



# BINA PURI HOLDINGS BHD

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## PRESS RELEASE

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### **More overseas jobs in sight**

By ANGIE NG

BINA Puri Holdings Bhd wants to make a bigger foray overseas by leveraging on its well-established track record of having completed landmark construction projects in various countries.

Contribution from the offshore division to Bina Puri's bottom line is expected to increase to 40% next year from 30% this year.

Bina Puri's order book of RM2.2bil will keep the group busy for the next three years.

Some of the notable completed projects overseas include three road infrastructure projects in India worth more than RM500mil, the Hyatt Hotel in Kathmandu, Nepal (RM39mil), the Malaysian Embassy building and residence in Beijing (more than RM70mil), and access road to the new Bangkok International Airport (more than RM183mil).

Bina Puri is the only Malaysian group to be involved in projects for Bangkok's second international airport, Suvarnabhumi Airport, to construct at-grade roads and access bridges.

According to group managing director Tan Sri Tee Hock Seng, going abroad has proven to be an effective way to diversify the group's earnings base.

"Instead of just relying on the Malaysian market, we have successfully made a name for ourselves overseas. This has provided a cushion for us and countered the negative growth during the down cycle from 2003 to 2006 when a lot of Malaysian contractors have to either fold up their business or venture overseas," Tee told StarBiz in Bangkok recently.



Bina Puri is involved in the construction of Capital Square condominium units and offices in Kuala Lumpur

He said although the Ninth Malaysia Plan projects would provide a respite from the soft construction market, “we must always be prepared for another down cycle.”

Bina Puri’s ongoing projects in Malaysia include the Dewan Undangan Negeri Sarawak worth RM229mil, a road project in Pahang (RM172mil), Capital Square condominiums, a retail centre and signature offices (RM203mil) and the Sipitang-Tenom road project in Sabah (RM227mil).

Tee said Bina Puri was also eyeing other overseas construction projects to beef up its order book.

“The overseas projects are very important to the group as they provide us with an international standing. In the past decade, we have completed projects in Cambodia, India, Nepal, China and Thailand.

“It also differentiates us from the other contractors in Malaysia. There are more than 70,000 contractors registered with the Construction Industry Development Board of Malaysia. From this, less than 1% have gone abroad,” he said.

Tee said Bina Puri was looking to expand its market to Libya, Kazakhstan, Pakistan and the United Arab Emirates.



Tan Sri Tee Hock Seng (3rd from left) and Deva Property Public Co Ltd MD Mark Greenwood (4th from left) posing with the management team of Bina Puri Thailand at the Krasaebon project.

“We are looking to clinch the contract for the Malaysian Embassy in Moscow and hopefully the project can get off the ground this year,” he added.

Thailand’s proximity to Malaysia and strong growth potential make the country a priority in Bina Puri’s overseas ambitions.

Bangkok is less than two hours away by flight, making it easily accessible and manageable.

Of the group’s current order book of RM2.2bil, 46% comprises projects in Thailand.

“With more than RM800mil worth of unbuilt order book in Thailand, we expect the Thailand business to contribute 30% and 40% to group earnings within the next two years,” Tee said.

In less than four years, Bina Puri has secured a number of important projects and positioned itself as a new competitive foreign player in the country’s construction sector.

The projects comprise nine low cost housing projects worth RM933mil awarded by the National Housing Authority of Thailand and a high-end apartment project by a listed property developer, Areeya Property, worth RM66mil.

Tee said the opening of the group’s regional office in Bangkok recently underscored the immense opportunities for Bina Puri in Thailand.

For the financial year ended Dec 31, 2006, Thailand contributed 22% or RM6mil to group net profit and the share is expected to increase to 30% this year

Bina Puri’s offshore success has contributed to a greater Malaysian presence in the overseas construction sector.

“We believe in awarding contracts for main contractors and sub-contractors to Malaysian companies and this has prompted more local companies to venture overseas. In Thailand alone, we have six such partners,” Tee said.

If the group's plan to venture into India, Thailand, the Middle East and Pakistan is successful, more Malaysian contractors will soon be heading into those countries as well.

On its financial outlook, Tee said Bina Puri hoped to turn in at least a 20% growth in earnings each year.

For the financial year ended Dec 31, 2006, the group recorded a 30% jump in net profit to RM6mil and 6% growth in revenue to RM430mil.

“We also hope to see higher growth in our polyol division, which contributes only 3% to group revenue and 5% to pre-tax profit in 2006. We hope the contribution from the division will double this year,” Tee said.

The company uses state-of-the art technology in the manufacture of palm oil-based natural oil polyol for the domestic and export market.

The product, which is environmental friendly, is vastly used in construction projects, refrigeration systems, automotive engineering and furniture manufacturing.

The group hopes to maintain an annual dividend payout of 5% to shareholders.

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