



BINA PURI HOLDINGS BHD

PRESS RELEASE

The Edge
8 September 2010

Bina Puri takes 80% stake in Medini North project

Bina Puri Holdings Bhd
(Sept 8, RM1.19)

Maintain buy at RM1.13 with target price RM1.77: Bina Puri announced that it has entered into an agreement with Medini Land Sdn Bhd to develop 1.048 million sq ft gross floor area (GFA) in Medini North with a GDV of approximately RM500 million. The development will be in two phases, 50 units of shop offices and two blocks of 23-storey commercial buildings. The first phase is expected to be completed in 2012. The project's soft launch will be in 1Q2011.

We are pleasantly surprised with the news as we did not expect Bina Puri to undertake development in the Iskandar Development Region (IDR), but we see no impact on FY2010 earnings. We view this news as positive for Bina Puri's earnings moving forward with higher development margins. The earnings contribution from this project is expected to materialise only by end-FY2012. In the meantime, the RM2.5 billion construction order book, including the LCCT project, will support the group's earnings for the next two years.

Following the Medini project news, management reiterated that it has just submitted the tender for the LRT projects. Recall that Bina Puri JV with Acre Works and SNC Lavalin was on

Bina Puri Holdings Bhd

| FYE Dec 31 (RM m) | FY08 | FY09 | FY10F | FY11F |
|-------------------|-------|-------|-------|---------|
| Revenue | 676.5 | 780.1 | 924.7 | 1,092.3 |
| Pretax profit | 8.0 | 11.4 | 27.8 | 32.2 |
| Net profit | 4.3 | 6.4 | 18.1 | 20.5 |
| EPS (sen) | 4.1 | 6.2 | 17.4 | 19.8 |
| EPS growth (%) | -39.0 | 50.0 | 181.8 | 13.4 |
| Gross DPS (sen) | 4.0 | 4.0 | 4.0 | 4.0 |
| NTA/share (RM) | 0.9 | 1.0 | 1.1 | 1.2 |
| Net gearing (%) | 1.4 | 1.0 | 1.0 | 1.0 |
| PER (x) | 27.4 | 18.3 | 6.5 | 5.7 |
| P/NTA (x) | 1.3 | 1.2 | 1.0 | 0.9 |
| Div yield (%) | 3.5 | 3.5 | 3.5 | 3.5 |
| ROE (%) | 6.9 | 8.6 | 18.8 | 19.1 |

Source: Kenanga Research

the list of pre-qualified subcontractors for fabrication and delivery of segmental box girders. We expect that the LRT extension contract will be out by this year for it to be competed in 2014. Despite the intense competition from other players, we believe the contracts will be well distributed among the players.

With the Medini project, Bina Puri will probably gear up to an additional circa RM350 million for the next two to three years, assuming development cost at 65%. Net gearing is expected to

reach 2.7 times by FY2011 (2.2 times in 1H2010). Payment risk of its other construction projects is low given that the principals of the projects are GLCs and large developers.

No change to our earnings estimates at this juncture. We have not imputed any significant property earnings in our estimates as well as the Medini contribution as the impact will not be immediate. Maintain "buy" and target price of RM1.77 based on 10 times PER FY2010. — Kenanga IB Research, Sept 8

For further enquiries, please contact :

Cik. Surati Sujor

Corp Communications Dept

BINA PURI HOLDINGS BHD

Tel : 03-6136 3333 (3005)

Fax : 03-6136 9999

E-mail : surati@binapuri.com.my