revenue of RM166.6 million and profit before tax of RM6.3 million as compared to the immediate preceding quarter of RM316.1 million and RM8.5 million respectively.

The revenue in the current quarter was lower due to reduce volume of construction work.

## **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, Bonus Regional Sewerage Treatment in Kuala Lumpur, Pan Borneo Highway in Sarawak, and Malaysian Embassy in Moscow, Russia approximately RM1 billion, which is expected to provide a steady stream of revenue for the Group over the next three (3) years.

The Lakehill development project in Johor was launched for sales in 2<sup>nd</sup> quarter 2018 and the Group expect to launch a new development in Cheras by end of 2018. . 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.

Recently, our subsidiary BP Energy Sdn Bhd has accepted the Letter of Acceptance of offer from Suruhanjaya Tenaga on 4 Dec 2017 to undertake the development of a Large Scale Solar PV Plant of 5MW on Built -Own-Operate basis in Kunak, Sabah. Currently, we are engaging the relevant party to finalize the Power Agreement and also the financial close.

**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-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	RM'000	RM'000	RM'000	RM'000
<b>Income tax</b>				
- current year				
Malaysian income tax	1,990	865	1,990	865
Foreign income tax	-	250	-	250
- prior year				
Malaysian income tax	-	107	-	107
Foreign income tax	-	-	-	-
	1,990	1,222	1,990	1,222
<b>Deferred taxation</b>				
- current year	94	140	94	140
- prior year	-	(231)	-	(231)
	94	(91)	94	(91)
	<u>2,084</u>	<u>1,131</u>	<u>2,084</u>	<u>1,131</u>

**B6. Status of corporate proposals**

There were no pending corporate proposals except for:

- The proposed private placement of up to 28,292,400 new ordinary shares, representing not more than ten percent (10%) of the enlarged issued and paid-up share capital of the Company. The proposal had been approved by Bursa Malaysia Securities Berhad and shareholders of the Company on 23 November 2017 and 21 June 2017 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 March 2018 were as follows:

	<----- 31 March 2018----->			31-Dec-17
	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)	19,868	171,906	191,774	195,612
(ii) Short term loans				
- secured	-	-	-	400
- unsecured	90,950	-	90,950	90,438
	90,950	-	90,950	90,838
(iii) Project financing (secured)	324,261	10,528	334,789	304,842
Total borrowings	435,079	182,434	617,513	591,292

The borrowings were denominated in the following currencies :-

	<----- 31 March 2018----->			31-Dec-17
	Secured RM'000	Unsecured RM'000	Total RM'000	Total RM'000
Ringgit Malaysia	473,471	90,950	564,421	536,996
United States Dollar	31,697	-	31,697	31,697
Indonesian Rupiah	7,688	-	7,688	8,412
Brunei Dollar	13,707	-	13,707	14,187
	526,563	90,950	617,513	591,292

## B8. Changes in material litigation

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

Arbitration proceedings were instituted on 9 March 1998 by EP against BPSB and KH for an alleged amount of RM16,834,453.14 together with interest for loss and damage due to KH’s wrongful repudiation of a sub-contract 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. The arbitration has been concluded.

BPSB has also entered into a settlement agreement dated 27 April 2004 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.

On 6 November 2017, the claim by EP has been dismissed and the counterclaim by KH of RM1,735,196.38 has been allowed (pending finalisation of full award). There is no further liability on the part of BPSB.

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

(ii) **BK Burn & Ong Sdn Bhd v UEM-Bina Puri JV, UEM Construction Sdn Bhd and BPSB (“JV”) (“Arbitration”)**

A statement of case was filed by BK Burn against the JV on 16 June 2017 due to the wrongful termination of BK Burn’s appointment as consultant for development of the new Low Cost Carrier (LCC) Terminal at Kuala Lumpur International Airport for an alleged amount of RM7.90 million for loss and damage and loss of profit, including 5% incentive payment for any commercial settlement.

The JV contended, *inter-alia*, that there is no agreement of the alleged 5% incentive payment, the termination is valid and no further payments are due and owing to BK Burn.

Hearing has been fixed on 10 to 13 July 2018.

According to JV’s solicitors, there is a good chance of defending this claim.

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

BPPPL filed an application on 28 September 2012 under Section 20 of the Arbitration Act 1940 before the High Court of Sindh for reference of a dispute to arbitration for the conversion of the existing 4-lane Karachi-Hyderabad Super Highway into 6-lane motorway due to unlawful termination of the concession agreement by NHA. The application was granted on 23 April 2013 and arbitration proceedings were for a sum to PKR 26,760,300,964 (Pakistani Rupee) (approximately RM918 million based on the exchange rate of RM0.0343: PKR1 ) for loss and damage including loss of profit, interest, cost and expenses. The arbitration has been concluded.

