

BINA PURI HOLDINGS BHD

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

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

| | 3 months ended | | 3 months ended | |
|---|-----------------------|-----------|-----------------------|-----------|
| | 30-Sep-19 | 30-Sep-18 | 30-Sep-19 | 30-Sep-18 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| | (Unaudited) | | (Unaudited) | |
| Revenue | 89,550 | N/A | 89,550 | N/A |
| Cost of sales | (73,630) | N/A | (73,630) | N/A |
| Gross profit | 15,920 | N/A | 15,920 | N/A |
| Other operating income | 2,912 | N/A | 2,912 | N/A |
| Administrative expenses | (8,595) | N/A | (8,595) | N/A |
| | 10,237 | N/A | 10,237 | N/A |
| Share of results in associates | 159 | N/A | 159 | N/A |
| Finance costs | (4,050) | N/A | (4,050) | N/A |
| Profit before tax | 6,346 | N/A | 6,346 | N/A |
| Taxation | (2,225) | N/A | (2,225) | N/A |
| Profit for the period | 4,121 | N/A | 4,121 | N/A |
| Other comprehensive income / (loss) | | | | |
| - Foreign currency translation | (6) | N/A | (6) | N/A |
| | 4,115 | N/A | 4,115 | N/A |
| Profit attributable to : | | | | |
| Owners of the Company | 463 | N/A | 463 | N/A |
| Non-controlling interests | 3,658 | N/A | 3,658 | N/A |
| | 4,121 | N/A | 4,121 | N/A |
| Total comprehensive profit attributable to : | | | | |
| Owners of the Company | 460 | N/A | 460 | N/A |
| Non-controlling interests | 3,655 | N/A | 3,655 | N/A |
| | 4,115 | N/A | 4,115 | N/A |
| Earnings per share (sen) | | | | |
| - basic | 0.12 | N/A | 0.12 | N/A |
| - diluted | 0.12 | N/A | 0.12 | N/A |

(The condensed consolidated comprehensive income statement should be read in conjunction with the audited financial statements for period ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements)

Due to change in financial year from 31 December to 30 June, the results for the corresponding period in prior year were not presented.

BINA PURI HOLDINGS BHD

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2019

| | 30-Sep-19 RM'000 (Unaudited) | 30-Jun-19 RM'000 (Audited) |
|---|------------------------------------|----------------------------------|
| Non-current assets | | |
| Property, plant and equipment | 124,551 | 124,622 |
| Investment properties | 208,802 | 208,803 |
| Goodwill | 14,585 | 14,585 |
| Investment in associates | 8,108 | 7,949 |
| Other investments | 6,842 | 6,842 |
| Inventory properties held for development | 7,359 | 7,359 |
| Trade receivables | 689 | 689 |
| Total non-current assets | 370,936 | 370,849 |
| Current assets | | |
| Inventory properties under development | 229,523 | 239,893 |
| Inventories | 140 | 147 |
| Trade and other receivables | 480,316 | 496,742 |
| Contract assets | 349,847 | 370,990 |
| Current tax assets | 643 | 835 |
| Fixed deposits with licensed banks | 11,192 | 11,173 |
| Cash and bank balances | 5,446 | 6,564 |
| Total current assets | 1,077,107 | 1,126,344 |
| Current liabilities | | |
| Bank borrowings | 281,255 | 292,874 |
| Hire purchase payables | 1,009 | 1,250 |
| Trade and other payables | 549,883 | 591,207 |
| Current tax liabilities | 21,454 | 20,357 |
| Total current liabilities | 853,601 | 905,688 |
| | 223,506 | 220,656 |
| | 594,442 | 591,505 |
| Equity | | |
| Share capital | 157,821 | 157,821 |
| Reserves | 96,179 | 95,719 |
| Shareholders' funds | 254,000 | 253,540 |
| Non-controlling interests | 117,318 | 113,663 |
| Total equity | 371,318 | 367,203 |
| Non-current liabilities | | |
| Bank borrowings | 207,000 | 208,154 |
| Hire purchase payables | 100 | 124 |
| Trade and other payables | 1,866 | 1,866 |
| Deferred tax liabilities | 14,158 | 14,158 |
| Total non-current liabilities | 223,124 | 224,302 |
| | 594,442 | 591,505 |
| Net assets per share (RM) | 0.6649 | 0.6636 |

