BINA PURI HOLDINGS BHD

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

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

	3 months ended		Year ended	
	30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17
	RM'000	RM'000	RM'000	RM'000
Revenue	199,864	215,763	526,851	781,204
Cost of sales	(167,808)	(191,782)	(450,282)	(714,041)
Gross profit	32,056	23,981	76,569	67,163
Other operating income	2,538	2,104	12,574	8,969
Administrative expenses	(19,952)	(14,071)	(51,548)	(45,465)
	14,642	12,014	37,595	30,667
Share of results in associates	258	117	169	(2,804)
Finance costs	(7,046)	(6,738)	(17,720)	(16,845)
Profit before tax	7,854	5,393	20,044	11,018
Taxation	(4,449)	(2,244)	(6,745)	(4,267)
Profit for the period	3,405	3,149	13,299	6,751
Other comprehensive (loss)/income				
- Foreign currency translation	(1,521)	(7)	(1,511)	(676)
	1,884	3,142	11,788	6,075
Profit attributable to :				
Owners of the Company	782	295	1,789	1,111
Non-controlling interests	2,623	2,854	11,510	5,640
	3,405	3,149	13,299	6,751
Total comprehensive profit attributable to :				
Owners of the Company	432	291	1,452	652
Non-controlling interests	1,452	2,851	10,336	5,423
	1,884	3,142	11,788	6,075
Earnings per share (sen)				
- basic	0.27	0.11	0.64	0.42
- diluted	0.27	0.11	0.64	0.42

(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 SEPTEMBER 2018

	30-Sep-18 RM'000 (Unaudited)	31-Dec-17 RM'000 (Audited)
Non-current assets		
Property, plant and equipment	148,742	164,470
Investment properties	208,290	208,290
Investment in associates	10,302	10,752
Other investments	3,941	3,941
Goodwill	14,585	14,585
Trade receivables	32,434	42,656
Deferred tax assests	11	3
Land held for development	9,295	9,133
Total non-current assets	427,600	453,830
Current assets		
Inventories	550	707
Property development cost	228,230	248,993
Gross amount due from contract customers	378,220	328,273
Trade and other receivables	515,362	598,805
Tax recoverable	1,081	1,129
Fixed deposits with licensed banks	10,775	13,675
Cash and bank balances	13,640	37,314
Total current assets	1,147,858	1,228,896
Current liabilities		
Gross amount due to contract customers	2,758	6,887
Trade and other payables	586,830	673,336
Hire purchase payables	1,390	3,180
Bank borrowings	391,527	410,926
Tax payable	12,610	11,289
Total current liabilities	995,115	1,105,618
	152,743	123,278
	580,343	577,108
Equity		
Share capital	143,449	136,705
Reserves	104,556	103,104
Shareholders' funds	248,005	239,809
Non-controlling interests	109,389	100,343
Total equity	357,394	340,152
Non-current liabilities		
Hire purchase payables	1,953	2,635
Bank borrowings	185,235	180,366
Trade payables	30,209	43,776
Deferred tax liabilities	5,552	10,179
Total non-current liabilities	222,949	236,956
	580,343	577,108
Net assets per share (RM)	0.8439	0.8976

(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 SEPTEMBER 2018

	Share capital	**Share premium**	**Other capital reserves**	**Exchange reserve**	**Share option reserve**	**Distributable Retained earnings**	**Attributable to owners of the Company**	**Non-controlling interests**	**Total equity**
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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				(337)		1,789	1,452	10,336	11,788
Issuance of ordinary shares	6,744	-	-	-	-	-	6,744	-	6,744
Dividend paid to non-controlling interests								(1,290)	(1,290)
Total transactions with owners	6,744	-	-	-	-	-	6,744	(1,290)	5,454
At 30 September 2018	143,449	-	15,682	(9,686)	3,078	95,482	248,005	109,389	357,394

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 SEPTEMBER 2018

	30-Sep-18	30-Sep-17
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before taxation	20,044	11,018
Adjustments for:		
Depreciation	10,133	11,330
Interest expense	30,046	28,712
Interest income	(4,124)	(3,982)
(Gain)/ Loss on disposal of property, plant and equipment	(1,915)	(2,021)
Loss on disposal of investments	-	60
Property, plant and equipment written off	6	765
Share of results in associates	(169)	2,804
Unrealised loss on foreign exchange	(4,076)	64
	49,945	48,750
Net changes in current assets	57,608	(47,684)
Net changes in current liabilities	(96,913)	(306)
	10,640	760
Interest paid	(29,866)	(28,327)
Tax paid	(5,831)	(11,055)
Net Operating Cash Flows	(25,057)	(38,622)
CASH FLOW FROM INVESTING ACTIVITIES:		
Interest received	4,124	3,982
Dividend received	200	600
Proceeds from disposal of property, plant and equipment	2,671	3,987
Purchase of property, plant and equipment	(6,543)	(5,611)
Release/(placement) of fixed deposits	2,705	(1,469)
Net Investing Cash Flows	3,157	1,489

