



S U S T A I N I N G   A N D   S U R V I V I N G

## COVER RATIONALE

As the world continues grappling with the far-reaching and life-altering impact of the global pandemic, Bina Puri looks ahead with confidence for better days to come. The cover combines vibrant illustrations of various prominent Malaysian landmarks which Bina Puri has built over the past decades, bearing testament to our enduring legacy of excellence. This robust track record empowers us to build for the future, as we endeavour to chart new horizons of sustainability and livability for generations.



This Annual Report is available at:

[www.binapuri.com.my](http://www.binapuri.com.my)

## TABLE OF

# CONTENTS

|           |  |            |  |
|-----------|--|------------|--|
| <b>02</b> | Notice of Annual General Meeting   | <b>55</b>  | Statement of Directors' Responsibility                         |
| <b>07</b> | Statement Accompanying Notice of Annual General Meeting                  | <b>66</b>  | Directors' Report  |
| <b>08</b> | Group Corporate Structure  | <b>72</b>  | Consolidated Statements of Financial Position                  |
| <b>10</b> | Corporate Information  | <b>74</b>  | Statements of Financial Position                               |
| <b>11</b> | Board of Directors   | <b>76</b>  | Statements of Comprehensive Income                             |
| <b>17</b> | Key Senior Management  | <b>78</b>  | Consolidate Statements of Changes in Equity                    |
| <b>19</b> | Chairman's Statement   | <b>80</b>  | Statements of Changes in Equity                                |
| <b>23</b> | Group Managing Director's Message and Management Discussion and Analysis | <b>81</b>  | Statements of Cash Flows                                       |
| <b>29</b> | Group Financial Highlights   | <b>85</b>  | Notes to the Financial Statements                              |
| <b>30</b> | Sustainability Statement   | <b>191</b> | Statement by Directors   |
| <b>32</b> | Audit Committee Report   | <b>191</b> | Statutory Declaration  |
| <b>36</b> | Corporate Governance Overview Statement                                  | <b>192</b> | Independent Auditors' Report                                   |
| <b>49</b> | Statement on Risk Management and Internal Control                        | <b>197</b> | Analysis of Shareholdings                                      |
|           |  | <b>198</b> | Thirty Largest Shareholders                                    |
|           |  | <b>200</b> | Analysis of Warranholdings                                     |
|           |  | <b>201</b> | Thirty Largest Warranholders                                   |
|           |  | <b>203</b> | Recurrent Related Party Transactions                           |
|           |  | <b>204</b> | List of Properties   |
|           |  | <b>206</b> | Administrative Details of the Thirtieth Annual General Meeting |
|           |  | <b>210</b> | Appendix A   |
|           |  | <b>211</b> | Appendix B   |
|           |  | <b>212</b> | Group Corporate Directory                                      |

**Enclosed**

**Proxy Form**

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** THAT THE THIRTIETH ("30TH") ANNUAL GENERAL MEETING OF BINA PURI HOLDINGS BHD. [COMPANY NO. 199001015515 (207184-X)] ("BINA PURI" OR "THE COMPANY") WILL BE CONDUCTED ON A VIRTUAL BASIS AND ENTIRELY VIA REMOTE PARTICIPATION AND ELECTRONIC VOTING FROM THE BROADCAST VENUE AT TRICOR BUSINESS CENTRE, MANUKA 2 & 3 MEETING ROOM, UNIT 29-01, LEVEL 29, TOWER A, VERTICAL BUSINESS SUITE, AVENUE 3, BANGSAR SOUTH, NO. 8, JALAN KERINCHI, 59200 KUALA LUMPUR ON WEDNESDAY, 15 DECEMBER 2021 AT 11:00 A.M., OR AT ANY ADJOURNMENT THEREOF (AS THE CASE MAY BE), FOR THE PURPOSE OF CONSIDERING AND, IF THOUGHT FIT, PASSING THE FOLLOWING RESOLUTION, WITH OR WITHOUT MODIFICATIONS:-

## ORDINARY BUSINESS

- |       |   |                                      |
|-------|---|--------------------------------------|
| 1.    | To receive the Audited Financial Statements for the year ended 30 June 2021 together with the Reports of Directors' and Auditors' thereon.            | <b>(Refer to Explanatory Note i)</b> |
| <hr/> |   |                                      |
| 2.    | To re-elect the following directors who retire pursuant to Clause 87 of the Company's Constitution:   |                                      |
|       | a) Tan Sri Dato' Wong Foon Meng   | <b>Ordinary Resolution 1</b>         |
|       | b) Datuk Matthew Tee Kai Woon   | <b>Ordinary Resolution 2</b>         |
| <hr/> |   |                                      |
| 3.    | To approve the payment of Directors' fees of up to an amount of RM281,000 for the period from xx December 2020 until the next Annual General Meeting. | <b>Ordinary Resolution 3</b>         |
| <hr/> |   |                                      |
| 4.    | To re-appoint Messrs. UHY as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration.          | <b>Ordinary Resolution 4</b>         |

## SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions:

- |    |   |                              |
|----|---|------------------------------|
| 5. | <b>PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS</b>   |                              |
|    | "THAT, subject to the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company and/or its subsidiary companies be and are hereby authorised to enter into recurrent related party transactions of a revenue or trading nature set out in paragraph 2.5 of the Circular to Shareholders of the Company dated 29 October 2021 which are necessary for their day-to-day operations with: |                              |
|    | (a) Sea Travel and Tours Sdn. Bhd.  | <b>Ordinary Resolution 5</b> |
|    | (b) Kumpulan Melaka Bhd.  | <b>Ordinary Resolution 6</b> |
|    | (c) Ideal Heights Properties Sdn. Bhd.  | <b>Ordinary Resolution 7</b> |
|    | (d) Dimara Holdings Sdn. Bhd.   | <b>Ordinary Resolution 8</b> |

## NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

Subject further to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public;
- (b) appropriate disclosure is made in the annual report in accordance with Paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of the Bursa Securities, which requires an actual breakdown of the aggregate value of the recurrent related party transactions entered into during the financial year, including amongst others, the type of recurrent related party transactions and the names of the related parties involved in each type of the recurrent related party transactions entered into and their respective relationships with the Company and that such approval shall, subject to annual renewal, continue to be in force until:
  - i. the conclusion of the next annual general meeting of the Company (unless by a resolution or resolutions passed at the said annual general meeting, the authority is renewed);
  - ii. the expiry of the period within which the next annual general meeting of the Company following the forthcoming annual general meeting at which this mandate is approved, is required to be held pursuant to Section 340(2) of the Companies Act 2016, without regard to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016; or
  - iii. revoked or varied by a resolution or resolutions passed by the shareholders of the Company in general meeting,whichever is the earliest; and
- (c) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by these ordinary resolutions.

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6. **AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 75 AND SECTION 76 OF THE COMPANIES ACT 2016**

**Ordinary Resolution 9**

"THAT pursuant to Section 75 and Section 76 of the Companies Act, 2016, the Directors be and are hereby authorised to issue and allot shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum of the total number of issued share capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies being obtained for such allotment and issue."

NOTICE OF  
ANNUAL GENERAL MEETING  
(Cont'd)

7. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK")**

Ordinary Resolution 10

"THAT subject to the Companies Act, 2016, the provisions of the Company's Memorandum and Articles of Association, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other prevailing laws, rules, regulations and orders issued and/or amended from time to time by the relevant authorities, the Company be and is hereby authorised to allocate an amount not exceeding the retained profits of the Company for the purpose of and to purchase such amount of ordinary shares ("Proposed Share Buy-back") in the Company as may be determined by the Directors of the Company from time to time on the market of the Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution does not exceed ten percent (10%) of the total issued and paid-up share capital of the Company AND THAT upon completion of the purchase by the Company of its own shares, the Directors are authorised to decide at their discretion to cancel all or part the shares so purchased and/or to retain all or part the shares so purchased as treasury shares of which may be distributed as dividends to shareholders and/or to resell on the market of Bursa Securities and/or to retain part thereof as treasury shares and cancel the remainder; AND THAT the Directors be and are hereby authorised and empowered to do all acts and things to give full effect to the Proposed Share Buy-back AND FURTHER THAT such authority shall commence immediately upon passing of this resolution until:

- i. the conclusion of the next Annual General Meeting of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed either unconditionally or subject to conditions; or
- ii. the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- iii. revoke or varied by ordinary resolution of the shareholders of the Company at a general meeting whichever is the earliest."

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8. To transact any other business for which due notice shall have been given.

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By Order of the Board

**Tan Kok Aun** (SSM PC No. 201908003805) (MACS 01564)  
**Nip Chee Sien** (SSM PC No. 202008003954) (MAICSA 7066996)  
Company Secretaries

Kuala Lumpur,  
29 October 2021

## NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

### NOTES:

1. A Member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend and vote instead of him at a general meeting who shall represent all the shares held by such Member, and where a Member holding more than one thousand (1,000) ordinary shares may appoint more than one (1) proxy but not more than two (2) proxy to attend and vote instead of him at the same meeting who shall represent all the shares held by such Member.
2. Where the Member of the Company appoints more than one (1) proxy but not more than two (2), the Member shall specify the proportion of his shareholdings to be represented by each proxy.
3. A proxy need not be a member of the Company.
4. Where a Member is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
5. The instrument appointing a proxy shall be in writing under the hand of appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy must be deposited at the Share Registrar's office of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. (or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.)
7. Only members whose names appear in the Record of Depositors as at 7 December 2021 shall be eligible to attend the Thirtieth Annual General Meeting or appointed proxy(ies) to attend and vote on his behalf.
8. All the resolutions set out in this Notice of Thirtieth Annual General Meeting shall be put to vote by poll.

### IMPORTANT NOTICE:

The Company will monitor the COVID-19 situation and may adopt further procedures and measures at the Thirtieth Annual General Meeting day to ensure the applicable directives, safety and precautionary requirements as prescribed by the Government, the Ministry of Health, the Malaysian National Security Council, and other relevant authorities to curb the spread of Covid-19 are abided by.

The Company will closely monitor the situation and reserves the right to take further measures or short-notice arrangements as and when appropriate in order to minimize any risk to the Thirtieth Annual General Meeting. Any update on the Thirtieth Annual General Meeting will be announced on the Bursa Malaysia Securities Berhad ("Bursa") and the shareholders are advised to check the Company's announcement(s) made via Bursa regularly.

### EXPLANATORY NOTES ON ORDINARY BUSINESS

- i. Agenda on Item 1 is meant for discussion only as the provision of Section 340 (1) (a) of the Companies Act 2016 does not require a formal approval of shareholders, and hence the matter will not be put forward for voting.
- ii. **Ordinary Resolution 1 and 2 – Re-election of Directors**

Tan Sri Dato' Wong Foon Meng and Datuk Matthew Tee Kai Woon are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at this Annual General Meeting.

## NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

### iii. **Ordinary Resolution 3 - Directors' fees for the period from ## December 2020 until next Annual General Meeting**

Section 230(1) of the Companies Act 2016 provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company shall be approved at a general meeting. This resolution is to facilitate payment of Directors' fees for the current financial year basis. In the event the proposed amount is insufficient, e.g. due to enlarged Board size, approval will be sought at the next Annual General Meeting for the shortfall.

### EXPLANATORY NOTES ON SPECIAL BUSINESS

#### iv. **Ordinary Resolutions 5 to 8 – Proposed renewal of shareholders' mandate for recurrent related party transactions**

The ordinary resolutions 5, 6, 7 and 8 if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, particulars of which are set out in paragraph 2.5 of the Circular to Shareholders on recurrent related party transactions dated 29 October 2021, which is released with the Annual Report 2021.

#### v. **Ordinary Resolution 9 - Authority to Allot Shares Pursuant to Section 75 and Section 76 of the Companies Act 2016**

The proposed Resolution 9 in item 6 is primarily to give flexibility to the Board of Directors to issue and allot shares at any time in their absolute discretion without convening a general meeting. The authorisation will, unless revoked or varied by the Company at a general meeting, expire at the next annual general meeting. This is a renewal of a general mandate in order to avoid any delay and cost involved in convening a general meeting, it is thus appropriate to seek members' approval.

The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares funding current and/or future projects, working capital and/or acquisitions.

