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BINA PURI HOLDINGS BHD.

(207184-X)

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR THE COMPANY AND ITS
SUBSIDIARIES TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE
OR TRADING NATURE WITH RELATED PARTIES**

NOTICE of the Twenty-Seventh Annual General Meeting of the Company (with the subject Proposals duly incorporated as special business to the Agenda) to be held at Ground Floor, Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan on Thursday, 28 June 2018 at 11:00 a.m. together with the Form of Proxy therefore are enclosed in the Annual Report of the Company for the financial year ended 31 December 2017.

The Form of Proxy must be lodged at the Registered Office of the Company not later than 48 hours before the time fixed for holding the Twenty-Seventh Annual General Meeting or any adjournment thereof.

Last date and time for lodging the Form of Proxy: Tuesday, 26 June 2018 at 11:00 a.m.
Date and time of the Twenty-Seventh Annual General Meeting: Thursday, 28 June 2018 at 11:00 a.m

This Circular is dated 30 April 2018

DEFINITIONS

Unless otherwise stated, the following definitions shall apply throughout this Circular:

Act	:	The Companies Act 2016, including all amendments made from time to time and any re-enactment thereof
AGM	:	Annual General Meeting
Audit Committee	:	The duly constituted audit committee of the Company
Bina Puri or Company	:	Bina Puri Holdings Bhd. (207184-X)
Bina Puri Group or Group	:	Bina Puri and its subsidiaries (as defined in Section 4 of the Act)
BPCSB	:	Bina Puri Construction Sdn. Bhd.
BPSB	:	Bina Puri Sdn. Bhd.
BPPSB	:	Bina Puri Properties Sdn. Bhd.
Board	:	Board of Directors of the Company
Bursa Securities	:	Bursa Malaysia Securities Berhad
Director	:	A person as defined in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of the Company or any other company which is its subsidiary or holding company or a chief executive officer of the Company, its subsidiary or holding company
EMSB	:	Easy Mix Sdn. Bhd.
GMSB	:	Gugusan Murni Sdn. Bhd.
IHPSB	:	Ideal Heights Properties Sdn. Bhd.
KMQ	:	KM Quarry Sdn. Bhd.
Listing Requirements	:	The Main Market Listing Requirements of the Bursa Securities including any amendment thereto that may be made from time to time
Major Shareholder	:	A person who has (which includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon) an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is:- (a) 10% or more of the total number of voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company. For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act.
MPSB	:	Maskimi Polyol Sdn. Bhd.
NA	:	Net Assets
Proposal	:	Proposed renewal of shareholders’ mandate for the Bina Puri Group to enter into Recurrent RPTs

- Recurrent RPTs : Recurrent related party transactions of a revenue or trading nature with Related Parties which are necessary for the day-to-day operations as well as are in the ordinary course of business of the Group and are on terms not more favourable to the Related Parties than those generally available to the public
- Related Party : A Director, Major Shareholder and/or person connected with such Director or Major Shareholder
- RM and Sen : Ringgit Malaysia and Sen respectively
- SESB : Star Effort Sdn. Bhd.
- SLBSB : Sungai Long Bricks Sdn. Bhd.
- SLISB : Sungai Long Industries Sdn. Bhd.

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BINA PURI HOLDINGS BHD.
(207184-X)
(Incorporated in Malaysia)

REGISTERED OFFICE

Wisma Bina Puri
88 Jalan Bukit Idaman 8/1
Bukit Idaman
68100 Selayang
Selangor Darul Ehsan

Date: 30 April 2018

BOARD OF DIRECTORS

Tan Sri Dato' Ir. Wong Foon Meng (Chairman / Independent Non-Executive Director)
Tan Sri Datuk Tee Hock Seng, JP (Group Managing Director)
Dr. Tony Tan Cheng Kiat (Founder Director)
Datuk Matthew Tee Kai Woon (Group Executive Director)
Datuk Henry Tee Hock Hin (Executive Director)
Tay Hock Lee (Non-Independent Non-Executive Director)
Dato' Yeow Wah Chin (Independent Non-Executive Director)
Ir. Ghazali Bin Bujang (Independent Non-Executive Director)
Mohd Najib Bin Abdul Aziz (Independent Non-Executive Director)
Dato' Tan Seng Hu (Alternate Director to Dr. Tony Tan Cheng Kiat)
We Her Ching (Alternate Director to Datuk Henry Tee Hock Hin)

To: The Shareholders of Bina Puri Holdings Bhd.