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

	30-Sep-18	30-Sep-17
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown/(repayment) of bank borrowings	(51,200)	313
Hire purchase interests paid	(179)	(385)
Repayment of hire purchase obligations	(2,472)	(3,787)
Dividend paid to non-controlling interests	(1,290)	
Proceeds from issuance of shares shares to non-controlling interests	-	14,251
Proceeds from issuance of shares shares	6,744	10,390
Net Financing Cash Flows	(48,397)	20,782
NET CHANGE IN CASH AND CASH EQUIVALENTS	(70,297)	(16,351)
EFFECT OF CHANGES IN EXCHANGE RATE	5,877	4,046
CASH AND CASH EQUIVALENTS AT BEGINNING OF BEGINNING OF THE FINANCIAL PERIOD	(274)	(12,120)
CASH AND CASH EQUIVALENTS AT END OF OF THE FINANCIAL PERIOD	(64,694)	(24,425)
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Fixed deposits with licensed banks	10,775	13,521
Less: fixed deposits pledged to licensed banks	(10,775)	(13,521)
	-	-
Cash and bank balances	13,640	26,881
Bank overdrafts	(78,334)	(51,306)
	(64,694)	(24,425)

(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)

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 26,716,000 new ordinary shares at the issued price of price ranging from RM0.24 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

30-Sep-18	Construction RM'000	Property investment and development RM'000	Quarry and readymix concrete RM'000	Power supply RM'000	Others RM'000	Group RM'000
Revenue						
External customer	317,919	163,397	31,993	13,542	-	526,851
Inter-segment revenue	-		-		-	-
	317,919	163,397	31,993	13,542	-	526,851
Adjustments and eliminations						-
Consolidated revenue						526,851
Results						
Segment results	(918)	41,189	(2,759)	383	20	37,915
Adjustments and eliminations						(320)
						37,595
Share of results in associates	(131)	(130)	430	-	-	169
Finance costs	(9,867)	(5,821)	(632)	(2,022)	-	(18,342)
						622
Consolidated profit before taxation	(10,916)	35,238	(2,961)	(1,639)	20	20,044

A8. SEGMENTAL ANALYSIS (continued)

30-Sep-17	Construction RM'000	Property investment and development RM'000	Quarry and readymix concrete RM'000	Power supply RM'000	Others RM'000	Group RM'000
Revenue						
External customer	647,908	80,262	35,576	17,458	-	781,204
Inter-segment revenue	-		-		-	-
	647,908	80,262	35,576	17,458	-	781,204
Adjustments and eliminations						-
Consolidated revenue						781,204
Results						
Segment results	7,459	21,194	(4,259)	6,618	(345)	30,667
Adjustments and eliminations						-
						30,667
Share of results in associates	151		420	-	(3,375)	(2,804)
Finance costs	(6,843)	(6,688)	(478)	(2,792)	(44)	(16,845)
						-
Consolidated profit before taxation	767	14,506	(4,317)	3,826	(3,764)	11,018

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-Nov-18 RM'000	Changes RM'000	31-Dec-17 RM'000
Corporate guarantees given to licensed banks for credit facilities granted to associates	140,259	(20,491)	160,750

A12. Capital commitments

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

	30-Sep-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 RM526.9 million for the financial period ended 30 September 2018 as compared to the previous corresponding period of RM781.2 million. However, the Group achieved a higher profit before tax of RM20.0 million for the period ended 30 September 2018 as compared to the previous corresponding period of RM11.0 million. The improved performance was mainly contributed from higher sales of development properties for The Opus at Jalan Tallala in Kuala Lumpur, Jesselton View and One Jesselton projects in Kota Kinabalu andThe Valley, Karak @ Bentong in Pahang.

For the financial period ended 30 September 2018, the construction division recorded revenue of RM317.9 million and loss before tax of RM10.9 million as compared to the previous corresponding period of RM647.9 million and profit before tax of RM0.8 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 RM163.4 million and profit before tax of RM35.2 million for the financial period ended 30 September 2018 as compared to the previous corresponding period of RM80.3 million and RM14.5 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 projects 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 RM32.0 million and loss before tax of RM3.0 million as compared to the previous corresponding period of RM35.6 million and RM4.3 million respectively.