#### vi. **Ordinary Resolution 10 - Proposed Renewal of Share Buy Back Authority**

The proposed Resolution 10 in item 7 is to empower the Directors of the Company to purchase the Company's shares up to ten percent (10%) of the issued and paid-up share capital of the Company by utilising the funds allocated which shall not exceed the retained profits of the Company. Please refer to the Share Buy Back Statement dated 30 October 2020, which is dispatched together with the Company's Annual Report 2020.

# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities)

## 1. Directors who are standing for re-election

The Directors who are standing for re-election pursuant to Clause 87 of the Company's Constitution at the Thirtieth Annual General Meeting of the Company are as follows:

- a) Tan Sri Dato' Wong Foon Meng
- b) Dr. Tan Cheng Kiat

## 2. Profiles of Directors who are standing for re-election

The profiles of Directors standing for re-election are set out on pages 11 and 13 of Annual Report 2021.

## 3. Details of Attendance of Directors at Board Meetings

The details of attendance of directors at board meetings are stated on page 39 of Annual Report 2021.

## 4. Details of the Twenty-Ninth Annual General Meeting



**Wednesday, 15 December 2021**



**11.00 a.m.**



**Tricor Business Centre, Manuka 2 & 3 Meeting Room**  
Unit 29-01, Level 29, Tower A  
Vertical Business Suite, Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

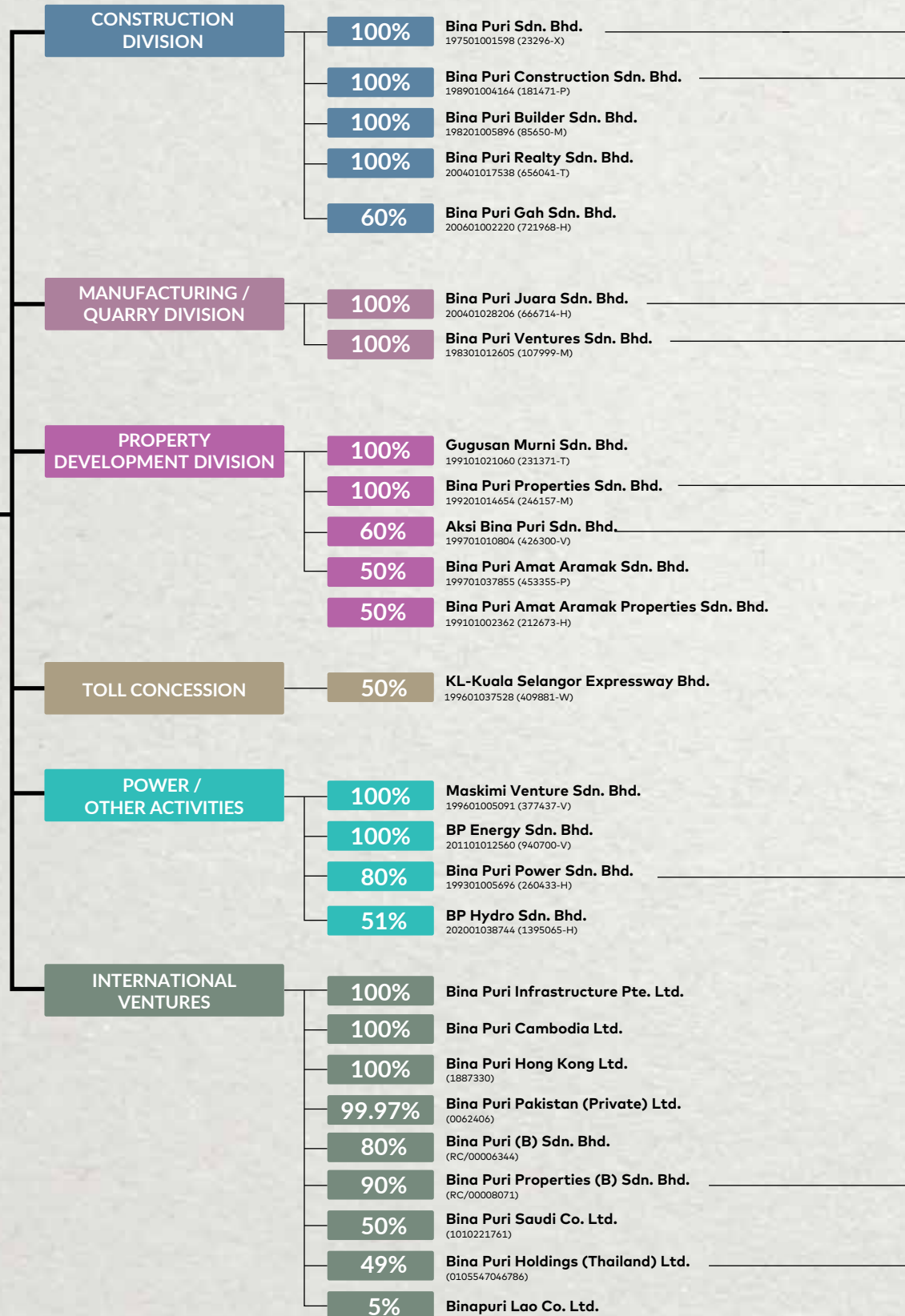


TIIH Online website at <https://tiih.online>

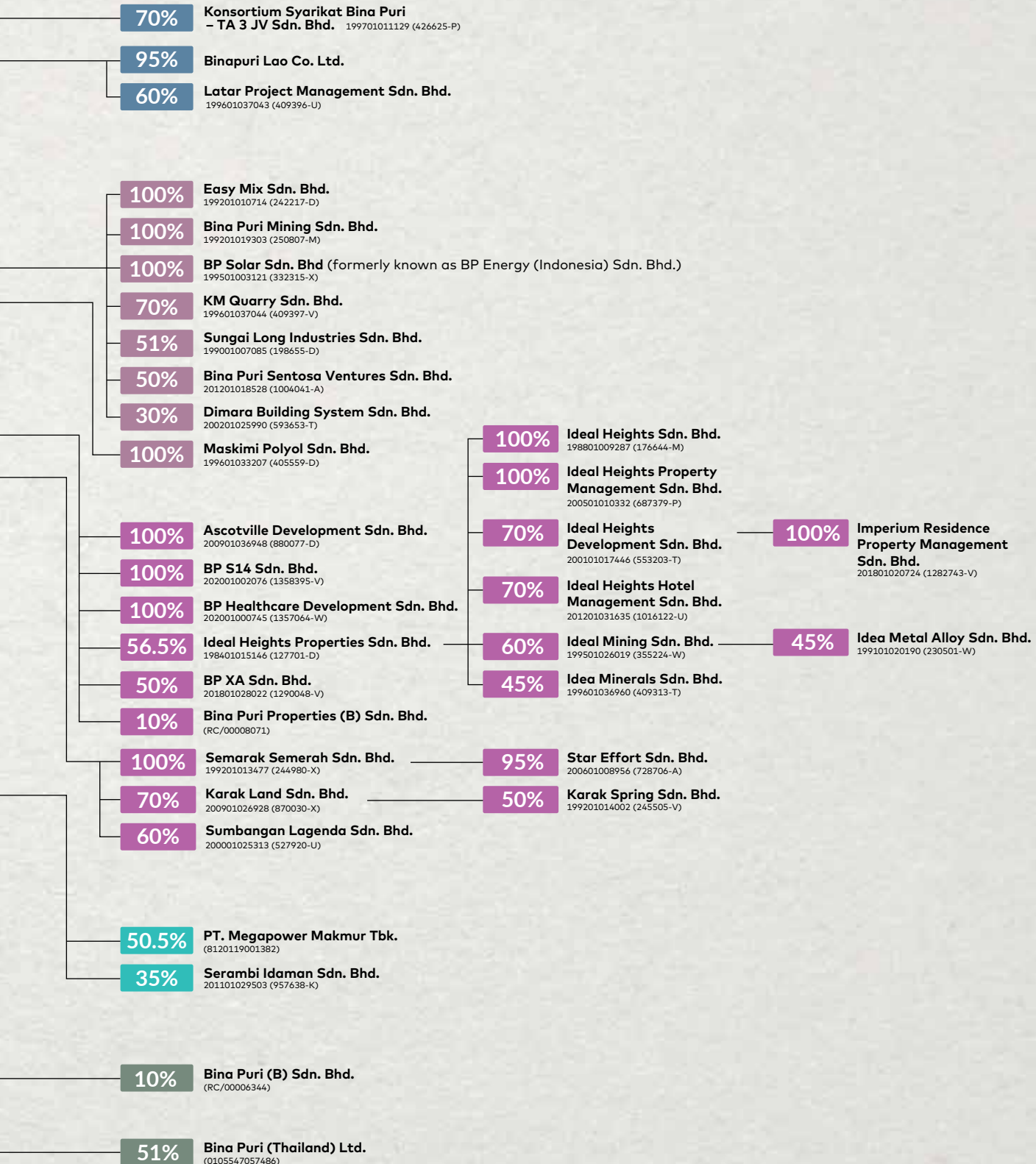
## 5. General Mandate for issue of Securities pursuant to Section 75 and 76 of the Companies Act 2016

The Company has obtained the mandate for issue of shares from the shareholders at the last Annual General Meeting held on 8 December 2020 ("the Previous Mandate").

# GROUP CORPORATE STRUCTURE



GROUP  
CORPORATE STRUCTURE  
(Cont'd)



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Tan Sri Dato' 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

**Ir Ghazali Bin Bujang**  
Independent Non-Executive  
Director

**Mohd Najib Bin Abdul Aziz**  
Independent Non-Executive  
Director

## BOARD COMMITTEES

### GROUP EXECUTIVE COMMITTEE

**Tan Sri Datuk Tee Hock Seng, JP**  
Chairman

**Dr. Tony Tan Cheng Kiat**  
Member

**Datuk Matthew Tee Kai Woon**  
Member

### AUDIT COMMITTEE

**Ir Ghazali Bin Bujang**  
Chairman

**Tan Sri Dato' Wong Foon Meng**  
Member

**Mohd Najib Bin Abdul Aziz**  
Member

### NOMINATION COMMITTEE

**Tan Sri Dato' Wong Foon Meng**  
Chairman

**Ir. Ghazali Bin Bujang**  
Member

**Mohd Najib Bin Abdul Aziz**  
Member

### REMUNERATION COMMITTEE

**Tan Sri Dato' Wong Foon Meng**  
Chairman

**Tan Sri Datuk Tee Hock Seng, JP**  
Member

**Ir. Ghazali Bin Bujang**  
Member

**Mohd Najib Bin Abdul Aziz**  
Member

## GROUP COMPANY SECRETARIES

**Tan Kok Aun** (MACS 01564)  
**Nip Chee Sien** (MAICSA 7066996)

## REGISTERED OFFICE

Wisma Bina Puri  
88, Jalan Bukit Idaman 8/1  
Bukit Idaman, 68100 Selayang  
Selangor Darul Ehsan  
**Tel** : +603 6136 3333  
**Fax** : +603 6136 9999  
**Email** : corpcomm@binapuri.com.my  
**Website** : <http://www.binapuri.com.my>

## SHARE REGISTRAR

**Tricor Investor & Issuing House Services Sdn. Bhd.**  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3  
Bangsar South, No. 8, Jalan Kerinchi  
59200 Kuala Lumpur.  
**Tel** : +603 2783 9299  
**Fax** : +603 2783 9222

## AUDITORS

**MESSRS. UHY**  
Chartered Accountants  
Suite 11.05, Level 11  
The Garden South Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
**Tel** : +603 2279 3088  
**Fax** : +603 2279 3099

## PRINCIPLE BANKERS

Bangkok Bank Berhad  
Malayan Banking Berhad  
United Overseas Bank (Malaysia) Berhad  
Alliance Bank Malaysia Berhad  
MBSB Bank Berhad  
AmBank (M) Berhad

## STOCK EXCHANGE LISTING

The Main Board of Bursa Malaysia Securities Berhad  
**Stock Name** : **BPuri**  
**Stock Code** : **5932**  
**Listing Date** : **6 January 1995**

## BOARD OF DIRECTORS



### Tan Sri Dato' Wong Foon Meng

Chairman/Independent  
Non-Executive Director

Age: **67**

Gender: **Male**

Nationality: **Malaysian**

**Tan Sri Dato' Wong Foon Meng**, was appointed as Chairman/Independent Non-Executive Director of the Company on 1 June 2010 and redesignated as Independent Non-Executive Director on 20 April 2013. He graduated in mechanical engineering from the University of Technology Malaysia in 1978.