Dear Sir/Madam

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR THE COMPANY AND ITS SUBSIDIARIES TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH RELATED PARTIES

1. INTRODUCTION

At an Annual General Meeting of the Company held on 21 June 2017, the Board sought and obtained shareholders' approval for *amongst others* the Bina Puri Group to enter into Recurrent RPTs. The authority that was procured, which may be renewed annually, will expire at the earliest of the following events:

- (a) the conclusion of the next AGM of the Company (unless by a resolution or resolutions passed at the said AGM, the authority is renewed);
- (b) the expiry of the period within which the next AGM of the Company following the forthcoming AGM at which the authority itself was sought and obtained, is required to be held pursuant to Section 340(2) of the Act, without regard to such extension which may be allowed pursuant to Section 340(4) of the Act; or
- (c) revoked or varied by a resolution or resolutions passed by the shareholders of the Company in General Meeting.

On 28 March 2018, the Company announced its intention to seek the approval of shareholders at the forthcoming AGM for the Proposal, which is essentially made up of the renewal of the shareholders' mandate for substantially all the Recurrent RPTs approved at the immediately preceding AGM on 21 June 2017 with the Related Parties whose particulars appear in paragraph 2.4.

The purpose of this Circular is to provide shareholders with information on the Proposal and to seek your approval for the Ordinary Resolutions pertaining thereto, which will be tabled at the forthcoming AGM of the Company as an item of special business in the Agenda.

2. DETAILS OF THE PROPOSAL

2.1 The Listing Requirements and Duration

Pursuant to and in compliance with Part E, Paragraph 10.09 and Practice Notes 12 of the Listing Requirements, Bina Puri proposes to seek the approval of shareholders for the Proposal.

The Proposal, which will be subject to annual renewal, will if approved continue to be in force until:

- (a) the conclusion of the next AGM of the Company (unless by a resolution or resolutions passed at the said AGM, the authority is renewed);
- (b) the expiry of the period within which the next AGM of the Company following the forthcoming AGM at which this mandate is approved, is required to be held pursuant to Section 143(1) of the Act, without regard to such extension as may be allowed pursuant to Section 143(2) of the Act; or
- (c) revoked or varied by a resolution or resolutions passed by shareholders of the Company in general meeting;

whichever is the earliest.

2.2 Additional Requirements

Pursuant to Paragraph 10.09 of the Listing Requirements, such mandate sought and if procured, shall be subject to the following:

- (a) the subject transactions shall be in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:-
 - (i) the consideration, value of the assets, capital outlay or costs of the recurrent transactions is equal to or exceeds RM1.0 million; or
 - (ii) the percentage ratio of such Recurrent RPTs is 1% or more,

whichever is higher.

- (c) disclosure will be made in the annual report in accordance with Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the Recurrent RPTs made during the financial year, including *amongst others*, the type of Recurrent RPTs and the names of the Related Parties involved in each type of the Recurrent RPTs entered into and their relationships with the Company; and
- (d) in a meeting to obtain a renewal of the shareholders' mandate, interested Related Parties must not vote on the resolutions giving such mandate. Interested Directors and Major Shareholders must also ensure that persons connected with them abstain from voting on such resolutions.

2.3 The Group's Principal Activities

The principal activities of the Company are contractor for earthworks and building, project management services and investment holding.

The Company's subsidiary companies are principally involved in property development, provision of management services, investment holding, earthworks, building and road construction, quarry operations, - production of ready-mix concrete, power supply and rental of service apartments and property management.