The power supply division recorded revenue of RM13.5 million from the supply of electricity power to PT Perusahaan Listrik Negara (State Electricity Company owned by Indonesia government) and PLTM Bantaeng and loss before tax of RM1.6 million as compared to the previous corresponding period of RM17.5 million and profit of RM3.8 million. The loss suffered in the period ended 30 September 2018 was due to unrealized foreign exchange loss of RM4 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 RM199.8 million and profit before tax of RM7.9 million as compared to the immediate preceding quarter of RM160.4million and RM5.9 million respectively.

The improved performance for current quarter was mainly contributed from sales of development properties for The Opus at Jalan Tallala in Kuala Lumpur and The Valley, Karak @ Bentong in Pahang

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 RM900 million, 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 2nd quarter 2018 and we plan to have more launches in 2019. 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 is still 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-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17
	RM'000	RM'000	RM'000	RM'000
Income tax				
- current year				
Malaysian income tax	4,300	2,400	7,200	3,950
Foreign income tax	-	130	-	998
- prior year				
Malaysian income tax	-	24	-	(4)
	4,300	2,554	7,200	4,944
Deferred taxation				
- current year	407	(41)	(197)	(177)
- prior year	(258)	(269.00)	(258)	(500)
	149	(310)	(455)	(677)
	4,449	2,244	6,745	4,267

B6. Status of corporate proposals

There were no pending corporate proposals except for:

(i) 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)
The proposal had been approved by shareholders of the Company on 24 September 2018.
The Company had successfully placed out 45,900,000 new Bina Puri Shares pursuant to the Private Placement, which raised cumulative gross proceeds of approximately RM7.905 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	6,847	6,847	-
Repayment of bank borrowings	977	977	-
Expenses in relation to the Private Placement	81	81	-
Total	7,905	7,905	-

(ii) Proposed termination of the existing executives’ share option scheme (ESOS)
The ESOS has been terminated on 24 September 2018 subsequent to the fulfilment of all the conditions set out in the Existing By-Laws, as the outstanding ESOS options were no longer attractive in view of their exercise prices of RM0.54, RM0.51 or RM0.50 each which are higher than the prevailing market price of Bina Puri Shares

(iii) 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. The proposal will be implemented in 2019.

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 30 September 2018 were as follows:

		<---------- 30 Sept 2018	--------->		31-Dec-17
		Repayable within next 12 months	Repayable after next 12 months	Total	Total
		RM'000	RM'000	RM'000	RM'000
(i)	Long term loans (secured)	78,073	102,744	180,817	195,612
(ii)	Short term loans				
	- secured	11,724	38,562	50,286	400
	- unsecured	53,499		53,499	90,438
		65,223	38,562	103,785	90,838
(iii)	Project financing (secured)	248,231	43,929	292,160	304,842
	Total borrowings	391,527	185,235	576,762	591,292

The borrowings were denominated in the following currencies :-

	<---------- 30 Sept 2018	--------->		31-Dec-17
	Secured	Unsecured	Total	Total
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	478,439	53,499	531,938	536,996
United States Dollar	27,378	-	27,378	31,697
Indonesian Rupiah	5,183	-	5,183	8,412
Brunei Dollar	12,263	-	12,263	14,187
	523,263	53,499	576,762	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 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. On 27 September 2018, the Court appointed Mr Justice (r) Nasir-ul-Nulk as an umpire and he accepted his appointment on 8 October 2018. Pending decision from the umpire.

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.

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.

B8. Changes in material litigation (Continued)

View Esteem Sdn Bhd ("VESB") v Bina Puri Holdings Bhd ("BPHB") ("Arbitration")

The Hearing dates on 30-31 July 2018, 1-2 August 2018, 6-9 August 2018, 24-25 September 2018, 1, 2, 4, 5 and 31 October 2018 has been postponed due to VE's solicitors health. The matter is fixed for Hearing on 21-23 November 2018 with further dates to be scheduled in December.

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 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 and the matter is fixed for decision on 21 November 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.

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 the matter fixed for decision on 24 November 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

	3 months ended		**Year ended**	
	30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17
	'000	'000	'000	'000
(a) Basic earnings per share				
Profit after taxation attributable to owners of the Company (RM)	782	295	1,789	1,111
Weighted average number of ordinary shares (Unit):	292,035	267,160	278,346	261,429
Basic earnings per share (sen)	0.27	0.11	0.64	0.42

(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.