He spent his early career in Government service where he held various positions at technical and administrative level. He had a distinguished career during his 13 years' service and had been attending various technical trainings, conferences and management courses at international level among others in Thailand, Philippines, Japan, France, Yugoslavia and USA. He had also been accorded the Excellence Service Award by the Ministry of Science, Technology and Environment in 1982. His last position held was as the Regional Director of Department of Environment for Terengganu and Kelantan before he

left the service to be in the private practice in 1991.

He was elected as a State Assemblyman in Terengganu in 1995 and subsequently appointed as a member of the State Executive Council (EXCO). He was appointed as Senator and elected as Deputy President of the Senate of Parliament of Malaysia in 2004. He was then elected as the President of the Senate from July 2009 until April 2010. During his tenure with the Parliament, he had fostered close bilateral relationships with the Governments and Parliaments of countries in Asia, Africa, Europe as well as South America.

Tan Sri Dato' Wong Foon Meng's extensive experience in the public sector, executive and legislative experience at state and federal level, as well as corporate experience in the later years has enabled him to lead and share his experience with the Board. He does not have any securities holdings in the Company or in any of its subsidiaries.

He is the Chairman of the Nomination Committee and Remuneration Committee and a member of the Audit Committee.

## BOARD OF DIRECTORS

(Cont'd)



**Tan Sri Datuk Tee Hock Seng, JP**, was appointed to the Board on 5 November 1990 and was subsequently appointed as the Group Managing Director on 22 November 1994.

He is an experienced entrepreneur with more than 47 years business acumen in trading, construction and development. He is responsible for the day-to-day operations of the Group.

**Current Portfolios:**

- Board of Trustee of Perdana Leadership Foundation
- EXCO member of Malaysia South-South Association
- Director of Malaysian South-South Corporation Bhd
- Honorary Chairman of The Chinese Chamber of Commerce & Industry of KL & Selangor
- Honorary Chairman of the Malaysia Quarries Association
- Executive Advisor of Selangor & Federal Territory Builder Association
- Honorary Chairman of The International Fellowship of Eng Choon Associates
- Life Honorable President of The Federation of Hokkien Association of Malaysia
- Advisor of The Associated Eng Choon Societies of Malaysia
- Honorary Chairman of The Federation of Xing Yang Associations of Malaysia

## Tan Sri Datuk Tee Hock Seng, JP

Group Managing Director

Age: **72**

Gender: **Male**

Nationality: **Malaysian**

- Vice President of Tung Shin Hospital
- Director of the Chinese Maternity Hospital (CMH)
- Board of Trustee cum Exco Member of Selangor King George V Silver Jubilee Fund
- Chairman, Board of Governors of SMJK Confucian, SRJK(C) Tsun Jin and SRJK (C) Onpong II, KL
- Honorary Chairman of the Young Malaysians Movement and The Federation of Malaysian Clans & Guilds Association

**Past Portfolios:**

- Member of the Senate (Ahli Dewan Negara), Parliament of Malaysia (2008- 2011)
- Treasurer-General of Malaysian Chinese Association (MCA) (2008-2010)
- Board Member of MiGHT (Malaysian Industry-Government Group for High Technology) (1993-2003)
- Vice President & Treasurer-General, Master Builders Association Malaysia (MBAM) (1992-2007)

**Notable Achievements/Awards:**

- "Master Builders' Silver Award" by Master Builders Association Malaysia (MBAM) in 2001
- "Service to New Generations Award" by the Rotary Club of Pudu in 2004
- "SMI Platinum Award" by SME Association of Malaysia (SME) in 2004
- "Most Prominent Player" by the Construction Industry Development Board in 2005
- The 2nd Malaysia & Golden Entrepreneur Award "Lifetime Achievement Award" by FMCGA (The Federation of Malaysia Chinese Guilds Association) in 2015
- "Award of Honorary Fellowship" by The International College of Dentists (ICD) in 2016
- "Malaysian Fujian Outstanding Entrepreneur Award" by The Federation of Hokkien Association Malaysia in 2017
- "IFAWPCA-Atsumi Award" at the 44th International Federation of Asian and Western Pacific Contractors' Associations (IFAWPCA) in 2018
- "Honorary Builder Award" by the Master Builders Association Malaysia (MBAM) in 2019

Except for recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries and for which he is deemed to be interested as disclosed on page ### of the Annual Report, there are no other business arrangements with the Company in which he has personal interests.

He is also the Chairman of the Group Executive Committee and a member of the Remuneration Committee.

## BOARD OF DIRECTORS

(Cont'd)



## Dr Tony Tan Cheng Kiat

Founder Director

Age: **73**Gender: **Male**Nationality: **Malaysian**

**Dr Tony Tan Cheng Kiat**, founded Bina Puri Sdn. Bhd. in 1975 and has been the Executive Chairman since its inception. He was appointed to the Board of the Company on 5 November 1990. He is responsible for the growth and ongoing development of the company's business.

He was instrumental in the development of a number of major projects throughout Malaysia for the Group. He holds a doctorate in Business Administration and is also a licensed builder. He has been successful as a private property developer in Australia. With his wide experience, he has brought much progress to the Group.

Except for recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries and for which he is deemed to be interested as disclosed on page xxx of the Annual Report, there are no other business arrangements with the Company in which he has personal interests.

Dr Tony Tan is a member of the Group Executive Committee.

## BOARD OF DIRECTORS

(Cont'd)



**Datuk Matthew Tee Kai Woon**, joined the Company in December 2003 as Special Assistant to the Group Managing Director. He was appointed as Executive Director on 1 December 2009 and was re-designated as Group Executive Director on 7 March 2013.

He is a Chartered Accountant and holds a Bachelor of Commerce (Accounting and Marketing) from the University of Auckland, New Zealand. He has been a member of the Malaysian Institute of Accountants (MIA) since 2002 and was duly awarded the status, Fellow Certified Practising Accountant (FCPA) by CPA Australia in March 2016. He is also a Certified Financial Planner (Financial Planning Association of Malaysia).

Previously, he was the Administrator of the Chinese Maternity Hospital from 2001 to 2003 and was once attached to PricewaterhouseCoopers in the audit department from 1999 to 2001. He was also a Business Services Accountant with Marsden B. Robinson Chartered Accountants (New Zealand) from 1998 to 1999.

## Datuk Matthew Tee Kai Woon

Group Executive Director

Age: **46**

Gender: **Male**

Nationality: **Malaysian**

On 24 January 2017, he was appointed as an Independent Non-Executive Director of Chin Teck Plantations Berhad. He also holds directorships in other companies.

### Current Portfolios:

- Honorary Advisor of Master Builders Association of Malaysia (MBAM) from 2020-2022
- Board of Advisory of Construction Labour Exchange Centre Berhad (CLAB)
- Honorary Treasurer General of Malaysian Steel Structural Association (MSSA) since 2011
- Board Member of Malaysian Industry Government Group for High Technology (MIGHT) and Chairman of Board Audit Committee

### Past Portfolios:

- President of Master Builders Association of Malaysia (MBAM) from 2012-2016
- Immediate President of Master Builders Association of Malaysia (MBAM) from 2016-2020
- Member of National Science Council (NSC) from 2016-2017
- Board Member of Construction Industry Development Board Malaysia (CIDB) from 2013-2016
- Council Member of the Road Engineering Association of Malaysia (REAM) from 2017-2019
- 44<sup>th</sup> President of the International Federation of Asian and Western Pacific Contractors' Associations (IFAWPCA) from 2017-2018
- Member of the Advisory Committee on Hotel and Tourism Management by the Chinese University of Hong Kong (CUHK) from 2017-2020

### Notable Achievements/Awards:

- "Property CEO" by FIABCI Malaysia Property Award 2018.

Except for recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries and for which he is deemed to be interested as disclosed on page ### of the Annual Report, there are no other business arrangements with the Company in which he has personal interests.

## BOARD OF DIRECTORS (Cont'd)



### Ir Ghazali Bin Bujang

Independent  
Non-Executive Director

Age: **70**

Gender: **Male**

Nationality: **Malaysian**

**Ir Ghazali Bin Bujang**, was appointed to the Board of the Company on 31 May 2013. He is an engineer by profession and is currently the Executive Chairman of Ghazali & Associates Sdn. Bhd. He graduated with a Bachelor of Engineering from the University of Liverpool, England in 1974 and obtained a Master of Science from the University of Leeds, England in 1979.

He is a member of the Board of Engineers, the Past President of the Association of Consulting Engineers Malaysia (1992-1994) and Honorary member of the Association of Consulting Engineers Malaysia.

He has vast experience in planning, engineering and management of infrastructure and development works. He also has a broad and balanced knowledge with respect to issues on economic and finance, technical and environmental relevant to development and infrastructure projects.

He is the Chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee.

## BOARD OF DIRECTORS (Cont'd)



### Mohd Najib Bin Abdul Aziz

Independent  
Non-Executive Director

Age: **48**

Gender: **Male**

Nationality: **Malaysian**

**Mohd Najib Bin Abdul Aziz**, was appointed to the Board on 31 May 2013. He is an accountant by profession and graduated from the University of New South Wales, Australia with a Bachelor of Commerce (Accounting) Degree. He is a member of the Institute of Chartered Accountants in Australia (ICAA) as well as a member of the Malaysian Institute of Accountants (MIA).

He is currently the Managing Director of Corporate-Pacific Holdings Sdn. Bhd. and an Independent Non-Executive Director of Tropicana Corporation Berhad. He is also a Non-Executive Director of GCM Resources PLC, a coal mining company listed on the AIM market under the London Stock Exchange appointed on 17th June 2019.

He was the Assistant Manager of Global Corporate Finance in Arthur Andersen & Co. and had held the position of Senior Consultant with the Corporate Recovery Division of KPMG for three years in Perth, Western Australia. He is also a director of several private limited companies.

He was previously an Independent Non-Executive Director of Kumpulan Jetson Berhad, ECM-Avenue Securities Sdn. Bhd. and Alam Flora Sdn. Bhd.

He is a member of the Audit Committee, Nominating Committee and Remuneration Committee.

## KEY SENIOR MANAGEMENT



### We Her Ching

Group Chief Operating Officer,  
Contracts and Administration

Age: **61**

Gender: **Male**

Nationality: **Malaysian**

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**We Her Ching**, is the Group Chief Operating Officer, Contracts and Administration of Bina Puri Holdings Bhd since 1 October 2002.

He graduated with a Bachelor of Applied Science (Construction Management and Economics) and is a member of The Chartered Institute of Building (MCIOB).

He joined Bina Puri Sdn. Bhd. in 1986 and has extensive experience in the construction industry. He is responsible for the overall management and operations of projects within the construction arm. He sits on the Board of a few of its subsidiaries.

Other than as disclosed, he does not have any family relationship with any Directors and/ or major shareholders of the Company. He has no personal interest in any business arrangements involving the Company. He has had no convictions for any offences within the past five years.

## KEY SENIOR MANAGEMENT

(Cont'd)



## Lee Tong Leong

Chief Operating Officer,  
Property Division

Age: **63**

Gender: **Male**

Nationality: **Malaysian**

**Lee Tong Leong**, was appointed as Chief Operating Officer, Property Division of the Company on 1 July 2012. He joined Ideal Heights Properties Sdn. Bhd., an associate company of Bina Puri Group since May 1991 prior to this appointment.

He is a graduate of the Tunku Abdul Rahman College and ICSA. He has had vast experience and exposure in property development and property management for more than 20 years, which include residential/condominium, commercial/ retail and industrial developments.

He is responsible for planning, development, execution and completion of new projects i.e. from land acquisition, feasibility studies and liaison with authorities/

consultants to successful execution and completion of the projects.

He is also responsible for the setting up of the property management team of the Group to ensure proper maintenance of the strata developments that have been completed before handing over to JMBs or Management Corporations.

