

BINA PURI HOLDINGS BHD

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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019**

	3 months ended		18 months ended	
	30-Jun-19 (unaudited) RM'000	30-Jun-18 (restated) RM'000	30-Jun-19 (unaudited) RM'000	30-Jun-18 (restated)* RM'000
Revenue	170,045	160,416	980,197	1,422,316
Cost of sales	(139,189)	(138,961)	(825,676)	(1,270,797)
Gross profit	30,856	21,455	154,521	151,519
Other operating income	2,760	5,351	21,266	29,834
Administrative expenses	(13,771)	(15,780)	(83,179)	(120,480)
	19,845	11,026	92,608	60,873
Share of results in associates	(1,373)	30	(1,323)	1,945
Finance costs	(6,750)	(5,122)	(36,741)	(32,838)
Profit before tax	11,722	5,934	54,544	29,980
Taxation	(6,307)	(212)	(21,595)	(9,499)
Profit for the period	5,415	5,722	32,949	20,481
Other comprehensive income / (loss)				
- Foreign currency translation	257	4	(932)	(1,142)
	5,672	5,726	32,017	19,339
Profit attributable to :				
Owners of the Company	324	178	500	2,461
Non-controlling interests	5,091	5,544	32,449	18,020
	5,415	5,722	32,949	20,481
Total comprehensive profit attributable to :				
Owners of the Company	218	184	(106)	2,201
Non-controlling interests	5,454	5,542	32,123	17,138
	5,672	5,726	32,017	19,339
Earnings per share (sen)				
- basic	0.08	0.06	0.16	0.93
- diluted	0.08	0.06	0.16	0.93

*Due to the change in the financial year end from 31 Dec 2018 to 30 June 2019, the results for the corresponding period are presented based on 18 months from 1 Jan 2017 to 30 June 2018.

(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 2019

	30-Jun-19 RM'000 (Unaudited)	31-Dec-17 RM'000 (Restated)	31-Dec-16 RM'000 (Restated)
Non-current assets			
Property, plant and equipment	129,560	164,470	190,968
Investment properties	208,802	208,290	205,112
Investment in associates	7,609	10,752	9,179
Other investments	3,842	3,941	4,001
Goodwill	14,585	14,585	14,585
Trade receivables	25,112	42,656	53,005
Deferred tax assets	-	3	113
Land held for development	7,359	9,133	8,679
Total non-current assets	396,869	453,830	485,642
Current assets			
Inventories	185	707	1,518
Inventories - Property development	261,142	264,184	248,359
Contract assets	366,523	328,273	240,284
Trade and other receivables	475,551	598,805	661,354
Tax recoverable	887	1,129	837
Fixed deposits with licensed banks	11,151	13,675	12,036
Cash and bank balances	6,553	37,314	59,798
Total current assets	1,121,992	1,244,087	1,224,186
Current liabilities			
Contract liabilities	-	6,887	3,685
Trade and other payables	599,771	699,281	665,961
Hire purchase payables	771	3,180	5,316
Bank borrowings	334,762	410,926	438,121
Tax payable	18,336	8,736	15,008
Total current liabilities	953,640	1,129,010	1,128,091
	168,352	115,077	96,095
	565,221	568,907	581,737
Equity			
Share capital	157,820	136,705	121,437
Reserves	95,661	95,766	95,862
Shareholders' funds	253,481	232,471	217,299
Non-controlling interests	112,963	99,480	80,407
Total equity	366,444	331,951	297,706
Non-current liabilities			
Hire purchase payables	965	2,635	5,429
Bank borrowings	174,053	180,366	204,812
Trade payables	18,923	43,776	60,997
Deferred tax liabilities	4,836	10,179	12,793
Total non-current liabilities	198,777	236,956	284,031
	565,221	568,907	581,737
Net assets per share (RM)	0.6635	0.8702	0.8947