2.4 The Related Parties And Their Relationships With The Company

The Recurrent RPTs for which the mandate of the shareholders is being sought are particularly in respect of transactions to be entered into by the Bina Puri Group with persons or parties connected with the Directors and/or Major Shareholders, being as follows:

- (a) Sea Travel and Tours Sdn. Bhd. (Company No. 31069-H) (“STT”), a company incorporated on 10.1.1977 and engaged in the tours and travel business in which Director, YBhg. Tan Sri Datuk Tee Hock Seng, JP and members of his family collectively hold 100% equity interest;
- (b) Kumpulan Melaka Bhd. (Company No. 334871-H) (“KMB”), a company incorporated on 25.2.1995 and engaged in the business of investment holding, property development and sand concession, which holds 30% equity interest in the Company’s subsidiary KMQ;
- (c) Ideal Heights Properties Sdn. Bhd. (Company No. 127701-D) (“IHPSB”), a company incorporated on 17 December 1985 and engaged in property development in which Directors, YBhg. Tan Sri Datuk Tee Hock Seng, JP, Dr. Tony Tan Cheng Kiat, Datuk Matthew Tee Kai Woon, Mr. Tay Hock Lee and YBhg. Datuk Henry Tee Hock Hin, collectively hold 51% equity interest.
- (d) Dimara Construction Sdn. Bhd. (Company No. 558236-M) (“DCSB”), a company incorporated on 06.09.2001 and wholly owned by DHSB and engaged in the business of general contractors in which Director (of the Company’s subsidiary), Mr. Ang Kiam Chai holds approximately 61.66% equity interest in DHSB.
- (e) Dimara Holdings Sdn. Bhd. (Company No. 349254-P) (“DHSB”), a company incorporated on 03.07.1995 and engaged in investment holding and is a general contractor which specialised in civil and structural works in which Director (of the Company’s subsidiary), Mr. Ang Kiam Chai holds approximately 61.66% equity interest.

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2.5 The Nature Of Transactions Contemplated Under The Proposal

The Recurrent RPTs covered by the Proposal are transactions to be undertaken by the Group relating to the provision of or obtaining from such Related Parties, products and services in the normal course of business of the Group, as follows:-

Nature of transactions undertaken by Bina Puri and/or its subsidiaries	Transacting Parties*	% owned by Bina Puri Group	Estimated Value from the day of the forthcoming AGM until the AGM in the year 2019 [^] (being the validity period of the mandate) (RM)	Related Parties
Purchase of air tickets (to facilitate air travel in the course of business eg. travel to project sites)	(a) Bina Puri	–	500,000	STT (see para 2.4(a))
	(b) BPSB	100	1,200,000	
	(c) BPPSB	100	500,000	
	(d) EMSB	100	30,000	
	(e) SLISB	51	30,000	
Subtotal			2,260,000	
Sale of quarry products	KMQ	70	Note 1	KMB (see para 2.4(b))
Contract works (eg. road paving)	KMQ	70	Note 2	KMB (see para 2.4(b))
Project management services	(a) Bina Puri	–	Note 3	IHPSB (see para 2.4(c))
	(b) BPPSB	100		
	(c) GMSB	100		
	(d) SESB	95		
Sale of quarry materials, bricks & ready-mix concrete	(a) EMSB	100	Note 4	DBSSB (see para 2.4(d))
	(b) SLBSB	100		
Contract works (e.g. road paving)	(a) Bina Puri	–	Note 5	DCSB (see para 2.4(e))
	(b) BPSB	100		

Notes:

* The transacting parties for the Recurrent RPTs may include other companies within the Group.

[^] The estimated values are based on the information available as at the date of this Circular with some of the estimates computed on an annualised basis. Due to the nature of some of the transactions, the actual value of transactions may vary from the estimated values disclosed above.

Note 1 There is an existing arrangement with KMB to supply them with quarry materials on a long term and recurrent basis. It is however not practicable to ascribe an estimate at this juncture because it is dependent on the particular requirements of KMB's projects.

Note 2 KMB is proposing to subcontract road paving works or other contract works procured from time to time to KMQ on a negotiated margin basis. Due to the uncertainty of the number and size of projects which KMB may be able to procure and subcontract to KMQ, KMQ is unable to ascribe an estimated value for the year.