He is also involved in execution of sales and marketing strategies for new projects. For the execution of successful sales and marketing activities, he places high level of importance for the team to keep abreast of latest development and market trend of the property market.

Other than as disclosed, he does not have any family relationship with any Directors and/ or major shareholders of the Company. He has no personal interest in any business arrangements involving the Company. He has had no convictions for any offences within the past five years.

## CHAIRMAN'S STATEMENT



Tan Sri Dato'  
Wong Foon Meng

Chairman/Independent  
Non-Executive Director

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Dear shareholders, on behalf of the Board of Directors and the Management, it is my great pleasure to present the Annual Report and Audited Financial Statements of Bina Puri Holdings Bhd for the financial year ended 30 June 2021.

## CHAIRMAN'S STATEMENT

(Cont'd)

Following the ongoing Covid-19 pandemic, the year 2021 continued to be a challenging financial year for Bina Puri Holdings Bhd. However, as a Malaysian public listed company entrusted by the good faith of our shareholders and investors, we were driven to continuously to maintain our competitive market position in various industries including property development, manufacturing, construction, international ventures as well as other miscellaneous activities both locally and internationally.

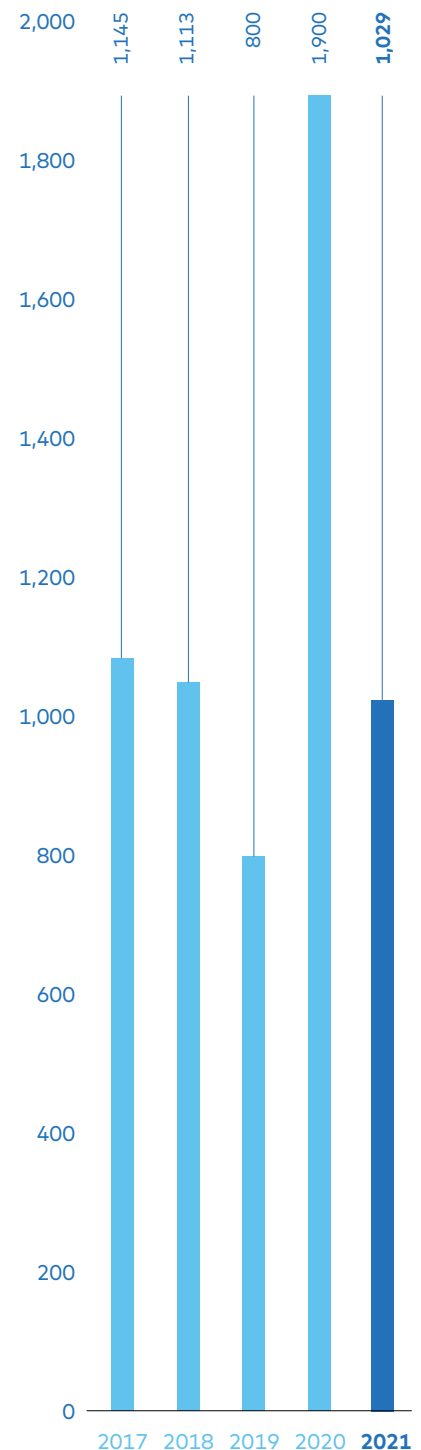
Malaysia underwent uncertain market conditions throughout the year under review. From political changes to varying degrees of operations in its corporate climate, the country was on a slow and steady road to recovery. Due to the safety measures implemented throughout 2021, Malaysia's Gross Domestic Product increased by 16.1% within the second quarter of the year after four consecutive quarters of contractions. Against the strengthening backdrop of the country's economy, Bina Puri continues to perform, albeit at a slower pace, but enough to maintain a foothold in each of the industries it operates in.

Total Group recorded RM222.6mil revenue for the year ending 30 June 2021, a drop from last year's financial year group revenue which was recorded at RM420.7 million and a profit before tax of RM10.4 million. The drop from all operating segments was primarily due to the sluggish property market climate in Malaysia throughout the year as well as the lackluster construction activities which recorded a consolidated loss of RM49 million it was brought on by severe disruption of the overall operating environment due to the implementation of Malaysia's Movement Control Order 3.0 by the Government. However, despite these challenging conditions, our property development arm continues to produce results through the sales of Opus Residence in Kuala Lumpur, the rental of commercial space at our mall Main Place in Subang Jaya, the 96% take up of Puri Residences in Johor, and the sale of agricultural land in Karak, Pahang. Additionally, paired with the cost cutting exercises put in place even before the pandemic, Bina Puri is well equipped to tackle the difficult times ahead.

### SEGMENTAL BUSINESS OVERVIEW

As publicly disclosed, the Group is involved in various businesses including construction, property development, quarry operations and power generation. Construction and property development have been the largest contributor to the Group's revenue as well as

**Unbuilt Book Order from 2017-2021**  
September



CHAIRMAN'S STATEMENT  
(Cont'd)



Bina Puri's Overseas Power Supply Revenue

RM **12.3** million



Ongoing Developments in Johor, Pahang, Sabah & Sarawak

RM **1.2** billion of GDV



Puri Residences, notable 21.41-acre Landed Residential in Masai, Johor

RM **229.5** million of GDV



The Valley @ Bentong, 1,600-acre Agricultural-Based Development

RM **383** million of GDV



Hydropower Plant at PLTM Bantaeng 1, Sulawesi Selatan, Pulau Sulawesi, Indonesia



Puri Residences at Masai, Johor



Majestic View at The Valley @ Bentong, Pahang

the main focus of our business.

For the year 2021, Bina Puri's overseas power supply division recorded a revenue of RM12.3 million from the activity of supplying electricity power to PT Perusahaan Listrik Negara (a state electricity company owned by the Indonesian government) as well as PLTM Bantaeng with a recorded loss before tax of RM0.5 million, a reduction in deficit compared to the previous year of RM11.4 million and RM4.7 million respectively. The performance of this division

was due to lower power generated for PT Perusahaan Listrik Negara and PLTM Bantaeng.

Moving forward into the new year, the local and international business environment is expected to take an upswing as Malaysia and other countries are slowly recovering due to ongoing vaccination programs established globally. Currently, the Group is taking precautionary measures to prevent the spread of Covid-19 within all its operating business segments. Our construction division is currently

# CHAIRMAN'S STATEMENT

(Cont'd)

involved in various projects both locally and internationally. We continue to scour both foreign and domestic landscapes in search of new opportunities while, at the same time, leverage on our existing projects to amass wealth for the Group's coffers. The current value of unbuilt works in progress stands at approximately RM1,029 million. The Group is on the lookout for more projects to increase its order book and will participate in these opportunities either through tender participations or negotiations inside and outside the country.

In terms of the Group's property development division, Bina Puri has several ongoing developments in Johor, Pahang, Sabah and Sarawak with an estimated Gross Development Value (GDV) of RM1.2 billion. Puri Residences, its notable 21.41-acre landed residential offering in Masai, Johor, which comprises 384 units of double-storey homes, has an estimated GDV of RM229.5 million. The development was launched in the second quarter of 2018 and has done tremendously well with a take up of 96%. Another project of Bina Puri's, The Valley @Bentong is a 1,600-acre agricultural-based development comprising farms and homesteads located in Karak, Pahang commands an estimated GDV of RM383 million. The first and second phase of the development was launched in 2017 and commands a GDV of RM157.0 million. Phase 3 was then launched during the pandemic in March 2021 with an estimated GDV of RM160 million. Based on the current sales achieved for the property development division, the unbilled sales amounts to RM50 million.

Due to the travel restrictions imposed during the Covid-19 pandemic, the performance of the Group's rental and hospitality segment was affected. Despite this, we continue to continuously adopt aggressive marketing strategies in order to ensure optimal occupancy.

Additionally, the Group has been exploring business opportunities and ventures in solar and gas power supply both locally and overseas, primarily in Sabah and Indonesia. Bina Puri expects to secure the approval and signing of the power purchase agreement for a new solar power plant development in Kunak, Sabah within the first half of 2022. The group will continuously explore new markets to expand its revenue and client base in order to minimize any impact brought on by the Covid-19 pandemic as well as the weak economic conditions experienced worldwide.

## Our Business Outlook and Prospects

According to research from Bank Negara Malaysia (BNM), the country's growth outlook for 2021 has been affected by the recent resurgence in Covid-19 cases. Despite this, it remains optimistic and the country's economy remains on a steady path towards recovery. The country's economy is expected to be cushioned by several factors including the continued allowances for essential economic sectors to operate, higher adaptability to remote work and an increase in automation and digitalization, and further supported by policy measures, which will provide cash flow for affected households and businesses. Moving forward, the growth trajectory will depend on the nation's ability to contain the pandemic and the materialization of health outcomes from the countrywide vaccination programmes. This will allow various economic sectors to slowly but surely reopen and provide some breathing space for household and business sentiments.

In combating the negative effects of the pandemic, Bina Puri had begun exercising cost cutting efforts since before the pandemic. During the height of the restrictions, the Group had begun implementing four-day work weeks as well as systematic expense curtails that allowed the company to remain resilient throughout the year under review. Additionally, through the sale of agricultural lands in Karak, despite recording losses in both of the group's main business segments, Bina Puri is still competitively strong in the market.

## DIVIDEND

No dividend has been declared for the financial year under review.

## ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to express our deepest appreciation to our esteemed and reliable management team and employees for their patience, continuous support, dedication and commitment towards the company. I would also like to record my sincere appreciation to our financiers, business partners, and relevant approving authorities for their continuous support and co-operation.

Last but not least, to all of Bina Puri's valued shareholders, thank you again for your continued support and confidence in us.

## GROUP MANAGING DIRECTOR'S MESSAGE AND MANAGEMENT DISCUSSION AND ANALYSIS



Tan Sri Datuk  
Tee Hock Seng, JP  
Group Managing Director

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### OVERVIEW

Bina Puri Holdings Bhd continues to weather one of the toughest storms it had encountered since its conception in 1975, and we continue to remain resilient and competitive amidst uncertain market conditions, further emboldened by a slowly recovering economy.

## GROUP MANAGING DIRECTOR'S MESSAGE AND MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Within the 12 months under review, Malaysia was still reeling from the turbulent economic conditions impacted by the global pandemic which hit the country in 2019 and Bina Puri was no different. Combined with internal struggles of curbing infections, political uncertainties and movement restrictions, the country had seen its toughest times in the year prior.

However, behind every cloud there is a silver lining. Towards the tail end of 2021, the country was beginning to show signs of recovery. Vaccination programs were rolled out efficiently, certain business sectors were allowed to operate, and restrictions were gradually being lifted guided by a phase-by-phase plan under the leadership of a new government. According to a report from Bank Negara Malaysia (BNM), while the growth outlook for the country has been affected by a resurgence in Covid-19 cases within the first half of 2020, Malaysia's economy is clearly on the path to recovery bolstered by the continued allowance for essential economic sectors to operate, higher adaptability to work remotely and an increase in automation and digitisation.

As the country began to bounce back from a year and a half of lackluster activities, the Group began mobilising its workforce to take advantage of a recovering business environment. Employees returned to the office, project tender exercises were submitted, discussions resumed, and Bina Puri actively and aggressively began seeking out opportunities inside and outside the country.

Looking at the current condition of the market, I am hopeful that things can only get better for the Group and the country. Due to cost cutting exercises implemented even before the Covid-19 pandemic, we were able to weather the storm and are better prepared to take on a post-pandemic economy. Now with a brighter and healthier year to look forward to in 2022, we have drawn up our battle plans and look forward to rushing into metaphorical battle once again to take on a new year and new opportunities amid a new, invigorated market.

### Review of Performance

The Group recorded revenue of RM222.6 million and a loss before tax of RM62.5 million for the year ended 30 June 2021 which is attributed towards the lower performance from all operating segments due to severe disruption of the overall operating environment brought on by the high Covid-19 cases in the country

with the implementation of Movement Control Order (MCO) 3.0 by the Government.

### Construction Division

The construction division recorded a revenue of RM107.5 million, a decline from the previous year's RM219.3 million attributable to the slow activity at several of our ongoing projects in Sarawak, Terengganu and Russia. Despite the decline, Bina Puri is confident in its performance within the coming year as it has a current value of unbuilt works in progress amounting to approximately RM850 million (to reconfirm) which are expected to resume at a healthy pace. Additionally, the Group is constantly looking for opportunities to increase its order book through tender participations and project negotiations both locally and internationally.

