

Financial Year End	31/12/2011
Report Period Ending	30/06/2011
Reporting Quarter	2Q-2011

**MALAYSIA EQUITY
BINA PURI HOLDINGS BHD**

RESULTS REPORT

Recommendation	BUY
Target Price (MYR)	1.60
Current Price (MYR)	1.12

2Q FY11 revenue increased 4.3% vs 2Q FY10, whilst net profits grew 22.8% over the same period. BPHB's order book has grown very strongly over the past several quarters and now stands at about MYR 2.4 bn, enough to sustain a steady flow of profits for the next three years. YTD net margins expanded slightly from 0.9% to 1.0% as effective tax rates fell. Low operating margins have been a hallmark of the company for many years, though operating margins may grow slightly wider with the undertaking of MYR 800mn GDV in various property development projects in Klang Valley, Johor Bahru and Kota Kinabalu.

Industry Group	Engineering&Construction
Industry Sub Group	Building-Heavy Construct

INVESTMENT RISKS

Key Company Statistics	
Bloomberg Ticker	BIN MK
Bursa Stock Code	5932
Issued Capital (mn shares)	112.2
Market Capitalisation (MYR mn)	125.7
52 week High (MYR)	1.65
52 week Low (MYR)	1.09
Average Volume (3 month) '000	199.3
1 Yr Return (%)	-2.5

Risks to our recommendation and target price include: i) increases in construction materials cost, ii) rising interest rates as the company is highly geared, and iii) a sharp slowdown in the general level of economic activity in Malaysia or among the many economies where BPHB is active. This company has a global order book, which tends to diminish investment risk. However, a rising exchange rate could have adverse effects on overall profitability.

Major Shareholders (%)	
Jentera Jati Sdn Bhd	19.0
Bumimaju Maw ar Sdn Bhd	14.0
Tee Hock Seng	13.7

RECOMMENDATION

FTSE-BURSA INDEX MEMBERSHIP

We maintain our BUY recommendation on BPHB with a fair value estimate of MYR 1.60. Value investors will be attracted by the combination of respectable earnings growth at earnings multiples in line with the company's peers. Looking ahead, average ROE is heading to levels of 9-11%, well above the 7-8% average seen over the period eight quarters. Meanwhile, at current prices, the shares trade on 1.4x trailing book value and 1.0x current book value.

FBM KLCI	FBM70	FBMEMAS	FBMHIJRAH
No	No	No	No

Though BPHB's net margins have historically been quite thin, the company has a proven record of building its order book. The other aspect that may put off investors is the very high debt/equity ratio that the company has historically maintained. It should be noted, however, that the ratio of operating profits to interest expense is 4.3x for YTD 2Q FY11 vs 4.1x for YTD 2Q FY10.

REPORT INDEX

COMPANY PROFILE

Contents	Page
Recommendation, Company Profile, Metrics	1
Quarterly Results, Competitor's Metrics	2
P&L, Balance Sheet, Per Share Data	3
9 Year Sales, Net Profit, Price, P-BV charts	4
Analyst's Disclosure, Contact Details	5

Bina Puri Holdings Bhd ("BPHB") is mainly engaged in civil engineering/construction, quarry/ready mix concrete and property development. The group was founded in 1975 and was listed in 1995. BPHB derives a substantial portion of its order book overseas, and has completed major highway projects in India, housing projects in Thailand, luxury hotels in Nepal, and various types of buildings in China, Indonesia, and several countries throughout the Middle East.

SHARE PRICE LAST 12 MONTHS (MYR)

ANNUAL RESULTS AND METRICS (MYR mn)



FY Dec	2009	2010	2011F	2012F
Revenue	788.0	1,230.6	1,229.9	1,439.2
Revenue g (%)	16.3	56.2	-0.1	17.0
Net Profit	6.4	10.6	12.7	15.4
Net Profit g (%)	47.6	65.2	19.9	20.7
Dividends	2.5	3.1	3.2	3.1
Owners' Equity	100.0	109.7	120.0	132.3
Total Liabilities	535.2	654.1	682.5	762.2
Debt/Equity (%)	535.0	596.4	568.5	576.2
EPS (sen)	5.7	9.5	11.3	13.7
P-S (x)	0.1	0.1	0.1	0.1
P-E (x)	15.4	14.8	9.9	8.2
P-BV (x)	1.0	1.4	1.0	1.0
ROE %	6.4	9.7	10.6	11.6