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.

Justice Malik (BPPPL’s arbitrator) has passed an award on 13 January 2018 for PKR25,650,745,200.00 (RM905,665,738.21). Justice Ijaz (NHA’s arbitrator) is of the view that BPPPL is entitled to some termination payments subject to be computed by a joint auditors. Due to inconsistent decision by both arbitrators, a jointly appointed umpire, Justice Muneer shall determine the dispute and deliver the final decision.

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

(iv) **View Esteem Sdn Bhd (“VESB”) v Bina Puri Holdings Bhd (“BPHB”) (“Arbitration”)**

Notice of Arbitration was issued in respect of Regalia project by VESB to BPHB on 31 July 2015 for an alleged amount of damages due to, amongst others, breach of contract, negligence, encroachment of neighbouring boundaries and loss of commercial reputation.

BPHB counterclaimed against VESB for, amongst others, a sum exceeding RM12 million under progress claim no. 28 and certificate no. 26R including interest and costs.

The arbitration is fixed for hearing on 30-31 July 2018, 1-2 August 2018, 6-9 August 2018 and 24-25 September 2018.

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

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

According to BPHB’s solicitors, based on the available evidence at the time being, BHPB has a reasonable chance of success in the counterclaim particularly since VESB has not adduced sufficient documents in support of its claim against BPHB. At this juncture, BPHB’s solicitors are unable to provide an estimation of the financial implications.

### **(v) Conaire Engineering Sdn Bhd – L.L.C (“Conaire”) v (1) BPHB and (2) Pembinaan SPK Sdn Bhd (“JVCo”)**

A writ was filed at Penang High Court on 11 April 2016 by Conaire against the JVCo to enforce an Abu Dhabi’s court order at Malaysian Court pursuant to section 8 of the Reciprocal Enforcement of Judgment Act 1958 by virtue of a judgment in default of appearance which was obtained on 17 March 2015 at Abu Dhabi Court for AED20,718,854.25 (approximately RM22,430,231.61, based on the exchange rate of RM1.0826:AED1 ). On 31 October 2017, the Penang High Court directed the case to be heard at Kuala Lumpur High Court.

On 2 April 2018, the Kuala Lumpur High Court dismissed Conaire’s summary judgment application with cost of RM3,000.00 to BPHB and Pembinaan SPK Sdn Bhd, respectively and expunged the insertion of a High Court case law on the basis that it is ought to be distinguished precedent with cost of RM2,000.00 to BPHB and Pembinaan SPK Sdn Bhd, respectively. The Suit is set down for Trial on 24-25 May 2018.

According to BPHB’s solicitors, there is a more than average probability that the claim by Conaire against BPHB may be dismissed with cost.

### **(vi) Bina Puri Mining Sdn Bhd (“BPM”) v Bukit Biru Quarry Sdn Bhd (“BBQ”)**

BPM filed summons on 11 May 2015 against BBQ for a sum of RM 8,714,779.84 due to unlawful repudiation, including misrepresentation, and breach of the Quarry Operation Agreement dated 1 January 2013 entered into between BPM and BBQ. BBQ counterclaimed for a sum of RM1,412,023.79 being the alleged contract fees, insurance premium and reimbursement of commission fees. Trial has commenced and the High Court of Kuching has directed the parties to exchange and file their respective submissions on or before 27 June 2018 and to reply to the submissions on or before 18 July 2018. The hearing for decision has been temporary fixed on 31 July 2018.

BPM’s solicitors are of the view that, should BBQ’s counterclaim for non-payment of the agreed sum pursuant to the Quarry Operation Agreement be successful, the financial implication by BPM is likely to be equivalent or more than what BBQ is counterclaiming taking into consideration the costs to be awarded against BPM. However if the High Court of Kuching found that BPM’s claim is valid, i.e. that BBQ’s repudiation is unlawful, BBQ’s claim, even though successful, will not be material as it is smaller than BPM’s claim

Also, according to BPM’s solicitors, based on the available evidence at the time being, BPM has a reasonable chance of success.

**B9. Dividend**

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

**B10. Earnings per share**

	<b>3 months ended</b>		<b>Year ended</b>	
	<b>31-Mar-18</b>	<b>31-Mar-17</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>
(a) Basic earnings per share				
Profit after taxation attributable to owners of the Company (RM)	829	626	829	626
Weighted average number of ordinary shares (Unit):	267,160	248,154	267,160	248,154
Basic earnings per share (sen)	0.31	0.25	0.31	0.25

**(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 2017 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.