- Note 3 There is an existing arrangement with IHPSB to provide project management services or other related services to Bina Puri, BPPSB, GMSB and SESB on a long term and recurrent basis. Due to the uncertainty of the number and size of projects which IHPSB is envisaged to provide project management services, Bina Puri, BPPSB, GMSB and SESB are unable to ascribe an estimated value for the year.*
- Note 4 There is an arrangement for DCSB to purchase quarry materials, bricks and ready-mix concrete from EMSB and SLBSB on a long term and recurrent basis. It is however not practicable to ascribe an estimate at this juncture because it is dependent on the particular requirements of DCSB's projects.*
- Note 5 Bina Puri and BPSB are proposing to subcontract road paving works or other contract works procured from time to time to DHSB on a negotiated margin basis. Due to the uncertainty of the number and size of projects which Bina Puri and BPSB may be able to procure and subcontract to DHSB, Bina Puri and BPSB are unable to ascribe an estimated value for the year.*

2.6 The Methods And Procedures By Which Transaction Prices Are Determined

The Bina Puri Group shall continue to implement the following methods and procedures by which transaction prices are determined. They are to help ensure that Recurrent RPTs are undertaken on terms not more favourable to the Related Party than those generally available to the public and are not detrimental to the minority shareholders:

- (a) the list of Related Parties will be circulated within the Bina Puri Group and all Related Parties will be notified that Recurrent RPTs are required to be undertaken with the Group on terms no less favourable than the usual terms offered to their favoured clients;
- (b) transaction prices and terms shall be at prevailing market rates as determined by market forces, demand and supply, quality of the products and services and other relevant factors. Where practical and feasible, quotations and tenders will be obtained from third parties to ascertain competitive transaction prices;
- (c) records shall be maintained by the Company to capture all Recurrent RPTs which are undertaken pursuant to the shareholders' mandate;
- (d) the annual internal audit plan shall incorporate a review of all Recurrent RPTs entered into pursuant to the shareholders' mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to;
- (e) the Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor Recurrent RPTs have been complied with; and
- (f) the Board and the Audit Committee shall be responsible for determining the review procedures and may delegate such functions relating thereto to individuals or committees within the Company as they deem appropriate. If a member of the Board or Audit Committee has an interest, as the case may be, he will abstain from any decision making by the Board or Audit Committee in respect of the said transaction.

At least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Party are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. Where quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by Bina Puri Group based on those offered by/to other unrelated parties for the same or substantially similar type of transaction to ensure that the Recurrent RPTs are not detrimental to Bina Puri Group.

There is no specific threshold for approval of the Recurrent RPTs within the Bina Puri Group. All Recurrent RPTs are reviewed and authorised by personnel of at least senior managerial level, provided always that such personnel has no interest in the transaction and the said transaction has been approved pursuant to the shareholders' mandate obtained in the general meeting for the Recurrent RPTs.

2.7 Existing Mandate On Recurrent RPTs

Set out below is the actual value transacted of each Recurrent RPT from the date on which the existing mandate was obtained on 21 June 2017 up to 31 March 2018, being the latest practicable date before the printing of this Circular, together with its estimated value as disclosed in the Circular to Shareholders dated 28 April 2017:-

Nature of transactions undertaken by Bina Puri and/or its subsidiaries	Related Parties	Transacting Parties*	% owned by Bina Puri Group	Estimated Value as disclosed in the Circular to Shareholders dated 28.04.2017^ (RM)	Actual value transacted from 21.06.2017 to 31.3.2018 (RM)
Purchase of air tickets (to facilitate air travel in the course of business eg. travel to project sites)	STT (see para 2.4(a))	(a) Bina Puri	–	500,000	334,142
		(b) BPSB	100	1,000,000	604,415
		(c) BPPSB	100	500,000	54,566
		(d) EMSB	100	30,000	3,132
		(e) SLISB	51	30,000	259
				Subtotal	996,514
	2,060,000				
Sale of quarry products	KMB (see para 2.4(b))	KMQ	70	Note 1	–
Contract works (eg. road paving)	KMB (see para 2.4(b))	KMQ	70	Note 2	–
Project management services	IHPSB (see para 2.4(c))	(a) Bina Puri	–	Note 3	–
		(b) BPPSB	100		–
		(c) GMSB	100		–
		(d) SESB	95		30,528
Sale of quarry materials, bricks & ready-mix concrete	DBSSB^^	(a) EMSB	100	Note 4	–
		(b) SLBSB	100		–
Sale of quarry materials, bricks & ready-mix concrete	DCSB (see para 2.4(d))	(a) EMSB	100	Note 5	–
		(b) SLBSB	100		–
Contract works (e.g. road paving)	DHSB (see para 2.4(e))	(a) Bina Puri (b) BPSB	– 100	Note 6	4,826,699

Notes:

* The transacting parties for the Recurrent RPTs may include other companies within the Group.

