

Bina Puri eyes China coal mine, Kelantan tin mine, Jakarta bridge

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PETALING JAYA: Construction outfit [Bina Puri Holdings Bhd](#) is believed to be in negotiations to acquire a coal mine in China and a tin mine in Kelantan, sources said.

“The company is also looking at securing infrastructure project soon to build a bridge in Jakarta. The focus will still be on its core construction business but it is also trying to diversify into the commodity business and also businesses that provides more recurring income,” the source said.

The company was last said to be exploring opportunities in tin mining in Indonesia back in 2004, when it was making a tin mining feasibility study on the Indonesian island of Bangka. Bangka is rich in tin ore deposits; it is also where [PT Koba Tin](#), a subsidiary of [Malaysia Smelting Corp Bhd](#) has a contract of work with the government, giving it exclusive rights for exploration, mining and smelting tin over 41,680ha in Bangka Belitung Island.

It called off the proposed tin mining venture in 2005 after studies revealed low deposits that were not commercially viable in the said area.



Diversified: Bina Puri has a 50% stake in the Latar concession.

[Bina Puri](#) recently bagged a RM864mil highway concession contract from Pakistan's National Highway Authority to construct the Karachi-Hyderabad Motorway (M-9) in Pakistan, after which it will hold the concession for 28 years.

The Pakistan contract is the company's second highway concession after the KL-Kuala Selangor Expressway (Latar), in which the company has a 50% stake in the concessionaire, in this case [KL-Kuala Selangor Expressway Bhd.](#)

Opened mid-last year, the 33km toll expressway, valued at RM958mil, connects the north of Templer's Park, Rawang, to Assam Jawa in Kuala Selangor.

The construction outfit is also among the seven companies currently bidding for the RM2.2bil Kinrara-Damansara highway contract.

With low margins derived from its construction business, the company has been trying to diversify its business by venturing into highway concessions, property development and power generation.

In 2010, the group diversified into the power supply business by procuring three units of 2MW power plants in Indonesia at Tobali, Mentok and Bengkalis by acquiring an 80% stake in Indonesia-based power plant owner and operator [PT Megapower Makmur](#) via [Bina Puri Power Sdn Bhd](#) to expand its exposure in electricity-generation projects overseas to establish a larger recurring income base.

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— SOURCE

Bina Puri Power has been injected into [Oriented Media Group Bhd](#) via a reverse take over by injecting its polyol manufacturing business and Indonesian power assets in Indonesia.

Founded about 35 years ago, it has completed projects in China, Brunei, the United Arab Emirates, Nepal and Thailand among others, while also still maintaining its operations in the Asean region namely Brunei, Thailand as well as in the Middle East.

The company's ongoing jobs include the new KL International Airport 2 construction works (RM997.2mil), LRT Ampang Line extension package five (RM702.4mil).

Despite the company's large orderbook, the company's margins have been thin due to the nature of the construction business. For its financial year ended Dec 31, 2011 (FY11), it recorded a net profit of RM6.03mil over a revenue of RM1.17bil.

Its FY10 financial performance was its best since 1995, registering a revenue of RM1.23bil and net profit of RM10.6mil.