

**BINA PURI HOLDINGS BHD**

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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

	<b>3 months ended</b>		<b>Year ended</b>	
	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17
	RM'000	RM'000	RM'000	RM'000
Revenue	160,416	286,708	326,987	565,741
Cost of sales	(138,961)	(264,136)	(282,474)	(522,259)
Gross profit	21,455	22,572	44,513	43,482
Other operating income	5,351	2,949	10,036	6,919
Administrative expenses	(15,780)	(16,512)	(31,596)	(31,399)
	11,026	9,009	22,953	19,002
Share of results in associates	30	(2,109)	(89)	(3,921)
Finance costs	(5,122)	(5,226)	(10,674)	(10,156)
Profit before tax	5,934	1,674	12,190	4,925
Taxation	(212)	(892)	(2,296)	(2,023)
Profit for the period	5,722	782	9,894	2,902
Other comprehensive (loss)/income				
- Foreign currency translation	4	(749)	10	(669)
	5,726	33	9,904	2,233
<b>Profit attributable to :</b>				
Owners of the Company	178	(510)	1,007	116
Non-controlling interests	5,544	1,292	8,887	2,786
	5,722	782	9,894	2,902
<b>Total comprehensive profit attributable to :</b>				
Owners of the Company	184	(1,003)	1,020	(339)
Non-controlling interests	5,542	1,036	8,884	2,572
	5,726	33	9,904	2,233
<b>Earnings per share (sen)</b>				
- basic	0.06	-0.19	0.37	0.05
- diluted	0.06	-0.19	0.37	0.05

(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 30 JUNE 2018

	30-Jun-18 RM'000 (Unaudited)	31-Dec-17 RM'000 (Audited)
<b>Non-current assets</b>		
Property, plant and equipment	158,719	164,470
Investment properties	208,290	208,290
Investment in associates	10,243	10,752
Other investments	3,941	3,941
Goodwill	14,585	14,585
Trade receivables	39,801	42,656
Deferred tax assets	3	3
Land held for development	9,256	9,133
<b>Total non-current assets</b>	444,838	453,830
<b>Current assets</b>		
Inventories	729	707
Property development cost	244,339	248,993
Gross amount due from contract customers	354,043	328,273
Trade and other receivables	528,129	598,805
Tax recoverable	1,165	1,129
Fixed deposits with licensed banks	10,970	13,675
Cash and bank balances	21,708	37,314
<b>Total current assets</b>	1,161,083	1,228,896
<b>Current liabilities</b>		
Gross amount due to contract customers	-	6,887
Trade and other payables	586,306	673,336
Hire purchase payables	1,969	3,180
Bank borrowings	436,715	410,926
Tax payable	10,476	11,289
<b>Total current liabilities</b>	1,035,466	1,105,618
	125,617	123,278
	570,455	577,108
<b>Equity</b>		
Share capital	142,137	136,705
Reserves	104,123	103,104
Shareholders' funds	246,260	239,809
Non-controlling interests	107,937	100,343
<b>Total equity</b>	354,197	340,152
<b>Non-current liabilities</b>		
Hire purchase payables	2,081	2,635
Bank borrowings	163,507	180,366
Trade payables	40,565	43,776
Deferred tax liabilities	10,105	10,179
<b>Total non-current liabilities</b>	216,258	236,956
	570,455	577,108
<b>Net assets per share (RM)</b>	0.8539	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 30 JUNE 2018

	Share capital RM'000	Share premium RM'000	Other capital reserves RM'000	Exchange reserve RM'000	Share option reserve RM'000	Distributable 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
Transition to no-par value regime	4,877	(4,877)	-	-	-	-	-	-	-
Issuance of ordinary shares	10,391	-	-	-	-	-	10,391	-	10,391
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
Transfer to share capital	-	-	-	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	12	-	1,007	1,019	8,884	9,903
Issuance of ordinary shares	5,432	-	-	-	-	-	5,432	-	5,432
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(1,290)	(1,290)
Total transactions with owners	5,432	-	-	-	-	-	5,432	(1,290)	4,142
At 30 June 2018	142,137	-	15,682	(9,337)	3,078	94,700	246,260	107,937	354,197

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 30 JUNE 2018**

	30-Jun-18 RM'000	30-Jun-17 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit before taxation	12,190	4,925
Adjustments for:		
Depreciation	5,611	7,705
Interest expense	18,768	16,280
Interest income	(3,062)	(1,554)
(Gain)/ Loss on disposal of property, plant and equipment	(1,614)	(1,556)
Loss on disposal of investments	-	-
Property, plant and equipment written off	-	640
Share of results in associates	89	3,921
Unrealised loss on foreign exchange	(905)	(600)
	<u>31,077</u>	<u>29,761</u>
Net changes in current assets	45,025	(64,161)
Net changes in current liabilities	(91,129)	42,520
	<u>(15,027)</u>	<u>8,120</u>
Interest paid	(18,636)	(16,063)
Tax paid	(3,750)	(7,357)
Net Operating Cash Flows	<u>(37,413)</u>	<u>(15,300)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Interest received	3,062	1,554
Dividend received	-	400
Proceeds from disposal of property, plant and equipment	2,182	2,775
Purchase of property, plant and equipment	(29)	(3,598)
Release/(placement) of fixed deposits	2,705	-
Net Investing Cash Flows	<u>7,920</u>	<u>1,131</u>