^ The estimated values are based on the information available as at the date of the Circular to Shareholders dated 28.04.2017 with some of the estimates computed on an annualised basis. Due to the nature of some of the transactions, the actual value of transactions may vary from the estimated values disclosed above.

^^ Dimara Building System Sdn. Bhd. (Company No. 593653-T) (“DBSSB”), a company incorporated on 24.09.2002 and 60% held by Dimara Holdings Sdn. Bhd. (Company No. 349254-P) (“DHSB”) and engaged in the business of general contractors and building systems in which Director (of the Company’s subsidiary), Mr. Ang Kiam Chai holds approximately 61.66% equity interest in DHSB.

- Note 1 *There is an existing arrangement with KMB to supply them with quarry materials on a long term and recurrent basis. It is however not practicable to ascribe an estimate at this juncture because it is dependent on the particular requirements of KMB's projects.*
- Note 2 *KMB is proposing to subcontract road paving works or other contract works procured from time to time to KMQ on a negotiated margin basis. Due to the uncertainty of the number and size of projects which KMB may be able to procure and subcontract to KMQ, KMQ is unable to ascribe an estimated value for the year.*
- Note 3 *There is an existing arrangement with IHPSB to provide project management services or other related services to Bina Puri, BPPSB, GMSB and SESB on a long term and recurrent basis. Due to the uncertainty of the number and size of projects which IHPSB is envisaged to provide project management services, Bina Puri, BPPSB, GMSB and SESB are unable to ascribe an estimated value for the year.*
- Note 4 *There is an arrangement for DBSSB to purchase quarry materials, bricks and ready-mix concrete from EMSB and SLBSB on a long term and recurrent basis. It is however not practicable to ascribe an estimate at this juncture because it is dependent on the particular requirements of DBSSB's projects.*
- Note 5 *There is an arrangement for DCSB to purchase quarry materials, bricks and ready-mix concrete from EMSB and SLBSB on a long term and recurrent basis. It is however not practicable to ascribe an estimate at this juncture because it is dependent on the particular requirements of DCSB's projects.*
- Note 6 *Bina Puri and BPSB are proposing to subcontract road paving works or other contract works procured from time to time to DHSB on a negotiated margin basis. Due to the uncertainty of the number and size of projects which Bina Puri and BPSB may be able to procure and subcontract to DHSB, Bina Puri and BPSB are unable to ascribe an estimated value for the year.*

3. AUDIT COMMITTEE STATEMENT

The Audit Committee has seen and reviewed the methods and procedures mentioned in Paragraph 2.6 above and is of the view that the said methods and procedures are sufficient to help ensure that the Recurrent RPTs will not be more favourable to the Related Parties than those generally available to the public and will not be detrimental to the minority shareholders of the Company. A member of the Audit Committee will abstain from participating in the Audit Committee's review of those Recurrent RPTs in which he/she has any interest.

The Bina Puri Group has in place adequate procedures and processes to monitor, track and identify Recurrent RPTs in a timely and orderly manner. The Audit Committee of Bina Puri Group conducts the review of these procedures and processes on annual basis.

4. RATIONALE

The related party transactions envisaged in the Proposal are in the ordinary course of business of the Bina Puri Group and of a recurring nature. The Proposal on an annual renewal basis will dispense with the necessity to convene General Meetings from time to time to seek shareholders' approval when potential recurrent transactions with Related Parties arise. This will result in substantial time and cost savings, without either compromising corporate objectives or affecting business opportunities available to the Group.

The close relationships with the Related Parties will also ensure, amongst others, satisfactory delivery of materials and/or services which are market competitive and which will allow the Bina Puri Group to remain competitive in its industry. The strength of the Related Parties in their own industries also benefits the Bina Puri Group, where their extensive marketing networks will provide a stable demand for supply of materials.

In addition, the related party transactions envisaged in the Proposal may, in certain circumstances, preserve the Group's sensitive and/or confidential trade information, where the alternative of dealing with unrelated third parties may increase the risk of such information entering the public domain against the best interests of the Group.

5. FINANCIAL EFFECTS

The Proposal will not have any effect on share capital and is not expected to have any material effect on NA and earnings of the Bina Puri Group.

6. APPROVAL REQUIRED

The Proposal is subject to approval of the shareholders of the Company at the forthcoming AGM to be convened.