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for period ended 30 June 2019 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 2019**

| | Share capital | 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 |
| At 1 Jan 2018 - As restated | 136,705 | (9,349) | 3,078 | 102,037 | 232,471 | 99,480 | 331,951 |
| Total comprehensive income for the period | | | | | | | |
| Profit for the period | - | - | - | 462 | 462 | 33,135 | 33,597 |
| Other comprehensive loss | - | (509) | - | - | (509) | (312) | (821) |
| | - | (509) | - | 462 | (47) | 32,823 | 32,776 |
| Issuance of ordinary shares | 21,116 | - | - | - | 21,116 | - | 21,116 |
| Dividend paid to non-controlling interests | - | - | - | - | - | (18,640) | (18,640) |
| Termination of share option scheme | - | - | (3,078) | 3,078 | - | - | - |
| Total transactions with owners | 21,116 | - | (3,078) | 3,078 | 21,116 | (18,640) | 2,476 |
| At 30 June 2019 | 157,821 | (9,858) | - | 105,577 | 253,540 | 113,663 | 367,203 |
| At 1 July 2019 | 157,821 | (9,858) | - | 105,577 | 253,540 | 113,663 | 367,203 |
| Total comprehensive income for the period | | | | | | | |
| Profit for the period | - | - | - | 463 | 463 | 3,658 | 4,121 |
| Other comprehensive loss | - | (3) | - | - | (3) | (3) | (6) |
| | - | (3) | - | 463 | 460 | 3,655 | 4,115 |
| At 30 September 2019 | 157,821 | (9,861) | - | 106,040 | 254,000 | 117,318 | 371,318 |

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for period ended 30 June 2019 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 2019

| | 30-Sep-19 RM'000 | 30-Sep-18 RM'000 |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Profit before taxation | 6,346 | N/A |
| Adjustments for: | | |
| Depreciation | 2,310 | N/A |
| Interest expense | 7,561 | N/A |
| Interest income | (805) | N/A |
| Gain on disposal of property, plant and equipment | (332) | N/A |
| Share of results in associates | (159) | N/A |
| Unrealised loss on foreign exchange | (81) | N/A |
| | 14,840 | N/A |
| Net changes in current assets | 53,073 | N/A |
| Net changes in current liabilities | (46,442) | N/A |
| | 21,471 | N/A |
| Interest paid | (7,561) | N/A |
| Tax paid | (936) | N/A |
| Net Operating Cash Flows | 12,974 | N/A |
| CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Interest received | 805 | N/A |
| Proceeds from disposal of property, plant and equipment | 462 | N/A |
| Purchase of property, plant and equipment | (950) | N/A |
| Placement of fixed deposits | (20) | N/A |
| Net Investing Cash Flows | 297 | N/A |

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

| | 30-Sep-19 RM'000 (Unaudited) | 30-Sep-18 RM'000 |
|--|------------------------------------|---------------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Drawdown of bank borrowings | 1,151 | N/A |
| Repayment of hire purchase obligations | (265) | N/A |
| Net Financing Cash Flows | 886 | N/A |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 14,157 | N/A |
| EFFECT OF CHANGES IN EXCHANGE RATE | (1,433) | N/A |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF BEGINNING OF THE FINANCIAL PERIOD | (32,093) | N/A |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD | (19,369) | N/A |
| ANALYSIS OF CASH AND CASH EQUIVALENTS | | |
| Fixed deposits with licensed banks | 11,192 | N/A |
| Less: fixed deposits pledged to licensed banks | (11,192) | N/A |
| | - | N/A |
| Cash and bank balances | 5,446 | N/A |
| Bank overdrafts | (24,815) | N/A |
| | (19,369) | N/A |

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for year ended 30 June 2019 and the accompanying notes attached to the interim financial statements)

Due to change in financial year from 31 December to 30 June, the results for the corresponding period in prior year were not presented.

