

1 March 2010

HOLD
RM0.86

Target Price: RM0.87

Stock data

Market cap (RMm):	896
Issued shares (m):	104.2
52-week range:	RM0.70-RM0.96
3-mth avg daily volume:	28,448 shrs
Bloomberg code:	BINMK
YTD price chg:	-2.3%
YTD KLCI chg:	-0.2%
Est. free float:	32.6%
Major shareholders:	
<i>Jentera Jati S/B:</i>	19.6%
<i>Bumimaju Mawar S/B</i>	19.2%
<i>Tan Sri Datuk</i>	14.7%
<i>Tee Hock Seng, JP:</i>	
<i>Dr. Tan Cheng Kiat:</i>	8.8%
<i>Dato' Mohamed Faisal:</i>	5.1%

KLCI	FBM70	FBM100	Syariah	Hijrah
No	No	No	Yes	No

Consensus

FYE31 Dec	2010E	2011E
Net profit (RMm):	n.a.	n.a.
EPS (sen):	n.a.	n.a.

Forecast revision

FYE31 Dec	2010E	2011E
Previous net profit (RMm):	8.5	8.7
Revision (%):	+18%	+37%
New net profit (RMm):	10.0	11.9

Share price chart

 Kenanga Research Tel: 603-2166 6822
 research@kenanga.com.my

Bina Puri Holdings

FY09 results inline

- FY09 net profit came inline with our expectations and below consensus as it accounts for 99% and 73% of forecast, respectively.** This is mainly due to higher contribution from its overseas and local construction revenue as more progressive works being completed. The other divisions are yet to recover from economic downturn. The property sales are lower due to completion of its two property projects namely, Jesselton Condominiums and Taman Malawa Apartment. **A final gross dividend of 2 sen was declared during the quarter (4 sen for FY09 - 4.6% dividend yield).**
- QoQ, construction and property contributes to 20% higher in revenue.** The revenue was higher mainly due to higher recognition of its construction projects and property projects. Polyol revenue was also higher as the economic has shown some improvement in late FY09. However, it is mitigated by higher cost as EBIT margin reduced from 4.1% to 2.7%.
- YoY, net profit mainly supported by construction.** Property segment still at loss for the past 3 quarters as less property launch during the year. The construction division still contributing strongly to the Group's earnings. Polyol revenue reduced by 16% as fewer road paving works done during the year. Going forward, the construction division remains as the main earnings driver.
- RM2.3b order book for the next 3 years.** Going forward, we are cautious on construction margin due to inflationary impact and high building material cost during better economic environment. However, the impact should be compensated by other division healthy performance ie: property and quarry divisions.
- Maintain HOLD recommendation with higher TP of RM0.87.** We upgrade our forecast higher by 18% and 37% for FY10 and FY11, respectively. We derived a higher TP of RM0.87 from RM0.70 previously. Our TP is based on 9x PER to FY10 EPS.

Results Highlights

FYE 31 Dec (RMm)	4Q08	1Q09	2Q09	3Q09	4Q09	QoQ	YoY	FY08	FY09	YoY
Revenue	147.1	135.0	186.3	208.2	250.7	20.4%	70.4%	677.3	780.1	15.2%
EBIT	2.9	2.6	3.7	4.1	2.7	-33.7%	-6.6%	14.2	13.1	-7.6%
EBIT margin (%)	2.0	1.9	2.0	2.0	1.1			2.1	1.7	
Investment Income	0.2	0.2	0.2	0.1	0.2	178.9%	-16.8%	0.3	0.6	84.8%
Finance costs	(1.2)	(1.5)	(1.2)	(1.1)	(0.9)	-13.3%	-22.5%	(4.9)	(4.6)	-7.4%
Associates' contribution	(1.1)	0.3	(0.3)	0.1	(1.0)			(1.5)	(0.9)	
Pre-tax profit	0.8	1.6	2.5	2.8	4.5			8.1	11.4	
Tax	(0.6)	(0.3)	(0.5)	(0.7)	(2.5)			(2.9)	(4.0)	
Profit after tax	0.2	1.3	2.0	2.1	2.0	-7.6%	959.1%	5.3	7.4	41.3%
MI	(0.1)	(0.3)	(0.4)	(0.3)	(0.0)	-89.8%	-75.0%	(0.9)	(1.1)	21.2%
Net profit	0.1	1.0	1.6	1.8	2.0	10.8%	3609.3%	4.3	6.4	47.0%
EPS (sen)	0.1	1.0	1.5	1.7	1.9	10.8%	3609.3%	4.2	6.2	47.0%