7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

The interests, direct or indirect of the interested Related Parties (being the Director, Major Shareholders and/or persons connected with a Director or Major Shareholder) in the Proposal and their respective shareholdings in the Company as at 31 March 2018, are summarised as follows:

	No. of ordinary shares in the Company				Notes
	Direct	% [^]	Indirect	% [^]	
YBhg. Tan Sri Datuk Tee Hock Seng, JP	18,489,778*	6.92	4,888,925**	1.68	(1)
Kumpulan Melaka Bhd.	—	—	—	—	(2)
Dr Tony Tan Cheng Kiat	9,668,902*	3.62	—	—	(3)
Datuk Matthew Tee Kai Woon	4,488,925	1.68	18,889,778***	7.07	(4)
Mr. Tay Hock Lee 1,807,707	0.68	—	—	(5)	
YBhg. Datuk Henry Tee Hock Hin	5,594,668	2.09	—	—	(6)
Mr. Ang Kiam Chai	—	—	—	—	(7)

Notes:

- (1) *YBhg. Tan Sri Datuk Tee Hock Seng, JP is a Major Shareholder and a Director of the Company and various subsidiaries in the Bina Puri Group. His interest in the Proposal is via his interests in STT and IHPSB, particulars of which appear in Paragraphs 2.4(a), and 2.4(c) above.*
- (2) *Kumpulan Melaka Bhd. is a Major Shareholder of KMQ. Its interest in the Proposal is via its interests in KMQ, particulars of which appear in Paragraph 2.4(b) above.*
- (3) *Dr. Tony Tan Cheng Kiat is a Director of the Company and various subsidiaries in the Bina Puri Group. His interest in the Proposal is via his interests in IHPSB, particulars of which appear in Paragraph 2.4(c) above.*
- (4) *Datuk Matthew Tee Kai Woon is a Director of the Company and various subsidiaries in the Bina Puri Group. His interest in the Proposal is via his interests in IHPSB, particulars of which appear in Paragraph 2.4(c) above.*
- (5) *Mr Tay Hock Lee is a Director of the Company and various subsidiaries in the Bina Puri Group. His interest in the Proposal is via his interests in IHPSB, particulars of which appear in Paragraph 2.4(c) above.*
- (6) *YBhg. Datuk Henry Tee Hock Hin is a Director of the Company and various subsidiaries in the Bina Puri Group. His interest in the Proposal is via his interests in IHPSB, particulars of which appear in Paragraph 2.4(c) above.*
- (7) *Mr. Ang Kiam Chai is a Director of the Company's subsidiary. His interest in the Proposal is via his interests in DCSB and DHSB, particulars of which appear in Paragraphs 2.4(d) and 2.4(e) above.*

* *includes beneficial interest held through nominee company.*

** *indirect interest - 400,000 Shares held by Tee Hock Seng Holdings Sdn. Bhd. and 4,488,925 Shares held by Tan Sri Datuk Tee Hock Seng, JP's son, Datuk Matthew Tee Kai Woon.*

*** *indirect interest - 18,489,778 Shares held by Datuk Matthew Tee Kai Woon's father, Tan Sri Datuk Tee Hock Seng, JP and 400,000 Shares held by Tee Hock Seng Holdings Sdn. Bhd.*

The above interested Directors, YBhg. Tan Sri Datuk Tee Hock Seng, JP, Dr Tony Tan Cheng Kiat, Datuk Matthew Tee Kai Woon, Mr. Tay Hock Lee, YBhg. Datuk Henry Tee Hock Hin and Mr. Ang Kiam Chai abstained and shall continue to abstain from deliberations of the Board and voting in respect of those recurrent transactions in which he is interested.

The Proposal will be put forth in 5 Ordinary Resolutions at the forthcoming AGM. The interested Directors, YBhg. Tan Sri Datuk Tee Hock Seng, JP, Dr Tony Tan Cheng Kiat, Datuk Matthew Tee Kai Woon, Mr. Tay Hock Lee, YBhg. Datuk Henry Tee Hock Hin and Mr. Ang Kiam Chai, interested Major Shareholders (YBhg. Tan Sri Datuk Tee Hock Seng, JP and KMB) and/or persons connected with them will abstain from voting in respect of their respective direct or indirect shareholdings in the Company on the relevant Ordinary Resolutions to approve the Proposal.