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 MFRS 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 30 June 2019.

A2. Accounting policies

The quarterly financial statements under review have been prepared based on the same accounting policies and methods of computation adopted in the most recent Audited Financial Statements for the year ended 30 June 2019 except for the newly-issued Malaysian Financial Reporting Standards (“MFRS”), Amendments to MFRS and IC Interpretations (“IC Int.”) that are applicable to the Group for financial period beginning 1 July 2019:

| Descriptions | Effective for annual periods beginning on / after |
|--|---|
| MFRS 16: <i>Leases</i> | 1 January 2019 |
| IC Interpretation 23: <i>Uncertainty over Income Tax Treatments</i> | 1 January 2019 |
| Amendments to MFRS 3: <i>Previously Held Interest in a Joint Operation (Annual Improvements to MFRS Standards 2015-2017 Cycle)</i> | 1 January 2019 |
| Amendments to MFRS 9: <i>Prepayments Features with Negative Compensation</i> | 1 January 2019 |
| Amendments to MFRS 11: <i>Previously Held Interest in a Joint Operation (Annual Improvements to MFRS Standards 2015-2017 Cycle)</i> | 1 January 2019 |
| Amendments to MFRS 112: <i>Income Tax Consequences of Payments on Financial Instruments classified as Equity (Annual Improvements to MFRS Standards 2015-2017 Cycle)</i> | 1 January 2019 |
| Amendments to MFRS 119: <i>Plan Amendment, Curtailment or Settlement</i> | 1 January 2019 |
| Amendments to MFRS 123: <i>Borrowing Costs Eligible for Capitalisation (Annual Improvements to MFRS Standards 2015-2017 Cycle)</i> | 1 January 2019 |
| Amendments to MFRS 128: <i>Long-term Interests in Associates and Joint Ventures</i> | 1 January 2019 |

The adoption of MFRSs and IC Int. did not have a significant financial impact on the Group’s financial statements.

A3. Seasonal or cyclical factors

The business operations of the Group were not significantly affected by seasonal or cyclical factors.

A4. Unusual items affecting assets, liabilities, equity, net income or cash flow

There were no significant unusual items that affect the assets, liabilities, equity, net income or cash flow during the quarter under review.

A5. Material Changes in estimates

There was no material changes in estimates of amounts reported in the prior interim periods of the current financial year or the previous financial period.

A6. Issuances, repurchases and repayments of debt and equity securities

There were no issuance and repayment of debts, share cancellations for the current financial period.

A7. Dividend paid

There was no dividend paid in the current quarter.

A8. SEGMENTAL ANALYSIS

The Group's operations comprise the following business segments:

- (i) Construction
- (ii) Property investment and development
- (iii) Quarry and ready-mix concrete
- (iv) Power supply

| | Construction | | Property Development | | Quarry readymix | | Power Supply | | Others | | Group | |
|-------------------------------------|--------------|----------|----------------------|----------|-----------------|----------|--------------|----------|----------|----------|----------|----------|
| | 30/09/19 | 30/09/18 | 30/09/19 | 30/09/18 | 30/09/19 | 30/09/18 | 30/09/19 | 30/09/18 | 30/09/19 | 30/09/18 | 30/09/19 | 30/09/18 |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | | | | | | | | | | | |
| External customer | 40,316 | N/A | 41,125 | N/A | 4,496 | N/A | 3,613 | N/A | - | N/A | 89,550 | N/A |
| Inter-segment revenue | - | N/A | | N/A | - | N/A | | N/A | - | N/A | - | N/A |
| | 40,316 | N/A | 41,125 | N/A | 4,496 | N/A | 3,613 | N/A | - | N/A | 89,550 | N/A |
| Results | | | | | | | | | | | | |
| Segment results | (4,042) | N/A | 12,911 | N/A | 87 | N/A | 1,270 | N/A | 11 | N/A | 10,237 | N/A |
| Adjustments and eliminations | - | N/A | - | N/A | - | N/A | - | N/A | - | N/A | - | N/A |
| | (4,042) | N/A | 12,911 | N/A | 87 | N/A | 1,270 | N/A | 11 | N/A | 10,237 | N/A |
| Share of results in associates | (16) | N/A | (87) | N/A | 262 | N/A | - | N/A | - | N/A | 159 | N/A |
| Finance costs | (1,714) | N/A | (1,749) | N/A | (39) | N/A | (546) | N/A | (2) | N/A | (4,050) | N/A |
| Consolidated profit before taxation | (5,772) | N/A | 11,075 | N/A | 310 | N/A | 724 | N/A | 9 | N/A | 6,346 | N/A |