### Property Division

The property segment of Bina Puri recorded a revenue of RM91.6 million and incurred losses of RM12.6 million for the financial year ended 30 June 2021. Amidst the sluggish year, the Group remains bullish that it can be more competitive in 2022 as, with the economy on a steady road to recovery, Bina Puri's property development segment is backed by several of its ongoing developments namely Puri Residences in Masai, Johor; The Valley @Bentong in Karak, Pahang; which have an estimated combined Gross Development Value of RM1.2 billion.

### Quarry Division

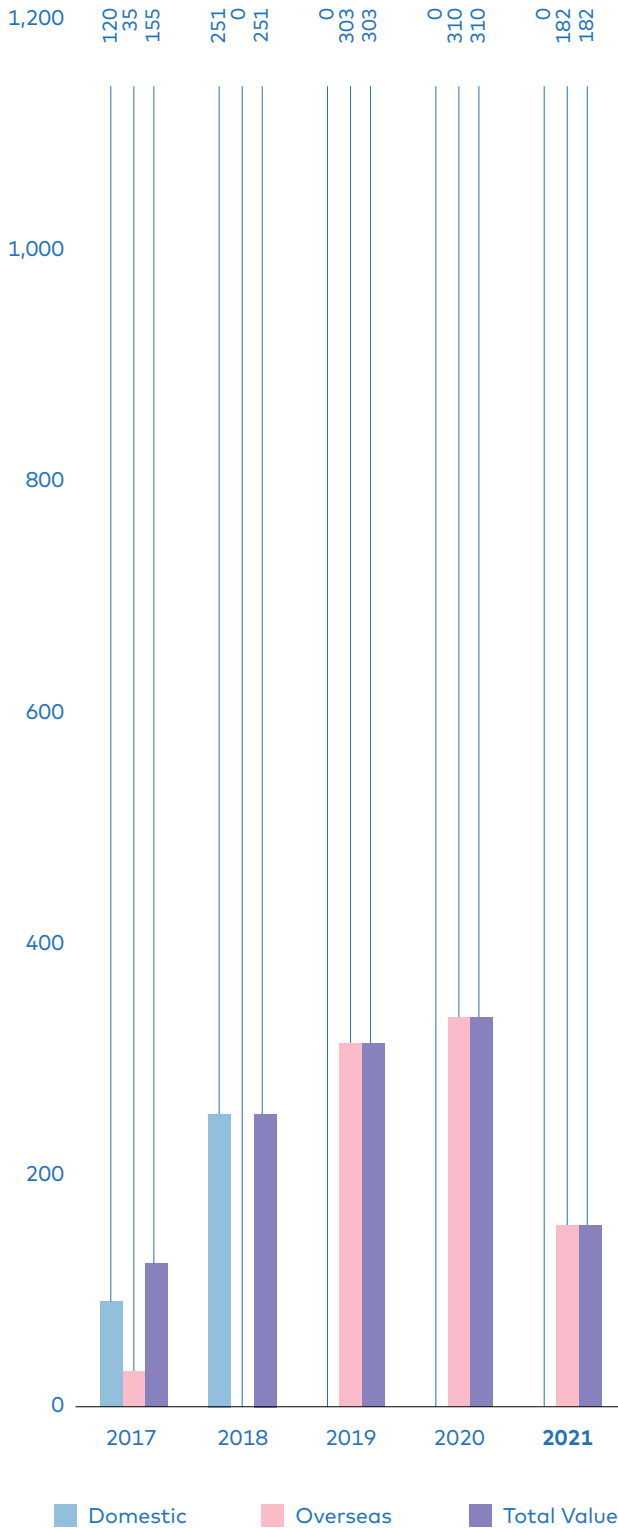
The Quarry division in Melaka recorded a revenue of RM11.1 million. Towards the tail end of 2021, as more business segments are allowed to operate within the country, the Group anticipates an increasing demand for quarry aggregators and stones which will benefit Bina Puri in the coming year.

### Power Supply Division

The powersupplydivision recorded a revenue of RM12.3 million mainly contributed by the supply of electricity to PT Perusahaan Listrik Negara (a State Electricity Company owned by the Indonesian Government) and PLTM Bantaeng. The underperformance of this division was due to lower power generated for both electricity companies. However, as reports indicate, the Indonesian economy has slowly been recovering

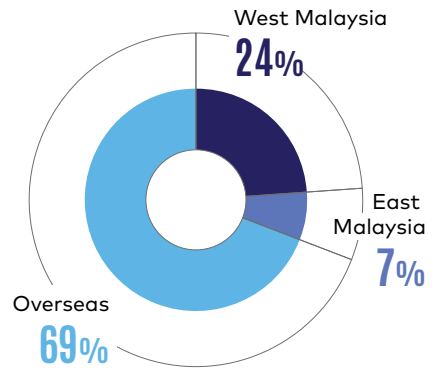
GROUP MANAGING DIRECTOR'S MESSAGE  
AND MANAGEMENT DISCUSSION AND ANALYSIS  
(Cont'd)

Annual Projects Secured from 2017-2021  
September (RM' Mil)

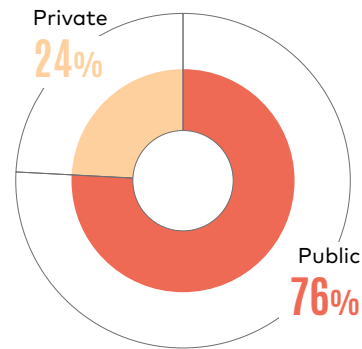


Project Secured from 2017 to 2021 September  
Total Value : RM 1.2 Billion

Geographical Breakdown

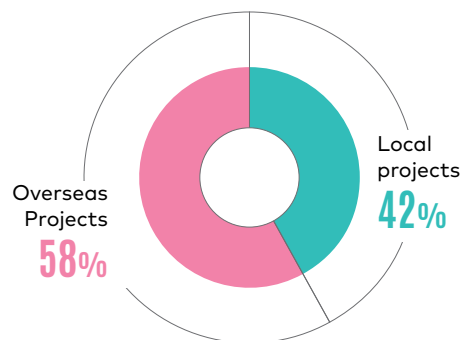


Public vs. Private



THE GROUP'S CURRENT ONGOING PROJECTS  
as at September 2021

Total Value : RM 1.65 Billion  
Balance of Works : RM 1.03 Billion (62%)



## GROUP MANAGING DIRECTOR'S MESSAGE AND MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

since the second half of 2020 attributed to policy supports, gradual reopening and favorable global conditions and we anticipate an uptick in power generation from PT Perusahaan Listrik Negara and PLTM Bantaeng.

The Group also expects to secure approval and complete signing of the power purchase agreement for a new solar power plant development in Kunak, Sabah by first half of 2022.

### Hospitality Division

The Group's hospitality division went through challenging times during the year under review. However, within the period of relaxation between MCO2.0 and MCO3.0, Swiss-Belhotel Kuantan and the Rimbun Suites and Residences in Brunei enjoyed high occupancy as domestic travelers took advantage of the lifted restrictions to enjoy a much-needed staycation away from home.

### Recurring Revenue

The Group has enjoyed positive rental income from its Main Place Mall in USJ, Subang. However, to maintain its reputation as a responsible mall operator, the management has decided to reward rebates to tenants during the slow periods affected by the virus. Recently, management has noticed that footfall is slowly returning to Main Place and the Group expects to see an influx of visitors in the coming quarters as Malaysia is steadily lifting restrictions and retail businesses can resume as usual. Additionally, the Group will continue to adopt aggressive marketing strategies to ensure occupancy rates remain healthy.

### Highway Concession Division

The Group is continuing its landbank diversification and monetisation efforts from last year with the solar energy venture of installing solar panels along the Kuala Lumpur-Selangor Expressway (LATAR) in an effort to reduce energy bills under an arrangement with Tenaga Nasional Berhad (TNB). The solar panels are mounted on useable rooftops and on designated land areas and have a combined capacity of 413.60kWp.

Highway performance continues to fluctuate during periods of different MCOs as the traffic volume depends on the interstate travel approvals imposed by the Government. However, traffic volume has begun

to spike again as recovery MCO was announced by Prime Minister in October 2021. We are hopeful that our highway traffic will be back to normal soon.

### Prospects

As Malaysia continues its journey on the road to recovery, the Group is taking this opportunity to increase its order book either through tender participations or project negotiations locally and internationally. However, we continue to remind ourselves that the pandemic is still ongoing, and we are taking the necessary precautions at all our centers of operations to help prevent the spread of the virus.

Our prospects for the coming year are clear and we will remain steadfast and resolute that the economy will recover, and the Group will take full advantage of this. We truly believe that no matter how dark the night gets, the sun will rise the next day and we will be there to welcome it. As such, Bina Puri will be on the lookout for new opportunities for its construction, property development, quarry operations and power generation businesses.

### Dividend

There was no dividend paid during the financial period under review.

### Appreciation

Before I end my message, I would like to express my appreciation and gratitude at the unfailing devotion, commitment and loyalty of all our employees as well as the management who have given their best during these difficult times.

The unwavering confidence of our employees in the Group's ability to navigate through rough waters during this storm is testament that we, as a family, must support and empower one another when situations become uncertain.

The dedication of our employees to comply with the Health Ministry's Standard Operating Procedures (SOP) has allowed Bina Puri to continue to operate. Together, through internal efforts by a Covid-19 committee made up of our internal staff, they have made it possible to contain the spread of the virus within our premises as well as negate any situations that might arise from the pandemic.



PLAZA TOL TAMAN RIMBA TEMPLER

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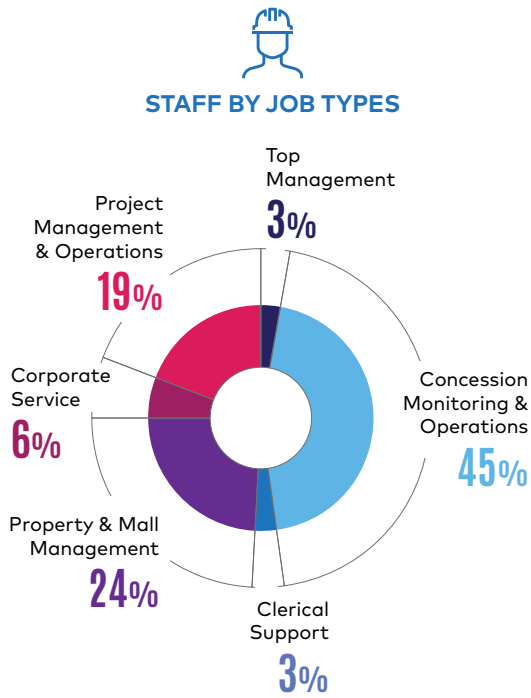
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SAHAJI

SAHAJI

GROUP MANAGING DIRECTOR'S MESSAGE  
AND MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)



As a distinguished builder, we have kept our promise to deliver outstanding projects that have been recognized in the industry by our peers and are deemed as industry standard practice. Our unwavering commitment to quality has helped us win numerous awards within the green and sustainable categories both locally and internationally.

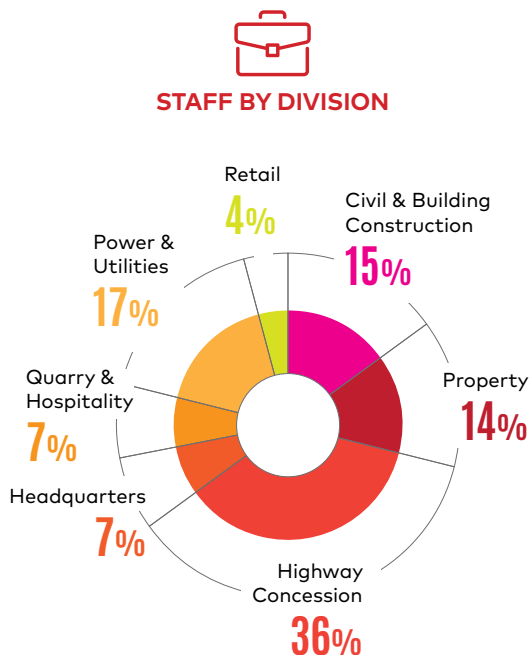
I would also wish to express my deepest gratitude to the Board of Directors, shareholders, clients, financiers, suppliers, business partners and relevant authorities figures who have supported us.