(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 2019**

	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 Jan 2017 - As previously reported	121,437	4,877	15,682	(9,076)	3,078	86,994	222,992	81,429	304,421
Effect on adoption of MFRS	-	-	-	-	-	(5,693)	(5,693)	(1,022)	(6,715)
At 1 Jan 2017 - As restated	121,437	4,877	15,682	(9,076)	3,078	81,301	217,299	80,407	297,706
Total comprehensive income for the period									
As previously reported	-	-	-	(273)	-	3,099	2,826	8,095	10,921
Effect on adoption of MFRS	-	-	-	-	-	(1,645)	(1,645)	159	(1,486)
As restated	-	-	-	(273)	-	1,454	1,181	8,254	9,435
Changes in ownership interests in 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 - As re-stated	136,705	-	15,682	(9,349)	3,078	86,355	232,471	99,480	331,951
At 31 Dec 2017 - As previously reported	136,705	-	15,682	(9,349)	3,078	93,693	239,809	100,343	340,152
Effect on adoption of MFRS			(15,682)		-	8,344	(7,338)	(863)	(8,201)
At 31 Dec 2017 - As restated	136,705	-	-	(9,349)	3,078	102,037	232,471	99,480	331,951
Total comprehensive income for the period				(605)		500	(105)	32,123	32,018
Issuance of ordinary shares	21,115	-	-	-	-	-	21,115	-	21,115
Dividend paid to non-controlling interests								(18,640)	(18,640)
Termination of share option scheme					(3,078)	3,078			
Total transactions with owners	21,115	-	-	-	(3,078)	3,078	21,115	(18,640)	2,475
At 30 June 2019	157,820	-	-	(9,954)	-	105,615	253,481	112,963	366,444

(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 30JUNE 2019

	30-Jun-19 (18 months) RM'000 (Unaudited)	31-Dec-17 (12 months) RM'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before taxation	54,544	17,790
Adjustments for:		
Depreciation	18,388	15,302
Interest expense	58,695	16,251
Interest income	(9,326)	(3,676)
Gain on disposal of property, plant and equipment	(1,441)	(2,801)
Impairment loss	20,390	27,740
Property, plant and equipment written off	6	360
Fair value adjustment for investment properties	(600)	-
Share of results in associates	1,323	(2,034)
Unrealised loss on foreign exchange	1,909	283
	143,888	69,215
Net changes in current assets	88,007	(52,140)
Net changes in current liabilities	(120,833)	19,781
	111,062	36,856
Interest paid	(58,695)	(16,251)
Tax paid	(12,491)	(15,630)
Net Operating Cash Flows	39,876	4,975
 CASH FLOW FROM INVESTING ACTIVITIES:		
Interest received	9,326	3,676
Dividend received	500	-
Proceed from dilution of interest in subsidiary	-	14,419
Proceeds from disposal of property, plant and equipment	19,503	5,627
Proceeds from disposal of investment	-	60
Purchase of property, plant and equipment	(5,728)	(5,685)
Release/(placement) of fixed deposits	2,596	(1,639)
Net Investing Cash Flows	26,197	16,458

**CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019 (Continued)**

	30-Jun-19 RM'000 (Unaudited)	31-Dec-17 RM'000 (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown/(repayment) of bank borrowings	(85,896)	(28,508)
Repayment of hire purchase obligations	(4,077)	(4,930)
Dividend paid to non-controlling interests	(18,640)	-
Proceeds from issuance of shares	21,116	10,391
Net Financing Cash Flows	(87,497)	(23,047)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(21,424)	(1,614)
EFFECT OF CHANGES IN EXCHANGE RATE	1,225	2,263
CASH AND CASH EQUIVALENTS AT BEGINNING OF BEGINNING OF THE FINANCIAL PERIOD	(12,345)	(12,994)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	(32,544)	(12,345)
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Fixed deposits with licensed banks	11,151	13,675
Less: fixed deposits pledged to licensed banks	(11,151)	(13,675)
	-	-
Cash and bank balances	6,553	37,314
Bank overdrafts	(39,097)	(49,659)
	(32,544)	(12,345)

(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

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.