A9. Material events subsequent to the end of the period

On 7 August 2019, the Company announced the proposal to undertake the renounceable rights issue of up to 439,345,450 new ordinary shares of the Company together with up to 439,345,450 free detachable warrants in the Company on the basis of 1 right 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 proposed rights issue with warrants was approved by the shareholders of the Company through the Extraordinary Shareholders' Meeting held on 22 October 2019.

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 30 June 2019 were as follows:

| | 22-Nov-19 RM'000 | Changes RM'000 | 30-Jun-19 RM'000 |
|---|---------------------|-------------------|---------------------|
| Corporate guarantees given to licensed banks for credit facilities granted to associates | 135,903 | - | 135,903 |

A12. Capital commitments

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

| | 30-Sep-19 RM'000 | 30-Jun-19 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 RM89.6 million and a profit before tax of RM6.3 million for the 3 months ended 30 September 2019. 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 ResortCity Development) Masai, Johor.

For the financial period ended 30 September 2019, the construction division recorded revenue of RM40.3 million and loss before tax of RM5.8 million. The poor performance was mainly due to reduce volume of construction works.

The property division recorded revenue of RM41.1 million and profit before tax of RM11.1million for the financial period ended 30 September 2019. 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.

B1. Review of performance (continued)

The power supply division recorded revenue of RM3.6 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 RM0.7 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 RM89.6 million and profit before tax of RM6.3 million as compared to the immediate preceding quarter of RM230.8 million and RM19.4million respectively.

The lower profit for current quarter was mainly due to completion of the development work for The Opus at Jalan Tallala in Kuala Lumpur as the development was handed over to purchasers in July 2019.

B3. Prospects

The Group is involved in various business division, including construction, property development, and quarry as well as power generation. For the past few years, construction and property development have been the main focus of the Group.

The Group's construction division is involved in several projects domestically and overseas. The current value of contract works in progress stands at approximately RM758.1 million, which is expected to provide a steady stream of revenue for the Group over the next 2 to 3 years.

The Group has been constantly looking for opportunities to increase its order book through participating in tenders both locally and overseas. Some of the local projects that the Group is exploring include affordable housing projects, education campus / facilities, hospital projects, roads and rail projects. In Thailand, the Group is currently tendering for the high-speed rail project along with its joint venture partners in Thailand. For the property development division, the Group has several ongoing projects in Johor, Pahang, Sabah and Sarawak with a combined estimated Gross Development Value "GDV" of RM869.2 million. Puri Residence and The Valley @ Bentong are among the Group's projects which contributed most to the combined GDV. Puri Residence is a 21.41-acre residential development comprising 384 units of double-storey houses located in Masai, Johor with an estimated GDV of RM229.5 million. Puri Residence was launched in second quarter 2018 and the Group is currently looking for more launches in 2020.

In addition, The Valley @ Bentong is a 1,600-acre agricultural-based development comprising farms and homesteads located in Karak, Pahang with an estimated GDV of RM383.0 million. The Valley @ Bentong has launched its first and second phases in 2017 with an estimated GDV of RM157.0 million.