**CONDENSED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018 (Continued)**

	30-Jun-18 RM'000	30-Jun-17 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown/(repayment) of bank borrowings	1,555	13,812
Hire purchase interests paid	(132)	(217)
Repayment of hire purchase obligations	(1,765)	(2,485)
Proceeds from issuance of shares shares	5,433	10,382
Net Financing Cash Flows	5,091	21,492
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(24,402)	7,323
<b>EFFECT OF CHANGES IN EXCHANGE RATE</b>	516	6,675
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF BEGINNING OF THE FINANCIAL PERIOD</b>	(274)	(12,120)
<b>CASH AND CASH EQUIVALENTS AT END OF OF THE FINANCIAL PERIOD</b>	(24,160)	1,878
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Fixed deposits with licensed banks	10,970	12,054
Less: fixed deposits pledged to licensed banks	(10,970)	(12,054)
	-	-
Cash and bank balances	21,708	61,455
Bank overdrafts	(45,868)	(59,577)
	(24,160)	1,878

(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)  
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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 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 ending 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 except for the Company issued 21,250,000 new ordinary shares at the issued price of price ranging from RM0.25 to RM0.29 per share.

## **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>30-Jun-18</b>						
<b>Revenue</b>						
External customer	216,135	81,334	19,925	9,593	-	326,987
Inter-segment revenue	-		-		-	-
	<u>216,135</u>	<u>81,334</u>	<u>19,925</u>	<u>9,593</u>	<u>-</u>	<u>326,987</u>
Adjustments and eliminations						-
Consolidated revenue						<u>326,987</u>
<b>Results</b>						
Segment results	(1,903)	21,354	139	3,074	289	22,953
Adjustments and eliminations						-
						<u>22,953</u>
Share of results in associates	(106)	(113)	130	-	-	(89)
Finance costs	(4,846)	(3,902)	(531)	(1,378)	(17)	(10,674)
						-
Consolidated profit before taxation	<u>(6,855)</u>	<u>17,339</u>	<u>(262)</u>	<u>1,696</u>	<u>272</u>	<u>12,190</u>



**A8. SEGMENTAL ANALYSIS (continued)**

	<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>30-Jun-17</b>						
<b>Revenue</b>						
External customer	488,691	43,090	22,203	11,757	-	565,741
Inter-segment revenue	-	-	-	-	-	-
	<u>488,691</u>	<u>43,090</u>	<u>22,203</u>	<u>11,757</u>	<u>-</u>	<u>565,741</u>
Adjustments and eliminations						-
Consolidated revenue						<u>565,741</u>
<b>Results</b>						
Segment results	5,043	12,359	(2,898)	4,772	(274)	19,002
Adjustments and eliminations						-
						<u>19,002</u>
Share of results in associates	37		417	-	(4,375)	(3,921)
Finance costs	(4,085)	(4,318)	(409)	(1,311)	(33)	(10,156)
Elimination						-
Consolidated profit before taxation	<u>995</u>	<u>8,041</u>	<u>(2,890)</u>	<u>3,461</u>	<u>(4,682)</u>	<u>4,925</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:

	22-Aug-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	(16,135)	160,750

**A12. Capital commitments**

Authorised capital commitments not recognised in the interim financial statements as at 30 June 2018 are as follows:

	30-Jun-18 RM'000	31-Dec-17 RM'000
Approved and contracted for : - property, plant and equipment	13,810	13,810

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

The Group recorded revenue of R327.0 million for the financial period ended 30 June 2018 as compared to the previous corresponding period of RM565.7 million.

The Group recorded a profit before tax of RM12.2 million for the period ended 30 June 2018 as compared to the previous corresponding period of RM4.9 million.

For the financial period ended 30 June 2018, the construction division recorded revenue of RM216.1 million and loss before tax of RM6.9 million as compared to the previous corresponding period of RM488.7 million and profit before tax of RM1.0 million respectively.

The revenue in the current period was lower due to reduce volume of construction works.

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

The property division recorded revenue of RM81.3 million and profit before tax of RM17.3 million for the financial period ended 30 June 2018 as compared to the previous corresponding period of RM43.1 million and RM8.0 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 RM19.9 million and loss before tax of RM0.3 million as compared to the previous corresponding period of RM22.2 million and RM2.9million respectively.