Having weathered the difficult market conditions of a handicapped economy brought on by the pandemic, the Group has come out stronger and tougher, bearing the battle scars of a harsh environment yet upholding our reputation as Malaysia's landmark builder.

Moving forward in 2022 and onwards, while Malaysia goes through a recovery period, I would like to remind everyone to continue complying with the Ministry of Health's SOPs and doing everything in our power to stop the spread of the virus.

We'll see you in brighter days.

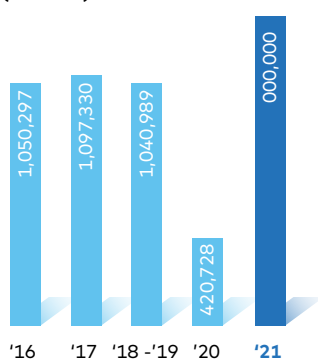
Total no. of staff  
**443**



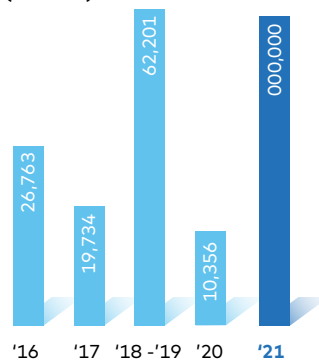
## GROUP FINANCIAL HIGHLIGHTS

|  | 2016<br>RM'000 | 2017<br>RM'000 | 2018 - 2019<br>RM'000 | 2020<br>RM'000 | 2021<br>RM'000 |
|--|----------------|----------------|-----------------------|----------------|----------------|
| Revenue  | 1,050,297      | 1,097,330      | 1,040,989             | 420,728        | 000,000        |
| Profit before taxation   | 26,763         | 19,734         | 62,201                | 10,356         | 00,000         |
| (Loss)/ Profit attributable to the shareholders of the Company | 1,070          | 3,099          | 462                   | (19,015)       | 00,000         |
| Dividend Paid (Net)  | -              | -              | -                     | -              | -              |
| Issued share capital   | 121,437        | 136,705        | 157,821               | 180,857        | 000,000        |
| Shareholders' equity   | 222,992        | 239,809        | 253,540               | 270,660        | 000,000        |
| Total assets employed  | 1,694,695      | 1,682,726      | 1,497,193             | 1,280,827      | 0,000,000      |
| Net( loss) /earnings per share (sen)                           | 0.45           | 1.19           | 0.14                  | (3.32)         | (0.00)         |
| Net assets per share (RM)                                      | 0.92           | 0.90           | 0.66                  | 0.35           | 0.00           |
| Share price (RM)   |                |                |                       |                |                |
| - High   | 0.50           | 0.49           | 0.37                  | 0.25           | 0.00           |
| - Low  | 0.36           | 0.33           | 0.17                  | 0.03           | 0.00           |

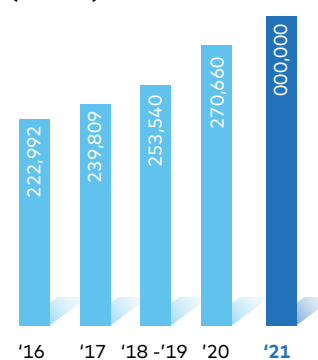
**Revenue**  
(RM'000)



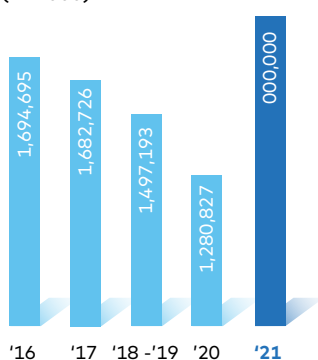
**Profit Before Taxation**  
(RM'000)



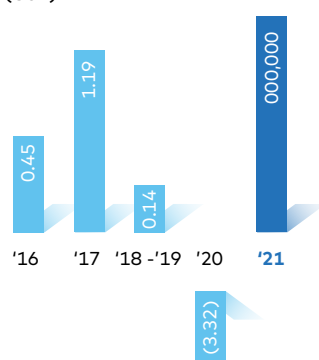
**Shareholders' Equity**  
(RM'000)



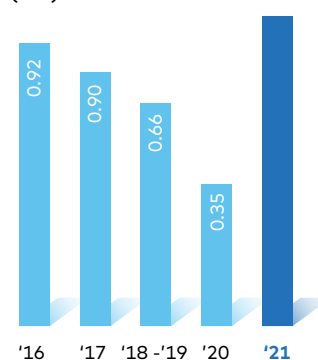
**Total Assets Employed**  
(RM'000)



**Net( loss) /Earnings Per Share**  
(Sen)



**Net Assets Per Share**  
(RM)



# CALENDAR OF EVENTS

**7<sup>th</sup>** **DECEMBER 2020**



Bina Puri Holdings Bhd held its 29<sup>th</sup> Annual General (AGM) at Vertical Business Suite, Avenue 3, Bangsar South, Kuala Lumpur by fully virtual. The meeting was chaired by Y.Bhg Tan Sri Dato' Wong Foon Meng.

The Board of Directors attended the meeting were Y.Bhg Tan Sri Datuk Tee Hock Seng, JP, Dr Tony Tan Cheng Kiat and Y.Bhg Datuk Matthew Tee. Ir Ghazali Bujang and Mr Mohd Najib bin Abd Aziz attended online.

**7<sup>th</sup>** **APRIL 2021**



An Extraordinary General Meeting (EGM) was held virtually at the Vertical Business Suite, Avenue 3, Bangsar South, Kuala Lumpur.

The EGM witnessed 99.7% voted in favour of the proposed acquisition Of 2,022,593 ordinary shares in Ideal Heights Properties Sdn Bhd representing 44.50% of equity interest in IHP, by Bina Puri Properties Sdn Bhd.

It also witnessed 99.6% voted in favour for the Proposed Private Placement of up to 260,523,000 new ordinary shares in Bina Puri ("Shares") ("Placement Shares"), representing 30% of the existing total number of issued shares of Bina Puri, to independent third-party investor(s) to be identified later.

The meeting was chaired by Y.Bhg Tan Sri Dato' Wong Foon Meng, Chairman of Bina Puri Holdings Bhd.

**3<sup>rd</sup>** **MAY 2021**



*Majlis Buka Puasa* and presentation of Education Incentives to the excellent children of Bina Puri employees. Y.Bhg Tan Sri Dato' Wong Foon Meng, Chairman of Bina Puri Holdings Bhd presented the incentives.

**30<sup>th</sup>** **AUGUST 2021**



KL-Kuala Selangor Expressway Bhd (LATAR) distributed Jalur Gemilang to the users at RSA Kundang Timur and RSA Kundang Barat in conjunction with Hari Kebangsaan. A Hari Kebangsaan & Hari Malaysia trivia contest was also organized in LATAR's social media platforms.

**14<sup>th</sup>** **MAY 2021**



Staff of LATAR celebrated Hari Malaysia via Zoom Online platform.

## SUSTAINABILITY STATEMENT

Bina Puri has worked tirelessly to ensure that all its employees were registered with the National Vaccination Program in order to receive special vaccination slots at the PPV centre in KLCC as well as centres that were specifically arranged by CIDB.

Prior to the Covid-19 pandemic, Bina Puri has actively been giving back to the community in areas it operates in. Its Corporate Social Responsibility (CSR) efforts have constantly been contributing towards deserving parties especially within the areas of education, health, and welfare. However, amidst the Covid-19 pandemic, the Group has had to steer its efforts internally in order to safeguard its own employees and look out for their wellbeing first and foremost.

To address and combat the growing number of Covid-19 positive cases, the Group enacted the Bina Puri Covid-19 Prevention Program and Response Plan. Since the Covid-19 pandemic attack and first Movement Control Order (MCO) in March 2020, the company has established various efforts to hinder the spread of the virus and protect its employees' health and welfare.

Among these programs include the Staff Vaccination Program, whereby from mid-June 2021, Bina Puri has worked tirelessly to ensure that all its employees were registered with the National Vaccination Program in order to receive special vaccination slots at the PPV centre in KLCC as well as centres that were specifically arranged by CIDB. By the end of September, all our company employees had completed both doses of vaccination.



Staff Vaccination Program



Bina Puri COVID-19 Awareness Posters

The Group also started its Positive Covid-19 Response Plan by creating a committee made up of internal staff members who came up with company-wide standard operating procedures (SOP) as well as a response plan after several positive cases of Covid occurred at Wisma Bina Puri. Since the committee was introduced, the Group has managed to contain the virus from spreading within the premises.

To date, the office continues the regular Covid-19 prevention procedures including the wearing of face masks, social distancing, temperature scanning, hand & body sanitisations as well as the Covid self-testing kits to be performed by every employee on Mondays before coming into work.

With these quick responses put in place and overseen rigorously by the Covid-19 Response Committee, Bina Puri can ensure that its employees are continuously kept safe from infection as well as doing its part for the country to control the spread of infection until herd immunity through the vaccination programs take effect.

The Group has continued on the tradition to provide assistance to bright students who are the children of its staff who excelled in their studies by granting them with education incentives. This year a total of RM10,000 in cash incentives was distributed out to 15 excellent students in their SPM, PT3 and UPSR examinations.

The presentation was held during our *Majlis Buka Puasa* on 3 May 2021.

# AUDIT COMMITTEE REPORT

## A. COMPOSITION, COMPLIANCE AND ATTENDANCE

| MEMBERS OF THE COMMITTEE           | DESIGNATION IN THE COMPANY                     | NO. OF MEETINGS ATTENDED |
|------------------------------------|--|--------------------------|
| Ir. Ghazali Bin Bujang<br>Chairman | Independent Non-Executive Director             | 5/5                      |
| Tan Sri Dato' Wong Foon Meng       | Chairman/Independent<br>Non-Executive Director | 5/5                      |
| Mohd Najib Bin Abdul Aziz          | Independent Non-Executive Director             | 5/5                      |

- (a) The Audit Committee shall be appointed by the Directors from amongst their numbers via a Directors' resolution and shall consist of not less than three (3) members. All the Audit Committee members must be non-executive directors with a majority of them being Independent Directors. The composition of the Audit Committee shall meet the independence requirements of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and other rules and regulations of the Securities Commission.
- (b) At least one member of the Audit Committee:
- i. is a member of the Malaysian Institute of Accountants (MIA); or
  - ii. if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and
    - must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
    - must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
  - iii. fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad.
- (c) In the event of any vacancy in the Audit Committee, the Directors shall within three (3) months of that event, appoint such new members to make up the minimum number of three (3) members.
- (d) An Alternate Director shall not be appointed as a member of the Audit Committee.
- (e) The member of the Audit Committee that meets the requirement for having the necessary accounting qualification is En. Mohd Najib Bin Abdul Aziz.

## B. TERMS OF REFERENCE

The Terms of Reference of the Audit Committee are consistent with the MMLR of Bursa Securities and the MCCG 2017 and all the requirements under the Terms of Reference are fully complied with.

The Terms of Reference of the Audit Committee are accessible to the public for reference on Bina Puri's corporate website.

## C. MEETINGS

The Committee will meet at least five (5) times a year and such additional meetings as the Chairman shall decide in order to fulfil its duties. The external auditors may request a meeting if they consider that one is necessary.

The quorum for each meeting shall be two (2) members and the majority of members present must be Independent Non-Executive Directors.

The authorised officers and a representative of the external auditors may attend meetings at the invitation

## AUDIT COMMITTEE REPORT

(Cont'd)

of the Committee. Other Board members shall also have the right of attendance upon the invitation of the Committee. If necessary, the Committee shall meet with the external auditors without executive Board members present.

The Secretary to the Committee shall be the Company Secretary or any other person appointed by the Committee.

The Secretary shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it to the Committee members prior to each meeting. The Secretary will also be responsible for keeping the minutes of the meeting of the Committee and circulating to the Committee members and to other members of the Board.

