

DATE : 05 JUNE 2013
PUBLICATION : BUSINESS TIMES
SECTION : BUSINESS SECTION
HEADLINE : BINA PURI TO RAISE RM44M CAPITAL
CATEGORY : COMPANY NEWS
MEASUREMENT : 338 SQ CMS

Bina Puri to raise RM44m capital

EXPANSION : Company also plans to focus on new property launches in the Klang Valley

SHAREN KAUR

KUALA LUMPUR

sharen@mediaprima.com.my

BINA Puri Holdings Bhd, the country's sixth biggest construction company by sales, held a fund managers' meeting yesterday, ahead of a crucial capital-raising exercise.

For the year ended December 31 2012, Bina Puri posted sales of RM1.28 billion, on revenue which exceeded the RM1 billion mark for the third time in as many years.

"The money is to fund all the projects we are embarking on. We need the capital in order to grow the company," said its executive director Matthew Tee Kai Woon.

Tee's father, Tan Sri Tee Hock Seng, founded Bina Puri nearly four decades ago. The elder Tee, who is group managing director, owns 12.26 per cent of Bina Puri.



Bina Puri's executive director **Matthew Tee Kai Woon** (left) and chief operating officer **We Her Ching** at the fund managers' meeting yesterday.

Albukhary Foundation holds 15.91 per cent stake in Bina Puri via a private company, Jentera Jati Sdn Bhd.

Analysts say Bina Puri needs to

step up the plate if it wants to be ranked alongside the likes of Gamuda Bhd and IJM Bhd. This is because Bina Puri's returns are much lower than its peers'.

Bina Puri's own notes given to fund managers yesterday seem to suggest that there is some truth to this.

The notes, prepared by Bina Puri and obtained by Business Times, showed that for the nine-month period from January 1 to September 30 last year, its net profit and operating profit margin was one per cent, the industry's second lowest.

On the converse, Gamuda's net profit and operating profit margin stood at 23 per cent and 12 per cent, respectively. IJM's net profit and operating profit margin was 17 per cent and seven per cent while WCT's 13 per cent and nine per cent, respectively.

Bina Puri's current book order is in the RM3 billion range and the un-built portion is RM1.68 billion.

"We are very under-capitalised. We intend to go for higher-margin projects," said Kai Woon.

Bina Puri is planning to raise as much as RM44 million, which is about RM12 million more than what the company earned over the past five years, which stood at RM32.3 million collectively.

In the five-year period from 2008 to 2012, the highest single year net profit was RM10.6 million recorded in 2010, and the lowest was RM4.3 million in 2008. In 2012, Bina Puri's net profit was RM5.1 million.

Kai Woon said Bina Puri is dependent on real estate development to improve its bottom line as the company has been silent with launches since 2011.

However, he said things are about to change, with focus on new property launches in the Klang Valley in the medium- to high-end range.

"We have earmarked to launch RM2.5 billion worth of new projects over the next five years," Kai Woon said.

To : Distribution List
From : Corporate Communications Department
Date : 5/6/2013
Subject : **BINA PURI NEWS UPDATE**, **For staff information and update