The interested Directors and/or interested Major Shareholders have undertaken that they shall ensure that persons connected with them will similarly abstain from so voting in respect of their direct or indirect shareholdings.

Save as disclosed above, none of the other Directors, Major Shareholders and/or persons connected with them (as defined in the Listing Requirements) have any interest, direct or indirect, in the Proposal.

8. AMOUNTS DUE AND OWING BY RELATED PARTIES

There is no amount due and owing to the Bina Puri Group by its related parties under the Recurrent RPTs which exceeded the credit term for the financial year ended 31 December 2017

9. DIRECTORS' RECOMMENDATION

The Board (with the exception of the Directors as set out in Paragraph 7 above) is of the opinion that the Proposal is in the best interests of the Company and its shareholders and is not to the detriment of minority shareholders. Accordingly, the Directors (with the exception of the Directors set out in Paragraph 7 above) recommend that shareholders vote in favour of the Ordinary Resolutions pertaining to the Proposal at the forthcoming AGM.

10. ANNUAL GENERAL MEETING

Notice of the Twenty-Seventh AGM of the Company (with the Proposal duly incorporated as special business in the Agenda) to be held at Ground Floor, Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan on Thursday, 28 June 2018 at 11:00 a.m. together with the Form of Proxy therefore are enclosed in the Annual Report of the Company for the financial year ended 31 December 2017.

If you are unable to attend and vote in person at the AGM, you are requested to complete, execute and return the Form of Proxy in accordance with the instructions printed therein as soon as possible and in any event, so as to arrive at the Company's Registered Office at Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan, not less than 48 hours before the time set for the AGM and any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person should you subsequently wish to do so.

11. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix I for further information.

Yours faithfully,
for and on behalf of the Board of Directors of
BINA PURI HOLDINGS BHD.

TAN SRI DATO' IR. WONG FOON MENG
CHAIRMAN/INDEPENDENT NON-EXECUTIVE DIRECTOR

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the directors of the Company and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no facts, the omission of which would make any statement herein misleading.

2. MATERIAL LITIGATION

Save as disclosed below, neither the Company nor any of its subsidiary companies is engaged as at the date of this Circular in any material litigation, arbitration or claims, either as a plaintiff or defendant, and the Board is not aware of any proceedings, pending or threatened or of any fact likely to give rise to such proceedings, which might materially and adversely affect the financial position or business of the Bina Puri Group.

BPSB**EP Engineering Sdn. Bhd. ("EP") v BPSB & Kris Heavy Engineering & Construction Sdn. Bhd. ("KH") (Arbitration)**

Arbitration proceedings were instituted on 9 March 1998 by EP against BPSB and KH an alleged amount of RM16,834,453.14 together with interest for loss and damage due to KH's wrongful repudiation of a subcontract which was awarded by KH to EP for the execution and completion of a Chilled Water Loop System in respect of the KLIA MAS Cargo Complex. The arbitration has been concluded.

BPSB has also entered into a settlement agreement with EP wherein EP has agreed with BPSB not to enforce against BPSB any award, if any, which may be made by the arbitrator against BPSB. There is a more than average probability that the claim by EP against BPSB may be dismissed with cost.

On 6 November 2017, the claim by EP has been dismissed and the counterclaim by KH of RM1,735,196.38 has been allowed and therefore there is no liability on the part of BPSB any further. Pending finalisation of the full award.

BK Burn & Ong Sdn. Bhd. v. UEM-Bina Puri JV, UEMC and BPSB ("JV") ("Arbitration")

A Statement of Case was filed by BK Burn against the JV on 16 June 2017 due to the wrongful termination of BK Burn's appointment for an alleged amount of RM7.9million for loss and damage and loss of profit, including 5% incentive payment for any commercial settlement.

The JV contended, inter-alia, that there is no agreement of the alleged 5% incentive payment, the termination is valid and no further payments are due and owing to BK Burn.

Hearing has been fixed from 10 to 13 July 2018.

According to JV's Solicitors, there is a good chance of defending this claim.