For the power supply sector, the Group intends to participate for more tenders of large-scale solar photovoltaic plant locally to increase the opportunities that would contribute more recurring income in the future. Aside from local market, the Group is also looking to expand its business operation in Indonesia through collaboration with local parties in Indonesia.

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 | | 3 months ended | |
|--------------------------|----------------|-----------|----------------|-----------|
| | 30-Sep-19 | 30-Sep-18 | 30-Sep-19 | 30-Sep-18 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Income tax | | | | |
| - current year | | | | |
| Malaysian income tax | 2,225 | N/A | 2,225 | N/A |
| Foreign income tax | - | N/A | - | N/A |
| - prior year | | | | |
| Malaysian income tax | - | N/A | - | N/A |
| | 2,225 | N/A | 2,225 | N/A |
| Deferred taxation | | | | |
| - current year | - | N/A | - | N/A |
| - prior year | - | N/A | - | N/A |
| | - | N/A | - | N/A |
| | 2,225 | N/A | 2,225 | N/A |

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 2020.
- Proposed 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.

The proposed rights issue with warrants was approved by the shareholders of the Company through the Extraordinary Shareholders' Meeting held on 22 October 2019.

On 11 November 2019, the Board had on even date resolved to fix the issue price of the Rights Shares at RM0.09 per Rights Share as well as the Exercise Price at RM0.10 per Warrant.

On 12 November 2019, the Board, announced that the Entitlement Date for the Rights Issue with Warrants has been fixed at 5.00 p.m. on 28 November 2019.

B7. Group borrowings and debt securities

The group borrowings as at 30 September 2019 were as follows:

| | <----- 30 September 2019-----> | | | 30-Jun-19 |
|-----------------------------------|---|--|-----------------|-----------------|
| | 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) | 28,678 | 207,000 | 235,678 | 240,503 |
| (ii) Short term loans | | | | |
| - secured | - | - | - | - |
| - unsecured | 55,427 | - | 55,427 | 56,184 |
| | 55,427 | - | 55,427 | 56,184 |
| (iii) Project financing (secured) | 197,150 | - | 197,150 | 204,341 |
| Total borrowings | 281,255 | 207,000 | 488,255 | 501,028 |

The borrowings were denominated in the following currencies :-

| | <----- 30 September 2019-----> | | | 30-Jun-19 |
|----------------------|--------------------------------|---------------------|-----------------|-----------------|
| | Secured RM'000 | Unsecured RM'000 | Total RM'000 | Total RM'000 |
| Ringgit Malaysia | 400,654 | 55,427 | 456,081 | 463,019 |
| United States Dollar | 19,497 | - | 19,497 | 23,188 |
| Indonesian Rupiah | 2,684 | - | 2,684 | 3,301 |
| Brunei Dollar | 9,993 | - | 9,993 | 11,520 |
| | 432,828 | 55,427 | 488,255 | 501,028 |

B8. Changes in material litigation

- **In the matter of an arbitration between BK Asiapacific (Malaysia) Sdn Bhd (formerly known as BK Burns & Ong Sdn Bhd) (“BK Burns”) v UEMC-Bina Puri JV (unincorporated joint venture), UEM Construction Sdn Bhd and Bina Puri Sdn Bhd (collectively, “UEM-BPSB JV”)**

UEM-BPSB JV is an unincorporated joint venture between UEM Construction Sdn Bhd and BPSB (on a 60:40 proportion basis). Malaysia Airport Holdings Berhad had awarded a contract to UEM-BPSB JV 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 Burns against UEM-BPSB JV on 16 June 2017 for wrongful termination, claiming for an alleged amount of RM6.9 million for loss and damage and loss of profit, including 5% incentive payment for any commercial settlement. This does not include BK Burns' claim for a monthly fee effective January 2012 until completion and 5% incentive payment during this period.

UEM-BPSB JV filed its defence on 16 August 2017 which 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 Burns.