The Group and the Company which are Transitioning Entities have adopted the MFRS framework and their first MFRSs financial statements using the MFRSs framework effective 1 January 2018.

The effect on the adoption of MFRS framework as follows:

MFRS 1: First time adoption of MFRS

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs have always been applied.

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.

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.

A2. Accounting policies (continued)

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

The impact of the adoption of the MFRSs and amendment to MFRSs to the Group's reported financial position and comprehensive income statement are disclosed in the following table.

(a) Impact on Statement of Comprehensive Income

31-Dec-17	3 months ended			Year ended		
	As previously reported RM'000	Effect of MFRSs RM'000	As restated RM'000	As previously reported RM'000	Effect of MFRSs RM'000	As restated RM'000
Revenue	316,126	(110)	316,016	1,097,330	(2,001)	1,095,329
Cost of sales	(269,036)	(2,021)	(271,057)	(983,077)	(5,246)	(988,323)
Gross profit	47,090	(2,131)	44,959	114,253	(7,247)	107,006
Other operating income	10,829		10,829	19,798		19,798
Administrative expenses	(48,722)	2,063	(46,659)	(94,187)	5,303	(88,884)
	9,197	(68)	9,129	39,864	(1,944)	37,920
Share of results in associates	4,838		4,838	2,034		2,034
Finance costs	(5,319)		(5,319)	(22,164)		(22,164)
Profit before tax	8,716	(68)	8,648	19,734	(1,944)	17,790
Taxation	(3,394)	16	(3,378)	(7,661)	458	(7,203)
Profit for the period	5,322	(52)	5,270	12,073	(1,486)	10,587
Other comprehensive (loss)/income						
- Foreign currency translation	(476)		(476)	(1,152)		(1,152)
	4,846	(52)	4,794	10,921	(1,486)	9,435
Profit attributable to :						
Owner of the Company	1,988	(29)	1,959	3,099	(1,645)	1,454
Non-controlling interests	3,334	(23)	3,311	8,974	159	9,133
	5,322	(52)	5,270	12,073	(1,486)	10,587
Total comprehensive profit attributable to :						
Owners of the Company	2,174	(29)	2,145	2,826	(1,645)	1,181
Non-controlling interests	2,672	(23)	2,649	8,095	159	8,254
	4,846	(52)	4,794	10,921	(1,486)	9,435

A2. Accounting policies (continued)