**MALAYSIA EQUITY
BINA PURI HOLDINGS BHD**

PROFIT & LOSS (All figures in MYR mn unless otherwise indicated)

FY Dec	2009	2010	2011F	2012F
Revenue	788.0	1,230.6	1,229.9	1,439.2
Operating Profit	16.0	17.7	19.9	24.5
Other Income	7.8	6.0	6.3	6.0
Share of Associates	-1.2	0.6	0.4	0.0
Depreciation/Amortization	-7.0	-8.6	-9.1	-9.4
Finance Costs	-4.5	-3.7	-4.1	-4.3
Pre Tax Profit	11.5	14.1	16.3	20.2
Tax	-4.1	-2.8	-2.8	-4.6
Minority Interest	-1.0	-0.8	-0.8	-0.2
Net Profit to Shareholders	6.4	10.6	12.7	15.4
Operating Margin (%)	2.0	1.4	1.6	1.7
PBT Margin (%)	1.5	1.1	1.3	1.4
Net Margin (%)	0.8	0.9	1.0	1.1
Effective Tax Rate (%)	35.5	19.8	17.1	23.0

BALANCE SHEET (All figures in MYR mn unless otherwise indicated)

FY Dec	2009	2010	2011F	2012F
Total Assets	646.4	776.0	815.5	907.4
Fixed Assets	61.3	56.5	73.1	76.1
Current Assets	532.3	665.3	696.3	774.3
Other LT Assets	52.7	54.3	46.1	57.0
Current Liabilities	524.9	645.5	664.1	741.7
LT Liabilities	10.3	8.6	18.4	20.5
Total Liabilities	535.2	654.1	682.5	762.2
Share Capital	104.2	107.0	108.0	108.0
Minority Interest	11.2	12.2	12.9	12.9
Owners' Equity	100.0	109.7	120.0	132.3
Total Equity	111.2	121.9	133.0	145.2
Total Liabilities & Equity	646.4	776.0	815.5	907.4

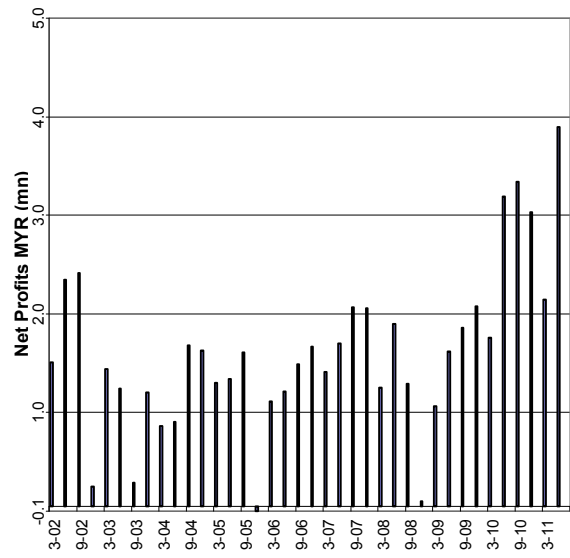
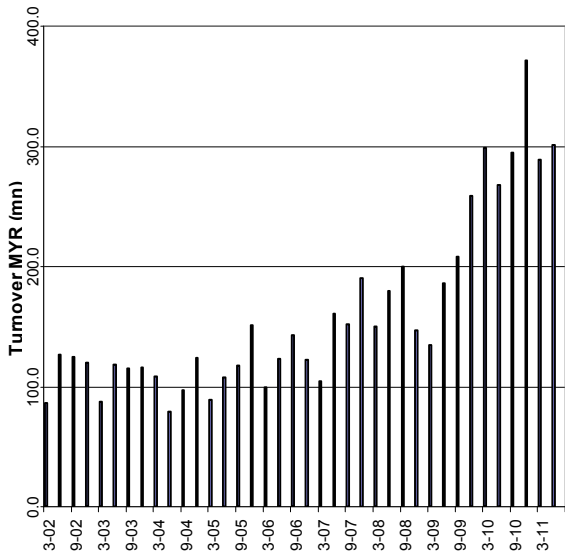
PER SHARE DATA (All figures in sen unless otherwise indicated)