B8. Changes in material litigation (continued)

The hearing for the arbitration proceedings has been concluded. BK Burns has submitted its submissions dated 8 July 2019 and UEM-BPSB JV has submitted its submissions-in-reply dated 13 September 2019.

Subsequently, BK Burns has filed its submissions-in-reply dated 22 October 2019. UEM-BPSB JV intends to seek permission from the tribunal to file further reply submissions.

Based on the documents available, UEM-BPSB JV's solicitors are of the view that there is a good chance of defending this claim.

- **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.

Bina Puri Pakistan commenced the arbitral proceedings on 21 October 2013 claiming for a sum of PKR26,760,300,964 (approximately RM720 million⁽¹⁾) for loss and damage including loss of profit, interest, cost and expenses. NHA contended on 9 December 2013 that the termination is lawful. The arbitration has been concluded.

One of the 2 arbitrators passed an award on 13 January 2018 for PKR25,650,745,200 (approximately RM690 million⁽¹⁾) in favour of Bina Puri Pakistan whilst another arbitrator was of the view that Bina Puri Pakistan is entitled to termination payments to be computed by joint auditors. As the arbitrators of the arbitral proceedings differed in their decisions, a jointly appointed umpire shall determine the dispute and deliver the final decision. However, due to health problems of the appointed umpire, Bina Puri Pakistan filed an application at the High Court of Sindh for a new umpire to be appointed. On 27 September 2018, the High Court of Sindh referred the matter for decision by a new umpire, Mr Justice (R) Nasir-ul-Mulk.

On 27 March 2019, Mr Justice (R) Nasir-ul-Mulk allowed Bina Puri Pakistan's claims against NHA as follows:-

- (a) a declaration that the termination notice issued by NHA was unlawful repudiation and therefore anticipatory breach of the Concession Agreement; and
- (b) Bina Puri Pakistan shall be entitled for the actual pre-development cost and actual development costs to be determined by a joint auditor in accordance with the award.

(“Adjudication Award”)

On 6 April 2019, the Adjudication Award was filed in High Court of Sindh at Karachi to be enforced and made a rule of court. On 1 October 2019, the Registrar directed the matter back to the High Court of Sindh at Karachi for further orders for the enforcement of the Adjudication Award in view that NHA has failed to appear or file any objections despite being served with the notice of the proceedings. The next hearing of the matter is fixed on 25 November 2019.

(Based on BNM's exchange rate of PKR1:RM0.0269)

B8. Changes in material litigation (continued)

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

SPK-Bina Puri is an unincorporated joint venture between SPK and Bina Puri (on a 70:30 proportion basis) (“**SPK-BPHB JV**”). An agreement was entered into between Conaire and the SPK-BPHB JV 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 RM23.6 million⁽¹⁾) (“**Abu Dhabi Judgment**”).

On 11 April 2016, Conaire issued and served a writ to SPK and Bina Puri 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 the Conaire’s Claim (“**High Court Judgement**”).

On 14 February 2019, SPK and Bina Puri filed an appeal at the Court of Appeal on the High Court Judgement (“**Appeal**”). On 22 February 2019, SPK and Bina Puri 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 Kuala Lumpur allowed the Stay of Execution Application. On 12 September 2019, the Court of Appeal has granted SPK and Bina Puri’s notice of motion to amend the notice of appeal.

On 20 November 2019, The Court fixed case management on 14 January 2020.

Bina Puri’s solicitors are of the view that there is a reasonable chance of success subject to the Court of Appeal agreeing to, amongst others, that the judgment obtained by Conaire at the Abu Dhabi Court on 17 March 2015 cannot be enforced in Malaysia under the Reciprocal Enforcement of Judgments Act 1958.

Note:-

Based on BNM’s exchange rate of AED1:RM1.1399

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

BPM had filed a suit against BB Quarry on 11 May 2015, claiming for the sum of RM8,714,779.84 for the breach of the quarry operation agreement dated 1 January 2013 entered into between the parties (“**Quarry Operation Agreement**”), which includes a claim for misrepresentation. BB Quarry counter-claimed against BPM for a sum of RM1,412,023.79 being the alleged contract fees, insurance premium and reimbursement of commission fees payable by BPM pursuant to the Quarry Operation Agreement.