(b) Impact on Financial Position

	31-Dec-17 RM'000 Audited	Effect of MFRSs	31-Dec-17 RM'000 Re-stated	31-Dec-16 RM'000 Audited	Effect of MFRSs	31-Dec-16 RM'000 Re-stated
Non-current assets						
Property, plant and equipment	164,470		164,470	190,968		190,968
Investment properties	208,290		208,290	205,112		205,112
Investment in associates	10,752		10,752	9,179		9,179
Other investments	3,941		3,941	4,001		4,001
Goodwill	14,585		14,585	14,585		14,585
Trade receivables	42,656		42,656	53,005		53,005
Deferred tax assets	3		3	113		113
Land held for development	9,133		9,133	8,679		8,679
Total non-current assets	453,830		453,830	485,642		485,642
Current assets						
Inventories	707		707	1,518		1,518
Inventories - Property development	-	264,184	264,184	-	248,359	248,359
Property development cost	248,993	(248,993)	-	233,226	(233,226)	-
Gross amount due from contract customers	328,273	(328,273)	-	240,284	(240,284)	-
Contract assets		328,273	328,273		240,284	240,284
Trade and other receivables	598,805		598,805	661,354		661,354
Tax recoverable	1,129		1,129	837		837
Fixed deposits with licensed banks	13,675		13,675	12,036		12,036
Cash and bank balances	37,314		37,314	59,798		59,798
Total current assets	1,228,896		1,244,087	1,209,053		1,224,186
Current liabilities						
Gross amount due to contract customers	6,887	(6,887)	-	3,685	(3,685)	-
Contract liabilities		6,887	6,887		3,685	3,685
Trade and other payables	673,336	25,945	699,281	642,018	23,943	665,961
Hire purchase payables	3,180		3,180	5,316		5,316
Bank borrowings	410,926		410,926	438,121		438,121
Tax payable	11,289	(2,553)	8,736	17,103	(2,095)	15,008
Total current liabilities	1,105,618		1,129,010	1,106,243		1,128,091
	123,278		115,077	102,810		96,095
	577,108		568,907	588,452		581,737
Equity						
Share capital	136,705		136,705	121,437		121,437
Reserves	103,104	(7,338)	95,766	101,555	(5,693)	95,862
Shareholders' funds	239,809		232,471	222,992		217,299
Non-controlling interests	100,343	(863)	99,480	81,429	(1,022)	80,407
Total equity	340,152		331,951	304,421		297,706
Non-current liabilities						
Hire purchase payables	2,635		2,635	5,429		5,429
Bank borrowings	180,366		180,366	204,812		204,812
Trade payables	43,776		43,776	60,997		60,997
Deferred tax liabilities	10,179		10,179	12,793		12,793
Total non-current liabilities	236,956		236,956	284,031		284,031
	577,108		568,907	588,452		581,737
Net assets per share (RM)	0.8976		0.8702	0.9181		0.8947

A2. Accounting policies (continued)
(c) Impact on Cash flow Statement

	As previously reported RM'000	Effect of MFRS RM'000	As restated RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before taxation	19,734	(1,944)	17,790
Adjustments for:			
Depreciation	15,302		15,302
Interest expense	16,251		16,251
Interest income	(3,676)		(3,676)
Gain on disposal of property, plant and equipment	(2,801)		(2,801)
Impairment loss	27,740		27,740
Property, plant and equipment written off	360		360
Share of results in associates	(2,034)		(2,034)
Unrealised loss on foreign exchange	283		283
	<u>71,159</u>		<u>69,215</u>
Net changes in current assets	(52,082)	(58)	(52,140)
Net changes in current liabilities	17,779	2,002	19,781
	<u>36,856</u>		<u>36,856</u>
Interest paid	(16,251)		(16,251)
Tax paid	(15,630)		(15,630)
Net Operating Cash Flows	<u>4,975</u>		<u>4,975</u>
CASH FLOW FROM INVESTING ACTIVITIES:			
Interest received	3,676		3,676
Proceed from dilution of interest in subsidiary	14,419		14,419
Proceeds from disposal of property, plant and equipment	5,627		5,627
Proceeds from disposal of investment	60		60
Purchase of property, plant and equipment	(5,685)		(5,685)
Release/(placement) of fixed deposits	(1,639)		(1,639)
Net Investing Cash Flows	<u>16,458</u>		<u>16,458</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown/(repayment) of bank borrowings	(28,508)		(28,508)
Repayment of hire purchase obligations	(4,930)		(4,930)
Proceeds from issuance of shares	10,391		10,391
Net Financing Cash Flows	<u>(23,047)</u>		<u>(23,047)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,614)		(1,614)
EFFECT OF CHANGES IN EXCHANGE RATE	2,263		2,263
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	(12,994)		(12,994)
CASH AND CASH EQUIVALENTS AT END OF OF THE FINANCIAL PERIOD	<u>(12,345)</u>	-	<u>(12,345)</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	37,314		37,314
Bank overdrafts	(49,659)		(49,659)
	<u>(12,345)</u>		<u>(12,345)</u>

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 114,878,900 new ordinary shares at the issued price of price ranging from RM0.171 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