PP7004/03/2010(023510)

Revenue and Operating Profit Breakdown

Segmental breakdown										
Revenue	4Q08	1Q09	2Q09	3Q09	4Q09	QoQ	YoY	FY08	FY09	YoY
Construction	115.7	109.9	168.1	186.8	226.6	21.3%	95.8%	539.5	691.4	28.2%
Property development	8.1	7.4	1.0	0.5	2.2	335.2%	-72.8%	43.6	11.1	-74.5%
Polyol	3.4	3.8	4.6	4.2	2.9	-31.7%	-16.5%	18.7	15.4	-17.4%
Quarry and ready mix concrete	19.9	13.8	12.6	16.7	22.7	36.2%	13.9%	75.6	65.8	-13.0%
Elimination	-	-	-	-	-3.6			-	-3.6	
Total	147.1	135.0	186.3	208.2	250.7	20.4%	70.4%	677.3	780.1	15.2%
Operating Profit/EBIT										
Construction	0.5	1.3	3.1	3.7	6.5	74.2%	>100%	6.5	14.6	126.0%
Property development	2.6	0.7	(0.2)	(0.3)	(0.1)	-57.5%	-104.7%	5.2	0.1	-98.9%
Polyol	(0.3)	0.0	0.1	0.2	(0.0)	n.m	-90.7%	0.2	0.3	36.8%
Quarry and ready mix concrete	0.7	0.6	0.6	0.8	0.3	-61.3%	-55.8%	3.1	2.3	-25.4%
Others	(0.7)	0.1	0.0	(0.0)	(0.2)	n.m	-74.6%	-0.7	0.0	-96.0%
Elimination	-	-	-	-	0.1			0.0	0.1	
Total	2.9	2.6	3.7	4.4	6.6	49.8%	124.9%	14.2	17.3	21.3%

Earnings Estimates

FYE 31 Dec (RMm)	FY06	FY07	FY08	FY09	FY10E	FY11E
Revenue	491.6	607.9	676.5	780.1	845.0	873.0
Pretax profit	6.4	8.5	8.0	11.4	16.6	20.1
Net profit	5.1	7.0	4.3	6.4	10.0	11.9
EPS (sen)	4.9	6.8	4.1	6.2	9.7	11.5
EPS growth (%)	26.3	37.1	-39.0	50.0	56.3	18.4
Gross DPS (sen)	5.0	6.0	4.0	4.0	4.0	4.0
NTA/share (RM)	0.8	0.9	0.9	1.0	1.0	1.1
Net gearing (%)	4.1	1.9	1.4	1.0	1.0	1.1
PER (x)	16.8	12.3	20.1	13.4	8.6	7.2
P/NTA (x)	1.0	0.9	0.9	0.9	0.8	0.8
Div. Yield (%)	6.0	7.2	4.8	4.8	4.8	4.8
ROE (%)	7.8	11.3	6.9	8.6	11.7	13.3

CMDF-Bursa Research Scheme ("CBRS")

This report has been prepared by Kenanga Investment Bank Berhad (KIBB) for purposes of CBRS administered by Bursa Malaysia Berhad, independent from any influence from CBRS or the subject company. KIBB will receive total compensation of RM15,000 each year for each company covered by it under CBRS. For more information about CBRS, please visit Bursa Malaysia's website at: <http://www.bursamalaysia.com/website/bm/>

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees. Kenanga Investment Bank Berhad accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Kenanga Investment Bank Berhad and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.

Published and printed by:

KENANGA INVESTMENT BANK BERHAD (15678-H)

8th Floor, Kenanga International, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia

Telephone: (603) 2166 6822 Facsimile: (603) 2166 6823 Website: www.kenangaresearch.com


Yeonzon Yeow
Head of Research