A resolution in writing signed or approved by letter by all the members of the Audit Committee who are sufficient to form a quorum shall be valid and effectual as if it had been passed at a meeting of the Audit Committee duly called and constituted. All such resolution shall be described as "Audit Committee Circular Resolution" and shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by the Secretary in the Company's minutes book. Any such resolution may consist of several documents in like form, each signed by one (1) or more members.

### D. SUMMARY OF ACTIVITIES

The following activities were carried out by the Audit Committee during the year review:

#### 1. Financial Reporting

- Reviewed the quarterly financial results, announcement, annual report and audited financial statements of the Company and the Group for financial year ended 30 June 2021 prior to recommending to the Board for consideration and approval;
- The review also involved discussion with Management and the external auditors to ensure they were drawn up in accordance with the applicable accounting standards approved by Malaysian Accounting Standards Board ("MASB") and other legal requirements; and

- The quarterly financial statements for the period from 1 July 2020 to 30 June 2021 (four quarters), which were prepared in compliance with the Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting, International Accounting Standards 34 Interim Financial Reporting and paragraph 9.22, including Part A, Appendix 9B of the MMLR, were reviewed at the AC meetings on 24 August 2020, 15 October 2020, 23 November 2020, 25 November 2020 (Adjourned AC), 22 February 2021 and 25 May 2021 respectively.

#### 2. Internal Audit

- Reviewed and approved the annual audit plan proposed by the internal auditors to ensure the adequacy of the scope and coverage of work;
- Reviewed the internal audit reports presented by the internal auditors on their findings and recommendations including Management's response;
- Considered internal auditors' recommendations and the Management's response with respect to system and control weaknesses, before proposing those system and control weaknesses be rectified and recommendations to be implemented; and
- Considered and recommended to the Board for approval of the audit fees payable.

#### 3. External Audit

- Reviewed the external auditors' report on the final audit report for the financial year ended 30 June 2021 and Statement of Risk Management and Internal Control ("SORMIC") in October 2021 before recommending to the Board for approval;
- Reviewed the Internal Control Memorandum, together with Management's response to the findings of the external auditor;
- Reviewed the 2021 external auditors' audit plan for Bina Puri Group, encompassing the nature and scope for the year's audit and engagement strategy in 2021 prior

## AUDIT COMMITTEE REPORT

(Cont'd)

to its implementation;

- Reviewed the terms of engagement of the external auditors for the 2021 statutory audit and SORMIC, upon confirmation of its independence and objectivity, prior to tabling for the Board's approval. The engagement of the external auditors for the Group was supervised and processed under the Group's umbrella to streamline their terms of engagement;
- Reviewed and approved the non-audit services provided by the external auditors while ensuring there was no impairment of independence or objectivity. This includes monitoring the fee of the total non-audit work carried out by the external auditors so as not to jeopardise the external auditors' independent status. In the financial year ended 30 June 2021, the Company did not engage the external auditors for any non-audit projects.

Audit Committee also diligently exercised its right to hold annual meetings with the external auditors without the Management's presence on one separate occasion on 15 October 2020. These sessions were held to enable an open discussion with the Audit Committee and ensure the external auditors were not restricted in their scope of audit;

- Reviewed, assessed and monitored the performance, suitability and independence of the external auditors. The Audit Committee undertook an annual assessment to assess the performance, suitability and independence of the external auditors based on, amongst others, the quality of service, sufficiency of resources, communication and interaction, as well as independence, objectivity and professional scepticism.

The external auditors also provide an annual confirmation of their independence in accordance with the terms of all professional and regulatory requirements, including the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants. The engagement and

concurring partners responsible for the Group audit are rotated at least every five (5) financial years.

Following the review of the external auditors' effectiveness and independence, the Audit Committee is satisfied with the performance and the audit independence of the external auditors. Accordingly, RSL PLT has indicated their intention not to seek re-election as auditor of the Company at the forthcoming Annual General Meeting.

The Board has in place, a formalised External Auditor Assessment Policy to enhance the External Auditors assessment processes and procedures. This Policy provides a structured, formalised/documentated assessment, review and supervision of the performance, suitability, objectivity and independence of External Auditors, to facilitate accountability and transparency of the Group's dealing with its External Auditors; and

- Considered and recommended to the Board for approval of the audit fees payable.

### 4. Others

- Reviewed the Audit Committee Report and its recommendation to the Board for inclusion in the Annual Report;
- Reviewed the SORMIC and its recommendation to the Board for inclusion in the Annual Report; and
- Reviewed related party transactions that may arise within the Company or the Group.

The Committee discharged its duties and responsibilities in accordance with its Terms of Reference.

### E. INTERNAL AUDIT FUNCTION

The Company has outsourced the internal audit function to Tricor Axcelasia Sdn. Bhd. ("Tricor Axcelasia"). The cost incurred for the internal audit function in respect of the financial year ended 30 June 2021 was RM39,376\*.

The internal audit function is headed by Mr.

## AUDIT COMMITTEE REPORT

(Cont'd)

Chang Ming Chew, Managing Director of NGL Tricor. Mr. Chang is a Certified Internal Auditor and holds a Certification in Risk Management Assurance from the Institute of Internal Auditors, professional member of the Institute of Internal Auditors Malaysia, member of the Association of Chartered Certified Accountants (UK), and member with the Malaysian Institute of Accountants.

The role of the internal audit function is to provide assurance to the Audit Committee in monitoring and managing risks and internal controls of the Group. A systematic and disciplined approach is used to evaluate the system of internal control of the Group.

The internal audit was carried out by referring to the International Professional Practices Framework issued by the Institute of Internal Auditors. The internal audit approaches are as follows:-

- Meeting with key staff to gain an understanding of the risks along with the processes reviewed, and the controls put in place;
- Reviewing key documents that support the processes and controls in place;
- Performing walkthrough test and test of control, and in particular management oversight controls, in order to provide assurance as to the design and operational effectiveness of the internal control; and
- Comparing existing processes with established best practices.

The internal audit activities are carried out based on a risk-based audit plan, which include both assurance and consulting activities approved by the Audit Committee, in order to achieve the following objectives:

- Compliance with legislation, regulations, policies and procedures;
- Economy and efficiency of operations;
- Safeguarding of assets;
- Reliability and integrity of financial and operational information; and
- Achievement of operational objectives.

For the financial period under review, Tricor Axcelasia has direct access to the Audit

Committee. In order for the function to carry out its responsibilities, it shall have full access to all records, properties and personnel of the Group.

During the financial year ended 30 June 2021, Tricor Axcelasia carried out the following activities:

- a) Prepared the annual internal audit plan for the approval of the Audit Committee.
- b) Issued audit reports to the Committee and management identifying control weaknesses and issues as well as highlighting recommendations for improvements.
- c) Acted on suggestions made by Committee and/or senior management on concerns over operations or controls and significant issues pertinent to the Company or the Group.
- d) The internal audit undertaken by NGL Tricor for the financial period from 1 July 2020 to 30 June 2021 included the following:
  - i. Internal Control Review ("ICR") Report on Defect Management

All findings and recommendations arising from the ICRs for financial year ended 30 June 2021 were tabled to the Audit Committee and the reviews were conducted based on an internal audit plan approved by the Audit Committee.

### F . REVIEW OF THE AUDIT COMMITTEE

The nominating committee, as required of a listed issuer, reviews the term of office and performance of an Audit Committee and each of its members annually to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## INTRODUCTION

THE BOARD IS COMMITTED TO UPHOLD AND IMPLEMENT A CORPORATE CULTURE WHICH IS BASED ON THE PRINCIPLES AND BEST PRACTICES OF CORPORATE GOVERNANCE ("CG") AND IS PRACTICED BY THE COMPANY AND ITS SUBSIDIARIES ("THE GROUP").

The Group CG framework is premised upon the following statutory provision, best practices, rules and guidelines:

- Companies Act 2016 ("the Act").
- Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad; and
- Malaysian Code on Corporate Governance ("the Code").

This report demonstrates the steps taken by the Board to apply three (3) key principles highlighted in the CG code in respect of Board Leadership and Effectiveness, Effective Audit and Risk Management and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

Good governance depends on capable and effective leadership, professional behaviour and ethical corporate culture. Therefore the Board acknowledges that it is their responsibilities to inculcate the appropriate culture, values which reinforce ethical, prudent and professional behaviour throughout the organisation to create a healthy and dynamic corporate culture within the Group.

## BOARD LEADERSHIP AND EFFECTIVENESS

### OVERVIEW

#### The Board

The Board as a whole continues to take ownership of effective leadership and the long-term success of the Group. The diversified skills and leadership experience offered by the Non-Executive Directors enables them to scrutinise performance, assess the Group's risk management and control processes and to support the Executive Directors.

### Practice 1.1 – Roles and Responsibilities of the Board

In discharging its functions and responsibilities, the Board is guided by the Board Charter, Authority Limits and Matters Reserved for the Board. The Board delegates certain roles and responsibilities to the Board Committees noted below whilst, amongst others, assuming the roles and responsibilities as stated below:

- Formulating and reviewing strategic plan for the Group quarterly;

The Board reviews and approves the annual corporate plan for the Group which includes overall corporate strategy, operational plan and the budget. These plans include consideration on the environmental condition, changes to rules and regulations, and incorporate environmental and social responsibility strategies which underpin the sustainability of the business.

The Board also intends to take steps to formalise a Sustainability Policy which sets out the business strategy that drives long-term corporate growth and profitability, by including environmental and social considerations in the business model. The Board will take steps to make available the policy on Group's corporate website.

- Overseeing the conduct of the businesses and financial performance of the Group;

Guidance is provided to management through frequent meetings and reporting whilst line managers are given sufficient level of autonomy to make decisions. The skillset and experience of the Directors enable in-depth discussion and examination of issues on performance, strategy, compliance and resources are discussed and examined in depth in order to take into consideration the long-term interest of the Group's stakeholders.

- Identifying and managing the principal risks of all aspects of the Group's operations and affairs;

The Board with the assistance from management, regularly review, identify, evaluate, monitor and manage the principal risks faced by the Group.

Details of the Risk Management are further discussed in the Statement on Risk Management and Internal Control.

- Ensuring all senior management positions are held by candidates of sufficient experience;

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

The Board has established a formal organisation structure for the Group with delineated lines of authority, responsibility and accountability. The organisation structure is formed by focusing on performance delivery. It fosters and promotes the continual development of Executive Directors and key employees, thus enabling the Group to achieve its business objectives.

Moving forward, the Board intends to focus on business continuity through establishing a formal succession planning, to ensure that key positions maintain some measure of continuity.

- Ensuring that effective communication with its shareholders and stakeholders is in place; and

The Board strives to ensure that all shareholders have ready and timely access to all publicly available information of the Group and promote effective communication with shareholders so as to enable them to engage actively with the Group and exercise their rights as shareholders in an informed manner.

The Board also strives to ensure that the Group's disclosed information is compliant to legal, listing authority and stock exchange requirements, especially price-sensitive information.

- Ensuring that a sound framework of reporting on management information and internal controls is in place.

The Board's function in fulfilling the above responsibility is supported and reinforced through the various Committees established at both the Board and the management's level. Aided by independent outsourced Internal Audit and External Audit functions, the active functioning of these Committees through periodical meetings and discussions would provide a check and balance and reasonable assurance on the adequacy of the Group's internal controls.

Details on the Internal Audit and External Audit functions are further discussed in the Statement on Risk Management and Internal Control and Audit Committee Report.

### Practice 1.2 - Role of Chairman

The Chairman leads and ensures the effectiveness of the board by among others, encouraging healthy debates by all directors, allowing sufficient time for discussion of issues and ensuring that the board's decisions fairly reflect board consensus.

YBhg. Tan Sri Dato' Wong Foon Meng takes on the role of Independent Non-Executive Chairman of the Group. Over the years, he has accumulated vast experience in public sector and legislative experience at state and federal level, as well as corporate experience. The Board is confident; he will be able to show leadership, entrepreneurship skills, business insight as well as instilling sound corporate governance practices in the best interests of the Group. He also communicates regularly with management and other Board Committee members.

### Practice 1.3 - Separation of role of Chairman and Group Managing Director (GMD)

The role of the Independent Non-Executive Chairman and the Group Managing Director ("GMD") are distinct and separate to ensure that there is a balance of power and authority.