18 months from 1 Jan 18 - 30 June 19	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	572,999	342,738	38,956	25,504	-	980,197
Inter-segment revenue	-		-		-	-
	<u>572,999</u>	<u>342,738</u>	<u>38,956</u>	<u>25,504</u>	<u>-</u>	<u>980,197</u>
Adjustments and eliminations						-
Consolidated revenue						<u>980,197</u>
Results						
Segment results	(15,402)	100,906	(1,456)	7,609	458	92,115
Adjustments and eliminations						493
						<u>92,608</u>
Share of results in associates	(581)	(1,009)	267	-	-	(1,323)
Finance costs	(21,718)	(10,174)	(1,041)	(3,765)	(43)	(36,741)
Consolidated profit before taxation	<u>(37,701)</u>	<u>89,723</u>	<u>(2,230)</u>	<u>3,844</u>	<u>415</u>	<u>54,544</u>

A8. SEGMENTAL ANALYSIS (continued)

	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
18 months from 1 Jan 17 - 30 June 18						
Revenue						
External customer	1,100,304	221,587	70,099	30,326	-	1,422,316
Inter-segment revenue	39,688	10,660	604	-	-	50,952
	<u>1,139,992</u>	<u>232,247</u>	<u>70,703</u>	<u>30,326</u>	<u>-</u>	<u>1,473,268</u>
Adjustments and eliminations						(50,952)
Consolidated revenue						<u>1,422,316</u>
Results						
Segment results	(12,655)	58,294	(4,472)	9,437	11,740	62,344
Adjustments and eliminations						(1,471)
						<u>60,873</u>
Share of results in associates	551	(173)	1,567	-	-	1,945
Finance costs	(13,263)	(12,922)	(1,931)	(4,651)	(71)	(32,838)
						-
Consolidated profit before taxation	<u>(25,367)</u>	<u>45,199</u>	<u>(4,836)</u>	<u>4,786</u>	<u>11,669</u>	<u>29,980</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-19 RM'000	Changes RM'000	31-Dec-17 RM'000
Corporate guarantees given to licensed banks for credit facilities granted to associates	135,903	(24,847)	160,750

A12. Capital commitments

Authorised capital commitments not recognised in the interim financial statements as at 30 June 2019 are as follows:

	30-Jun-19 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 RM0.98 million for the 18 months ended 30 June 2019 as compared to the previous corresponding period of RM1.4 billion. The Group recorded a profit before tax of RM54.5million for the 18 months ended 30 June 2019 as compared to the previous corresponding period of RM30.0 million. The profit 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 and The Valley, Karak @ Bentong in Pahang and Phase 1A1 of Taman Nusa Damai (part of Lake Hill Resort City Development) Masai, Johor.

For the financial period ended 30 June 2019, the construction division recorded revenue of RM573.0 million and loss before tax of RM37.7 million as compared to the previous corresponding period of RM1.1 billion and RM25.4 million respectively.

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

The poor performance was mainly due to provision for impairment loss of RM20m for trade receivables.

B1. Review of performance (continued)

The property division recorded revenue of RM342.7 million and profit before tax of RM89.7 million for the financial period ended 30 June 2019 as compared to the previous corresponding period of RM232.2 million and RM45.2 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, Phase 1A1 of Taman Nusa Damai (part of Lake Hill ResortCity Development) Masai, Johor and rental income from Main Place Mall.

The quarry and ready mix concrete division recorded revenue of RM39.0 million and loss before tax of RM2.2 million as compared to the previous corresponding period of RM70.7 million and RM4.8 million respectively.

The power supply division recorded revenue of RM25.5 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 RM3.8 million as compared to the previous corresponding period of RM30.3 million and profit of RM4.7 million. The lower profit for the 18 months ended 30 June 2019 was due to unrealized foreign exchange loss of RM1.9 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 RM195.2 million and profit before tax of RM11.7 million as compared to the immediate preceding quarter of RM100.3 million and RM9.7million respectively.

