

20 August 2009

**HOLD  
RM0.80**

Target Price: RM0.70

**Stock data**

Market cap (RMm):	67.0
Issued shares (m):	83.8
52-week range:	RM0.70-RM1.05
3-mth avg daily volume:	72,105 shrs
Bloomberg code:	BINMK
YTD price chg:	-16.7%
YTD KLCI chg:	+31.8%
Est. free float:	47.5%
Major shareholders:	
Jentera Jati S/B:	24.3%
Tan Sri Datuk	17.4%
Tee Hock Seng, JP:	
Dr. Tan Cheng Kiat:	10.8%

KLCI	FBM70	FBM100	Syariah	Hijrah
No	No	No	Yes	No

**Consensus**

FYE31 Dec	2009E	2010E
Net profit (RMm):	na	na
EPS (sen):	na	na

**Forecast revision**

FYE31 Dec	2009E	2010E
Prev net profit (RMm)	5.0	5.3
Revision(%):	-	-

**Share price chart**

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# Bina Puri Holdings

## 1H09 in line

- **1H09 net profit of RM2.6m was in line at 52% of our profit forecast.** Better revenue and profit was mainly driven by construction division as more new projects commenced.
- **QoQ, 2Q09 sales and pre-tax profit rose 38.1% and 51.6% respectively, boosted by increased contribution from the construction division.** The division kick started various new projects secured in 2009, which includes 2,000 affordable housing units in Brunei, construction of Nippon factory at Pakistan, medium cost apartment at Kota Kinabalu, building works for UM, Kelantan and terrace houses development in Papar, Sabah.
- **YoY, 1H09 turnover fell 2.6% on weaker contribution from other divisions** notwithstanding the better construction performance. Accordingly pre-tax was 15.2% lower at RM4.1m.
- **Outlook. Solid construction order book with c.RM2.4b outstanding works** to keep group occupied for the next 3 years. We understand that group is still bidding for about RM5b domestic and overseas projects. Properties and polyol however should stay weak on lack of new development and slow export market respectively. Meanwhile quarry & premix may benefit from increased government's infrastructure spending.
- **Maintain our earnings forecast and HOLD recommendation with unchanged target price of RM0.70.** Target price however should be adjusted to **RM0.56** should the proposed debt capitalisation materialise as the issuance of 20m new shares will dilute EPS. (Refer to our previous report dated 23 Feb 09 for more details on the proposed debt capitalisation)

**Results Highlights**

FYE: 31 Dec (RMm)	2Q FY08	3Q FY08	4Q FY08	1Q FY09	2Q FY09	QoQ Chg	YoY Chg	1H08	1H09	YoY Chg
Revenue	179.3	200.3	147.1	135.0	186.3	38.1%	3.9%	329.9	321.3	-2.6%
EBIT	5.0	4.2	2.9	2.6	3.7	40.4%	-25.9%	7.1	6.3	-11.1%
EBIT margin (%)	2.8	2.1	2.0	1.9	2.0	1.7%	-28.7%	2.2	2.0	-8.7%
Investment income	0.1	0.0	0.2	0.2	0.2	-6.9%	102.2%	0.1	0.4	219.7%
Finance costs	-1.2	-1.3	-1.2	-1.5	-1.2	-20.7%	-3.6%	-2.5	-2.6	5.3%
Associate	-0.8	-0.5	-1.1	0.3	-0.3	-196.5%	-69.3%	0.1	0.0	-90.3%
Pre-tax profit	3.1	2.5	0.8	1.6	2.5	51.6%	-19.1%	4.8	4.1	-15.2%
Taxation	-0.9	-1.2	-0.6	-0.3	-0.5	73.7%	-46.3%	-1.1	-0.8	-26.8%
Profit after tax	2.1	1.3	0.2	1.3	2.0	47.0%	-7.7%	3.8	3.3	-12.0%
Minority interest	-0.3	0.0	-0.1	-0.3	-0.4	23.9%	39.9%	-0.7	-0.7	1.6%
Net Profit	1.8	1.2	0.1	1.0	1.6	54.5%	-15.2%	3.0	2.6	-15.3%
EPS (sen)	2.2	1.5	0.1	1.2	1.9	54.5%	-15.2%	3.6	3.1	-15.3%

## Revenue and Operating Profit Breakdown

	2008	1Q09	2Q09	QoQ Chg	YoY Chg	1H08	1H09	YoY Chg	Comments
<b>Revenue (RM m)</b>									
Construction	145.7	109.9	168.1	53.0%	15.4%	250.5	278.0	11.0%	Higher construction revenue as new projects commenced.
Property development	11.9	7.4	1.0	-86.9%	-91.8%	33.1	8.4	-74.6%	
Polyol	5.3	3.8	4.6	20.5%	-13.5%	9.6	8.4	-12.5%	Property turnover fell as Jesselton condo comes to completion.
Quarry & pre-mix	16.5	13.8	12.6	-9.0%	-23.4%	36.7	26.4	-28.0%	Quarry & pre-mix turnover declined yoy on less road paving contracts.
<b>Total</b>	<b>179.3</b>	<b>135.0</b>	<b>186.3</b>	<b>38.1%</b>	<b>3.9%</b>	<b>329.9</b>	<b>321.3</b>	<b>-2.6%</b>	
<b>Operating profit (RM m)</b>									
Construction	3.0	1.3	3.1	149%	3.4%	3.9	4.4	11.8%	Construction EBIT rose on more projects.
Property Developments	0.8	0.7	-0.2	-128%	-123%	1.2	0.5	-59.6%	Polyol exports still slow and was affected by economic slowdown.
Polyol	0.2	0.0	0.1	3125%	-29.9%	0.5	0.1	-73.0%	
Quarry & pre-mix	1.0	0.6	0.6	1.0%	-42.1%	1.6	1.2	-24.1%	Less road paving works for quarry & premix.
Others	0.0	0.1	0.0	-81.0%	-163%	0.0	0.2	-475%	
<b>Total</b>	<b>5.0</b>	<b>2.6</b>	<b>3.7</b>	<b>40.4%</b>	<b>-25.9%</b>	<b>7.1</b>	<b>6.3</b>	<b>-11.1%</b>	

## Earnings Estimates

FYE 31 Dec (RMm)	2006	2007	2008	2009E	2010E
Revenue	491.6	607.9	677.3	695.0	715.0
Pretax profit	6.4	8.5	8.1	7.7	8.6
Net profit	5.1	7.0	4.3	5.0	5.3
EPS (sen)	6.1	8.4	5.2	6.0	6.3
EPS growth (%)	26.3	37.1	-38.0	15.3	4.7
Gross DPS (sen)	5.0	6.0	4.0	4.0	4.0
NTA/share (RM)	0.8	0.9	0.9	0.9	1.0
Net gearing (%)	4.1	1.9	1.4	1.5	1.5
PER (x)	13.0	9.5	15.3	13.3	12.7
P/NTA (x)	1.0	0.9	0.9	0.9	0.8
Div. Yield (%)	6.3	7.5	5.0	5.0	5.0
ROE (%)	7.8	11.3	7.0	8.5	8.9

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Published and printed by:

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