Bina Puri Pakistan (Private) Limited ("BPPPL")**BPPPL v National Highway Authority of Pakistan ("NHA")**

BPPPL had filed an application under Section 20 of the Arbitration Act 1940 before High Court of Sindh for reference of dispute to arbitration due to unlawful termination of the concession agreement by NHA. The application was granted on 23 April 2013 and arbitration proceedings were for a sum to PKR26,760,300,964 (Pakistani Rupee) [approximately RM950million based on PKR28.2 to RM1] for loss and damage including loss of profit, interest, cost and expenses. The arbitration has been concluded.

The estimated maximum exposure to liabilities is minimal as no counter-claim was filed by NHA against BPPPL. The exposure to liability would be in terms of cost and expenses incurred in bringing the matter to arbitration, including commitment to the contractors and consultants engaged, both local and in Pakistan.

According to BPPPL's Solicitors, there is more than average probability that BPPPL has a strong case with a reasonable likelihood of success.

Justice Malik (BPPPL's Arbitrator) has passed an Award on 13 January 2018 for PKR25,650,745,200.00 (RM905,665,738.21) and Justice Ijaz (NHA's Arbitrator) are of the view to BPPPL entitled to some termination payments subject to be computed by a joint auditors. Pending decision by jointly appointed umpire, Justice Muneer.

Bina Puri

View Esteem Sdn. Bhd. ("VESB") v Bina Puri ("Arbitration")

Notice of Arbitration was filed by VESB against Bina Puri on 31 July 2015 for an alleged amount damages, amongst others, breach of contract, negligence, encroachment of neighbouring boundaries and loss of commercial reputation at Kuala Lumpur High Court ("Court Proceedings"). Bina Puri's counterclaim for amongst others, a sum exceeding RM12 million under progress claim no. 28 and certificate no. 26R including interest and costs.

The arbitration is fixed for hearing on 30-31 July 2018, 1-2 August 2018, 6-9 August 2018 and 24-25 September 2018.

According to Bina Puri's solicitors, based on the available evidence at the time being, Bina Puri has a reasonable chance of success in the counterclaim particularly since VESB has not adduced sufficient documents in support of its claim against Bina Puri.

Conaire Engineering Sdn. Bhd. ("Conaire") v (1) Bina Puri and (2) Pembinaan SPK (JV Co)

A Writ was filed at Penang Court on 11 April 2016 by Conaire against JV Co to enforce Abu Dhabi's Order at Malaysian Court pursuant to section 8 Reciprocal Enforcement of Judgment Act 1958 by virtue of a judgement in default of appearance which was obtained on 17 March 2015 at Abu Dhabi Court for AED20,718,854.25 [approximately RM22,790,854.08]. On 31 October 2017, the Court directed the case to be heard at Kuala Lumpur High Court.

On 2 April 2018, the Court dismissed Conaire's Summary Judgement application with cost of RM3,000.00 to each Defendant and expunged the insertion of a High Court case law on the basis that it is ought to be distinguished precedent with cost of RM2,000.00 to each Defendant. The Suit is set down for Trial on 24 & 25 May 2018.

There is a more than average probability that the claim by Conaire against Bina Puri may be dismissed with cost.

Bina Puri Mining Sdn. Bhd. ("BPMSB")

BPM v. Bukit Biru Quarry Sdn. Bhd. ("BBQSB")

BPMSB filed summons on 11 May 2015 against BBQSB for a sum of RM 8,714,779.84 due to unlawful repudiation, including misrepresentation and breach of the Quarry Operation Agreement dated 1 January 2013 entered between the parties. BBQSB counterclaim for the sum of RM1,412,023.79 being the alleged contract fees, insurance premium and reimbursement of commission fees. Trial has commenced and fixed date for continuation on 19 May 2018.

According to BPMSB's solicitors, based on the available evidence at the time being, BPSB has a reasonable chance of success.

3. MATERIAL CONTRACTS

Save as disclosed below, neither the Company nor any of its subsidiary companies has entered into any material contracts, not being contracts entered into in the ordinary course of business, during the two (2) years immediately preceding the date of this Circular.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal working hours (except public holidays) at the Registered Office of the Company at Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan, from the date of this Circular up to and including the date of the forthcoming AGM:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the audited consolidated accounts of the Bina Puri Group for the past 2 financial years ended 31 December 2016 and 31 December 2017;
- (c) the relevant cause papers in respect of material litigation referred to in Paragraph 2 above.