The improved results was contributed from sales of development properties for The Opus at Jalan Tallala in Kuala Lumpur and Phase 1A1 of Taman Nusa Damai (part of Lake Hill ResortCity Development) Masai,

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 Pan Borneo Highway in Sarawak, Malaysian Embassy in Moscow, Russia , 440 units PPR, Pitas and Hotel Kerajaan Tasik Kenyir approximately RM500 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. Based on the current sales achieved todate for the property development division, the unbilled sales would amount to about RM112 million. 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 RM1.6 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		18 months ended	
	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
	RM'000	RM'000	RM'000	RM'000
Income tax				
- current year				
Malaysian income tax	6,606	910	22,217	9,500
Foreign income tax	400	-	95	990
- prior year				
Malaysian income tax	(14)	-	20	1,801
	6,992	910	22,332	12,291
Deferred taxation				
- current year	(685)	(698)	(737)	(2,021)
- prior year	-	-	-	(771)
	(685)	(698)	(737)	(2,792)
	6,307	212	21,595	9,499

B6. Status of corporate proposals

There were no pending corporate proposals except for::

- 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.
- proposes to undertake the renounceable rights issue of up to 439,345,450 new ordinary shares in Bina Puri together with up to 439,345,450 free detachable warrants in Bina Puri on the basis of 1 Rights Share together with 1 free Warrant for every 1 existing Share held by the shareholders of the Company on an entitlement date to be determined.

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 June 2019 were as follows:

	<----- 30 June 2019----->			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)	75,758	91,822	167,580
(ii) Short term loans				
- secured	-	-	-	400
- unsecured	56,184	-	56,184	90,438
	56,184	-	56,184	90,838
(iii) Project financing (secured)	202,820	82,231	285,051	304,842
Total borrowings	334,762	174,053	508,815	591,292

B7. Group borrowings and debt securities

The borrowings were denominated in the following currencies :-

	<----- 30 June 2019----->			31-Dec-17
	Secured RM'000	Unsecured RM'000	Total RM'000	Total RM'000
Ringgit Malaysia	414,622	56,184	470,806	536,996
United States Dollar	23,188	-	23,188	31,697
Indonesian Rupiah	3,301	-	3,301	8,412
Brunei Dollar	11,520	-	11,520	14,187
	<u>452,631</u>	<u>56,184</u>	<u>508,815</u>	<u>591,292</u>

B8. Changes in material litigation

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

Malaysia Airport Holdings Berhad had awarded a contract to UEM-BPSB JV (on a 60:40 proportion basis) to carry out construction works in respect of the development of the new low cost carrier terminal at the Kuala Lumpur International Airport, Sepang. UEM-BPSB JV thereafter engaged BK Burns for provision of commercial and contractual management & advisory services.

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.

The hearing for the arbitration proceedings has been concluded and parties are in the midst of submitting post-hearing submissions.

UEM-BPSB JV’s solicitors are of the view that there is a good chance of defending this claim.

(ii) **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 (approximately RM693 million) for loss and damage including loss of profit, interest, cost and expenses. The arbitration has been concluded.

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.

B8. Changes in material litigation (continued)

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

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.

On 27 March 2019, the Honorable Umpire had allowed BPPPL’s claims against NHA as follows:

- (a) a declaration that the termination notice issued by NHA was unlawful repudiation and breach of the Concession Agreement; and
- (b) BPPPL shall be entitled for the actual pre-development cost and actual development.

On 6 April 2019, Bina Puri Pakistan made an application to enforce the Adjudication Award as judgment in court. The matter is fixed for hearing on 30 August 2019.

(iii) 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 parties had on 23 April 2019 entered into a settlement agreement. In view of the settlement, the arbitrator had on 7 May 2019 issued an order for termination of the arbitration proceedings.

