



BINA PURI HOLDINGS BHD

PRESS RELEASE

The Edge, March 4, 2009

Stocks to watch: MISC, Bina Puri, Resorts, TMI

KUALA LUMPUR: More headwinds are expected for the local stock market on March 4 after the US S&P 500 fell below the psychological important 700 and in the absence of firm leads to stimulate or reinforce investors' sentiment.

Despite the gloomy outlook, stocks which could see trading interest include Bina Puri Holdings, TM International, Resorts World Bhd, MISC, IOI Corp and selected property counters.

Ratings agency RAM forecast the country to grow at a marginal growth rate of 0.9% this year compared to the moderately robust 4.6% growth attained in 2008.

However, the second stimulus package, to be announced on March 10, could stretch its fiscal deficit to over 6% of GDP this year, according to private think-tank Malaysian Institute of Economic Research.

Bina Puri's order book was boosted to RM2.7 billion after it secured a housing contract in Brunei valued at B\$288.73 million (RM693 million) to build 2,000 houses for the government's housing scheme.

As for TMI, there has been some bottom-fishing for the stock after its share price was battered down in recent weeks over its rights issue.

Resorts, which reported losses in the fourth quarter following impairment for the Star Cruises investment, could see active trade.

Its share price had been battered down after it booked RM781.5 million in impairment losses in 4Q08. However, it is still cash rich with bank balances and deposits of RM2.79 billion as at Dec 31.

MISC, which has been downgraded after its weak performance, may see some selling pressure again.

Moody's Investors Service recently lowered IOI Corp Bhd's outlook to negative from stable for its Baa1 issuer rating.

The change in the ratings would affect about US\$500 million of bonds and 21 billion yen of loans. This downgrade will continue to weigh on the share price despite the still firm crude palm oil prices at RM1,945.

Property stocks, especially those in the luxury KL city centre, could see some trading interest.

Real estate consultancy Rahim & Co Chartered Surveyors Sdn Bhd said prices of condominiums could fall as much as 30% as waning demand erodes sellers' bargaining power to dictate prices.

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