The Miri High Court has directed to split the trials into two tiers, firstly, liability of the parties and thereafter the computation of the quantum. The trial has been concluded on 16 May 2018. On 24 December 2018, BPM’s claim has been dismissed while the counter-claim by BB Quarry has been allowed. On 21 January 2019, BPM has filed an appeal at the Court of Appeal. The hearing is fixed on 16 April 2020.

BPM’s solicitors are of the view that there is a reasonable chance for the appeal in the event the Court of Appeal is agreeable with the ground raised by BPM.

B8. Changes in material litigation (continued)

- **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 proceeding against BPCSB on 23 May 2018 for the alleged outstanding payment of works. The adjudication was opposed by BPCSB by way of set-off for backcharges, overpayment, materials supplied by BPCSB on Genbina’s behalf and liquidated damages and accordingly the obligation on BPCSB to pay the alleged outstanding sum claimed has not arisen.

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

- (i) allowed Genbina’s claim of RM5,874,396.83;
- (ii) allowed BPCSB to set off RM2,883,579.64; and
- (iii) 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 the accurate amount that ought to be paid by Genbina (“**BPCSB Arbitration**”).

On 7 December 2018, Genbina filed an application to the High Court of Kuala Lumpur for an order to enforce the Genbina Adjudication Decision and it was allowed by the High Court of Kuala Lumpur on 26 July 2019 (“**Enforcement Order**”). On 2 August 2019, BPCSB filed a notice of appeal to the Court of Appeal against the Enforcement Order (“**BPCSB Appeal 1**”).

Correspondingly, on 23 April 2019, BPCSB also filed an application to the High Court of Kuala Lumpur to stay the Genbina Adjudication Decision pending the BPCSB Arbitration. On 26 July 2019, the High Court of Kuala Lumpur dismissed BPCSB’s application and ordered that the adjudication sum shall be deposited with the Asian International Arbitration Centre pending the final determination of the BPCSB Arbitration (“**Deposit Order**”). On 2 August 2019, BPCSB filed a notice of appeal to the Court of Appeal against the Deposit Order (“**BPCSB Appeal 2**”).

On 6 August 2019, BPCSB filed 2 applications for stay of execution of the Enforcement Order and Deposit Order respectively at the High Court of Kuala Lumpur pending the determination of BPCSB Appeal 1 and BPCSB Appeal 2 (collectively, the “**BPCSB Stay Applications**”). The High Court of Kuala Lumpur granted an interim stay for both the Enforcement Order and Deposit Order pending the disposal of the BPCSB Stay Applications.

BPCSB and Genbina are currently in the midst of negotiating for a settlement. The High Court of Kuala Lumpur has fixed the matter for case management on 28 November 2019 to update the courts on the status of the settlement.

BPCSB’s solicitors are of the view that based on the documents available, BPCSB’s claim for the difference between the amount awarded in the Genbina Adjudication Decision and the accurate amount ought to be paid by Genbina has a reasonable likelihood of success.

B9. Dividend

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

B10. Earnings per share

| | 3 months ended | | 3 months ended | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 30-Sep-19 '000 | 30-Sep-18 '000 | 30-Sep-19 '000 | 30-Sep-18 '000 |
| (a) Basic earnings per share | | | | |
| Profit after taxation attributable to owners of the Company (RM) | 463 | N/A | 463 | N/A |
| Weighted average number of ordinary shares (Unit): | 382,040 | N/A | 382,040 | N/A |
| Basic earnings per share (sen) | 0.12 | N/A | 0.12 | N/A |

(b) Diluted earnings per share

The diluted earnings per ordinary share is equivalent to the basic earnings per ordinary share as the New SIS have not been granted.

B11. Audit report qualification

The financial statements of the Group for the period ended 30 June 2019 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.