(iv) Conaire Engineering Sdn Bhd – L.L.C (“Conaire”) v (1) BPHB and (2) Pembinaan SPK Sdn Bhd (“SPK”) (collectively referred as “SPK-BPHB JV”)

An agreement was entered into between Conaire and SPK-BPHB JV (on a 70:30 proportion basis) in respect of the electromechanical and plumbing works at Phase 1, Plot 1, Area B for ‘residential, commercial and entertainment development at Al Reem Island, Abu Dhabi, UAE’. On 17 March 2015, Conaire obtained a judgment in default at the Abu Dhabi Court against SPK-BPHB JV for, amongst others, AED20,718,958.25 (approximately RM22.7 million⁽²⁾) (“**Abu Dhabi Judgment**”).

On 11 April 2016, Conaire issued and served a writ to SPK and BPHB to enforce the Abu Dhabi Judgment at the High Court of Pulau Pinang (“**Conaire’s Claim**”). On 31 October 2017, the High Court of Pulau Pinang directed the case to be heard at the High Court of Kuala Lumpur. Conaire thereafter applied for a summary judgement to enforce the Abu Dhabi Judgement but it was dismissed by the High Court of Kuala Lumpur. On 18 January 2019, the High Court of Kuala Lumpur allowed Conaire’s Claim (“**High Court Judgment**”).

On 14 February 2019, SPK and BPHB filed an appeal at the Court of Appeal on the High Court Judgment (“**Appeal**”). On 22 February 2019, SPK and BPHB applied to stay the High Court Judgement pending the disposal of the Appeal (“**Stay of Execution Application**”). On 17 April 2019, the High Court of Malaya allowed the Stay of Execution Application. The Court has fixed the matter for Hearing on 12.9.2019.

BPHB’s solicitors are of the view that there is a reasonable chance of success subject to documentary and evidentiary proof.

B8. Changes in material litigation (continued)

(v) 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 on 24 December 2018, the claim by BPM has been dismissed and the counterclaim by BBQ has been allowed.

BPM has filed appeal on 21 January 2019 and pending hearing date to be fixed. BPM’s solicitors are of the view that there is a good chance of defending this claim.

(vi) Bina Puri Construction Sdn Bhd (“BPCSB”) v Genbina Sdn Bhd (“Genbina”) (“Arbitration”)

MRCB Engineering Sdn Bhd has awarded a contract to BPCSB to carry out a relocation of water and sewerage pipelines. BPCSB thereafter engaged Genbina as the sub-contractor for the works.

Genbina had initiated an adjudication proceedings against BPCSB on 23 May 2018 for the alleged outstanding payment of works. The adjudication was opposed by way of set-off for backcharges, overpayment, materials supplied by BPCSB on Genbina’s behalf and liquidated damages.

The adjudicator had on 13 November 2018 awarded the following to the parties:

- (a) Allowed Genbina’s claim of RM5,874,396.83;
- (b) Allowed BPCSB to set off RM2,883,579.64; and
- (c) Found that Genbina is liable for the delay but was not able to quantify the liquidated damages to be awarded in favour of BPCSB.

(collectively referred to as the “**Genbina Adjudication Decision**”).

On 17 April 2019, BPCSB obtained leave from the High Court of Shah Alam to commence arbitration against Genbina for final determination of the Genbina Adjudication Decision and an application to stay the Genbina Adjudication Decision.

On 22 April 2019, BPCSB had issued a notice of arbitration to Genbina on the basis that the amount awarded in the Genbina Adjudication Decision is not accurate sum that ought to be paid given that the Superintendent Officer had approved the scope of works.

BPCSB’s solicitors are of the view that the arbitration is still at its initial stage and it is too early to render a probable outcome.

B9. Dividend

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

B10. Earnings per share

	3 months ended		18 months ended	
	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
	'000	'000	'000	'000
(a) Basic earnings per share				
Profit after taxation attributable to owners of the Company (RM)	324	178	500	2,461
Weighted average number of ordinary shares (Unit):	382,040	286,366	321,341	264,633
Basic earnings per share (sen)	0.08	0.06	0.16	0.93

(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 new share issuance scheme 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.