FY Dec	2009	2010	2011F	2012F
Revenue	702.4	1096.8	1096.1	1282.7
Cash Flow	11.9	17.1	19.5	22.0
Earnings	5.7	9.5	11.3	13.7
Dividends	2.2	2.8	2.9	2.8
Book Value	89.2	97.7	107.0	117.9
Payout (%)	39.1	29.5	25.2	20.4
P-S (x)	0.1	0.1	0.1	0.1
P-CF (x)	7.4	8.2	5.7	5.1
P-E (x)	15.4	14.8	9.9	8.2
P-BV (x)	1.0	1.4	1.0	1.0
Dividend Yield (%)	2.5	2.0	2.5	2.5
ROE (%)	6.4	9.7	10.6	11.6
Total Debt/Equity (%)	535.0	596.4	568.5	576.2

MALAYSIA EQUITY
BINA PURI HOLDINGS BHD

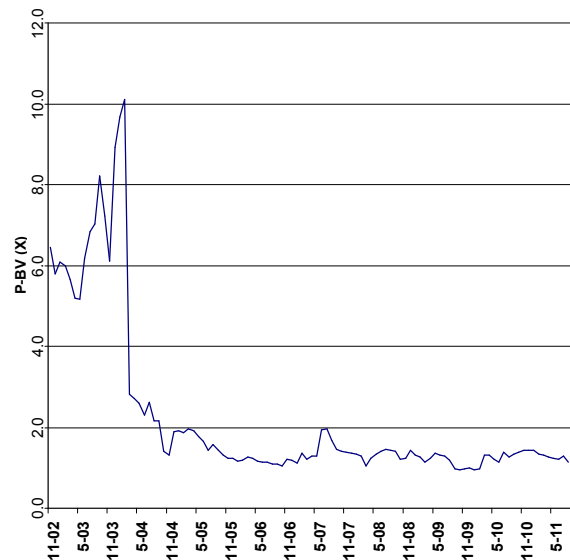
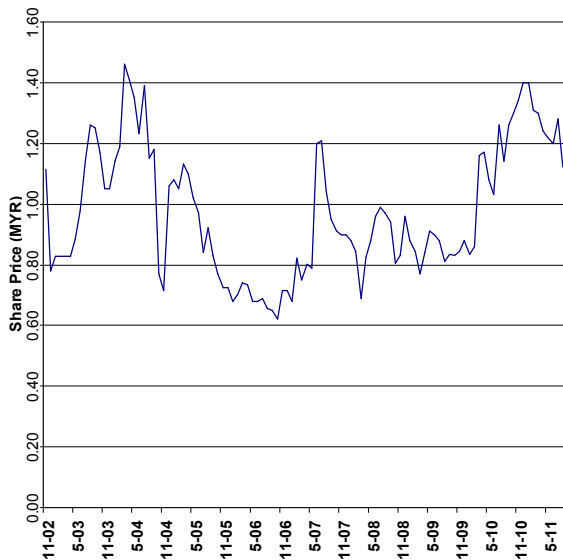
REVENUE - QUARTERLY LAST 9 YEARS (MYR mn)

NET PROFIT - Q'TERLY LAST 9 YRS (MYR mn)



SHARE PRICE - MONTHLY LAST 9 YEARS (MYR)

P-BV (X) - MONTHLY LAST 9 YEARS





ANALYST’S DISCLOSURE

BUY: Share price may exceed 10% over the next 12 months

TRADING BUY: Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain

HOLD: Share price may fall within the range of +/- 10% over the next 12 months

TAKE PROFIT: Target price has been attained. Look to accumulate at lower levels

SELL: Share price may fall by more than 10% over the next 12 months

NOT RATED (NR): Stock is not within regular research coverage

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J Charles Wilson
Head of Research

ANALYST’S RECOMMENDATION RECORD

Ticker	Date	Recommendation	Fair Value	Price At Date of Recommendation	% Price Change Since Prior Recommendation
BIN MK Equity	28-Feb-11	BUY	1.70	1.31	
BIN MK Equity	20-Apr-11	BUY	1.70	1.27	-3.1%
BIN MK Equity	23-May-11	BUY	1.60	1.22	-3.9%
BIN MK Equity	22-Aug-11	BUY	1.60	1.12	-8.2%

QUESTIONS?

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