The power supply division recorded revenue of RM9.6 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 RM1.7 million as compared to the previous corresponding period of RM11.8 million and RM3.4million 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 RM160.4 million and profit before tax of RM5.9 million as compared to the immediate preceding quarter of RM166.6 million and RM6.3million respectively.

## **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, a package of 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 two to three 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 project 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 RM2.7 billion.

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 with the relevant parties to finalize the Power Purchase Agreement and also on the financial close.

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-18	30-Jun-17	30-Jun-18	30-Jun-17
	RM'000	RM'000	RM'000	RM'000
<b>Income tax</b>				
- current year				
Malaysian income tax	910	685	2,900	1,550
Foreign income tax	-	618	-	868
- prior year				
Malaysian income tax	-	(135)	-	(28)
	910	1,168	2,900	2,390
<b>Deferred taxation</b>				
- current year	(698)	(276)	(604)	(136)
- prior year	-	-	-	(231)
	(698)	(276)	(604)	(367)
	212	892	2,296	2,023

**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 Company had successfully placed out 26,7169,000 new Bina Puri Shares pursuant to the Private Placement, which raised cumulative gross proceeds of approximately RM6.744 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	4,658	4,658	-
Repayment of bank borrowings	2,005	2,005	-
Expenses in relation to the Private Placement	81	81	-
Total	6,744	6,744	-

We have completed the private placement on 3<sup>rd</sup> August 2018.

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

## B6. Status of corporate proposals (continued)

- The Group has announced on 16<sup>th</sup> August 2018 that we will undertake the following proposals:-
  - Proposed private placement of up to 92,117,100 new ordinary shares, representing 30% of the enlarged number of issued shares (excluding Treasury Shares, if any)
  - Proposed termination of the existing executives' share option scheme, and
  - Proposed establishment of a new share issuance scheme of up to 15% of the enlarged number issued shares (excluding Treasury Shares, if any) at any one time over the duration of the scheme for the eligible persons

## B7. Group borrowings and debt securities

The group borrowings as at 30 June 2018 were as follows:

	<----- 30 June 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)	32,504	152,731	185,235	195,612
(ii) Short term loans				
- secured	-	-	-	400
- unsecured	85,338	-	85,338	90,438
	85,338	-	85,338	90,838
(iii) Project financing (secured)	318,873	10,776	329,649	304,842
Total borrowings	436,715	163,507	600,222	591,292

The borrowings were denominated in the following currencies :-

	<----- 30 June 2018----->			31-Dec-17
	Secured RM'000	Unsecured RM'000	Total RM'000	Total RM'000
Ringgit Malaysia	468,245	85,338	553,583	536,996
United States Dollar	28,492	-	28,492	31,697
Indonesian Rupiah	5,040	-	5,040	8,412
Brunei Dollar	13,107	-	13,107	14,187
	514,884	85,338	600,222	591,292

## B8. Changes in material litigation

- 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.

## B8. Changes in material litigation (continued)

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

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.

(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 shall be continued on 13 to 14 December 2018 and 8 to 11 January 2019.

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. BPPPL commenced the arbitral proceedings for a sum to PKR 26,760,300,964 (Pakistani Rupee) (approximately RM918 million based on the exchange rate of RM0.0343: PKR1 as at LPD) 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. However, due to health problems of the umpire, BPPPL filed an application in High Court of Sindh on 10 May 2018 for a new umpire. The court has directed NHA to propose a name of an umpire on the next hearing date on 11 September 2018.

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

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

### **(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.

BPHB filed a re-amended defence and counterclaim on 25 June 2018, incorporating a sum of RM2.2 million being the remaining second moiety of the retention sum and RM23.8 million being the unpaid sum under progress claim no. 28.

The arbitration is fixed for hearing on 24 to 25 September 2018, 1, 2, 4, 5 and 31 October 2018 and 21 to 23 November 2018.

According to BPHB’s solicitors, based on the available evidence at the time being, BPHB 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 as at LPD). 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 trial concluded on 24 to 25 May 2018. The Kuala Lumpur High Court fixed the matter for oral submission/clarification on 23 August 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.

## B8. Changes in material litigation (continued)

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

The High Court of Miri has determined to split the trial into two tiers, firstly, liability and thereafter the quantum. Trial has concluded on 16 May 2018 and the High Court of Kuching has directed the parties to exchange and file their respective submissions. BPM has filed submission in reply on 10 August 2018 and it is pending decision from the court.

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

	3 months ended		Year ended	
	30-Jun-18 '000	30-Jun-17 '000	30-Jun-18 '000	30-Jun-17 '000
(a) Basic earnings per share				
Profit after taxation attributable to owners of the Company (RM)	178	(510)	1,007	116
Weighted average number of ordinary shares (Unit):	275,570	262,646	271,389	255,440
Basic earnings per share (sen)	0.06	-0.19	0.37	0.05
(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.

## B11. Audit report qualification

The financial statements of the Group for the year ended 31 December 2017 were not subject to any audit qualification.

## B12. Authorisation for Issue

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