The GMD has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The GMD is responsible to ensure due execution of strategic goals, effective operations within the Group, and to explain, clarify and inform the Board on key matters pertaining to the Group.

The GMD, YBhg. Tan Sri Datuk Tee Hock Seng, JP was assisted by a team of senior management in managing the day to day operations of the Group for the financial year under review.

The Group continues to comply with the MCCG 2017 in respect of separation of role between Chairman and GMD.

### Practice 1.4 - Company Secretary

The Company Secretaries plays significant role in supporting the Board for ensuring that all governance matters and Board procedures are followed and that applicable laws and regulations are complied with.

The Company Secretaries also highlighted all compliance and governance issues which they feel ought to be brought to the Board's attention.

### Practice 1.5 - Information and Support for Directors

All Directors are provided with the meeting materials on a timely basis prior to the scheduled Board meetings. All Board papers, including those on complicated issues or specific matters and minutes of all Board Committee meetings, are distributed on

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

a timely basis to ensure Directors are well informed and have the opportunity to seek additional information, and are able to obtain further clarification from the Company Secretary, should such a need arise.

The Board members are supplied with information and reports on financial, operational, corporate, regulatory, business development and audit matters by way of board reports or upon specific request to enable them to discharge their duties and responsibilities. All Directors are notified of the announcements release to Bursa Malaysia Securities berhad ("Bursa Securities"). In addition, all Directors have access to the management and auditors for independent view and advice.

In furtherance of their duties, the Directors may seek independent advice, where necessary, at the expense of the Company, so as to ensure that they are able to make independent and informed decisions.

### DIRECTORS' TRAINING PROGRAMME

The Board of Directors continues to evaluate and determine the training needs of its Directors to ensure continuing education to assist them in the discharge of their duties as Directors.

In addition to the Mandatory Accreditation Programmes required by the Bursa Securities, the Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes to keep them abreast with the current development of industry as well as any new statutory and regulatory requirements. This also will enable Directors to effectively discharge duties and sustain active participation in the Board deliberations.

The Directors had participated in various training programmes, seminars and briefings in relation to governance, industry, finance and regulatory developments. During the financial year under review the Board members attended the following training programmes, seminars and briefings:

| DIRECTOR                        | TOPIC   | DATE                                 |
|---------------------------------|---|--------------------------------------|
| Tan Sri Dato' Wong Foon Meng    | <ul style="list-style-type: none"> <li>Update on Malaysia Code of Corporate (MCCG 2021)</li> </ul>  | 17 August 2021                       |
| Tan Sri Datuk Tee Hock Seng, JP | <ul style="list-style-type: none"> <li>Update on Malaysia Code of Corporate (MCCG 2021)</li> </ul>  | 17 August 2021                       |
| Dr Tony Tan Cheng Kiat          | <ul style="list-style-type: none"> <li>Update on Malaysia Code of Corporate (MCCG 2021)</li> </ul>  | 17 August 2021                       |
| Datuk Matthew Tee Kai Woon      | <ul style="list-style-type: none"> <li>Update on Malaysia Code of Corporate (MCCG 2021)</li> </ul>  | 17 August 2021                       |
| Ir Ghazali Bin Bujang           | <ul style="list-style-type: none"> <li>Update on Malaysia Code of Corporate (MCCG 2021)</li> </ul>  | 17 August 2021                       |
| Mohd Najib Bin Abdul Aziz       | <ul style="list-style-type: none"> <li>Update on Malaysia Code of Corporate (MCCG 2021)</li> <li>Audit Committee Conference 2021</li> </ul> | 17 August 2021<br>15 - 16 March 2021 |

### BOARD MEETINGS

The Board meeting calendar scheduling the meeting dates of the Board for each financial year were fixed in advance for the whole year to ensure that all Board meeting dates are booked and also to enable the Management's planning for the whole financial year.

The Board meets at least four (4) times a year with additional meetings being convened where necessary. The Board obtains the commitment from Directors to devote sufficient time and efforts to carry out their responsibilities at the time of their appointment. Each Director is expected to commit time as and when required to discharge the relevant duties and responsibilities, besides attending meetings of the Board and Board Committees. None of the Directors of Group serve in more than five (5) listed companies. The present directorships in external organisations held by the Group's Directors do not give rise to any conflict of interests nor impair their ability to discharge their responsibilities to the Group. Board meetings for the ensuing financial year are scheduled in advance before the end of the current financial year so that the Directors are able to plan and schedule ahead for their attendance to the Board meetings in the coming year.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

For the financial year ended 30 June 2021, the Board met four (4) times. The Board meetings were held on 26 August 2020, 25 November 2020, 25 February 2021 and 15 May 2021.

The Board is satisfied with the level of time commitment given by Directors towards fulfilling their roles and responsibilities as Directors which is evidenced by their attendance at the Board meetings and AGM as follows:

| NAME OF DIRECTOR                | BOARD MEETINGS | AGM |
|---------------------------------|----------------|-----|
| Tan Sri Dato' Wong Foon Meng    | 4/4            | 1/1 |
| Tan Sri Datuk Tee Hock Seng, JP | 3/4            | 1/1 |
| Dr Tony Tan Cheng Kiat          | 4/4            | 0/1 |
| Datuk Matthew Tee Kai Woon      | 4/4            | 1/1 |
| Ir Ghazali Bin Bujang           | 4/4            | 1/1 |
| Mohd Najib Bin Abdul Aziz       | 4/4            | 1/1 |

All Directors have complied with the minimum requirements on attendance at Board meetings as stipulated in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") (minimum 50% attendance).

### Practice 2.1 - Board Charter

The Board has in place a Board Charter which is accessible on the Group website. The Board Charter demarcates the responsibilities between Board, Board Committee, Chairman, Group Managing Director, Individual Director and Company Secretaries.

The Board shall review the said Charter periodically and any amendments/improvements shall be made thereto as and when the Board deems appropriate and necessary. Any subsequent amendments shall be approved by the Board.

### Practice 3.1 - Code of Conduct and Ethics

Code of Conduct and Ethics defines the standards of conduct that are expected of Directors and employees to help them make the right decision in the course of performing their jobs to the highest standards of ethics, integrity and governance. Details of the Code of Conduct and Ethics which includes policies and procedures for managing conflicts of interest as well as preventing abuse of power, corruption, insider trading and money laundering is accessible from the Group's corporate website.

### Practice 3.2 - Establishing and Implementation of Whistleblowing Policies and Procedures

The Board encourages employees and associates to report suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, waste, and/or abuse involving the resources of the Group. The Whistleblowing Policy established by the Group provides and facilitates a mechanism for any employee and associate to report concerns about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse.

The Whistle-Blowing Policy is available on the Group's corporate website for ease of access for reporting by employees and associates of the Group.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

### Practice 4.1 - Presence of Independent Directors on the Board

The Board believes that the current composition is appropriate given the collective skills and experience of the Directors. The Board is of the view that with the current Board size, there is no disproportionate of power and authority on the Board between the Non-Independent and Independent Directors. The Board will continue to monitor and review the Board size and composition as may be needed.

The Board currently has six (6) members comprising three (3) Non-Executive Directors and three (3) Executive Directors. The Board is made up of an Independent Non-Executive Chairman, a Group Managing Director, a Founder Director/Executive Director, a Group Executive Director and two (2) Independent Non-Executive Directors. The Board has complied with Paragraph 15.02 of the Listing Requirements which requires at least two (2) Directors or one third (1/3) of the Board (whichever is higher) to be Independent Directors.

### Practice 4.2 & 4.3 - Tenure of Independent Directors

The Board has considered the independence of each Independent Non-Executive Director in office as at the date of Annual Report and has concluded that the independence criteria as set out by MMLR have been met satisfactorily. The Board is generally satisfied that each Independent Non-Executive Director remains independent in character and judgement and is free from relationships or circumstances which are likely to affect or could appear to affect the Director's judgement.

To enhance the current process, Independent Non-Executive Directors will be required to declare formally on an annual basis his/her independence. Retention of independent directors after serving a cumulative term of nine (9) years are subject to shareholders' approval in line with the recommendation of the Code.

1/3 of Directors are subject to retirement by rotation yearly or at the interval of every 3 years. Information on Directors who are retiring and who are willing to serve if so re-elected is disclosed in the notice of meeting.

### Practice 4.4 & 4.5 - Diversity on Board and in Senior Management

The Board acknowledges importance of fostering diversity to enhance the effectiveness of the Board and senior management.

The Board takes appropriate measures to ensure that boardroom diversity is considered as part of its selection and recruitment exercise. However, the merits of the individual and knowledge and expertise relevant to the Company will be the main criteria when considering the selection of new candidates to the Board and/or senior management team.

Although currently, the Company do not have a written policy on diversity pertaining to the selection of its Board members and senior management team, the Board always taken into account diversity as one of the selection criteria.

The Board takes note of the Code with regard to Board gender diversity.

### Practice 4.6 - Appointment of Directors

The Board is responsible for the appointment of Directors. It has formulated the terms of reference of the Nomination Committee ("NC") and has identified the composition of the Committee members. It is the Board's policy for Directors to notify the Chairman before accepting any new directorships notwithstanding that the MMLR of Bursa Securities allow a Director to sit on the board of 5 listed issuers. The Board had formalised the Boardroom Appointment and Performance Evaluation processes.

The processes will be as follow:

#### Boardroom Appointments

The selection, nomination and appointment of suitable candidates to the Board follow a transparent process.

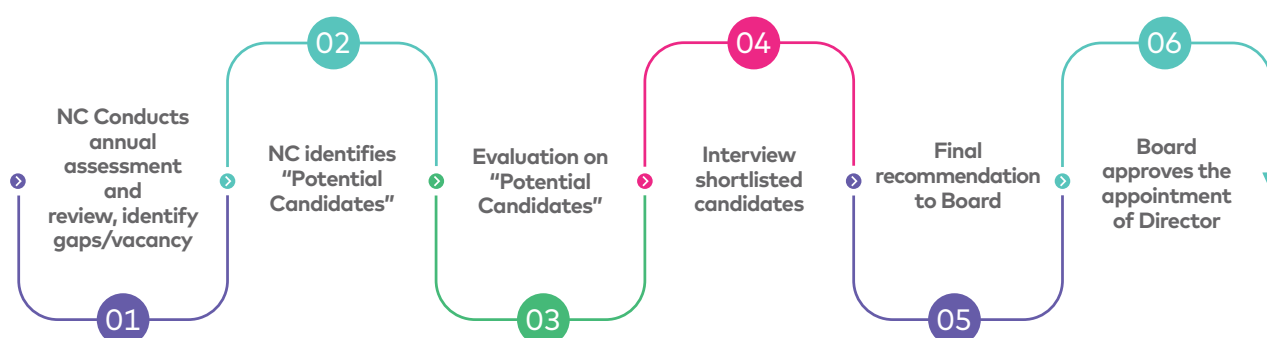
Review of candidates for Board appointment has been delegated to the NC. NC is also responsible to review the existing composition of the Board, identifying the gaps and subsequently review and recommend to the Board a suitable candidate with the relevant skillsets, expertise and experience.

The Group's Boardroom appointment process is as follows:

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

### Boardroom Membership Criteria



In reviewing and recommending to the Board any new Director appointments, the NC considers:

- a) Age, skills, knowledge, expertise, experience, professionalism, integrity, capabilities and such other factors which would contribute to the Board's collective skills;
- b) Competing time commitments if the candidate has multiple board representations;
- c) Composition requirements for the Board and Committees; and
- d) Independence, for the appointment of an Independent Non-Executive Director.

In identifying candidates for appointment of Directors, the Board does not solely rely on recommendations from existing board members, management or major shareholders.

### THE BOARD COMMITTEE

#### Practice 4.7 - Nomination Committee

The Nomination Committee ("NC") which comprises three (3) Directors, are exclusively made up of Independent Non-Executive Directors and is chaired by YBhg. Tan Sri Dato' Wong Foon Meng. The NC is responsible for nominating to the Board individuals as Directors and for assessing the Directors on an ongoing basis.

The Nomination Committee's Terms of Reference ("TOR") is available on Group's corporate website. The Terms of Reference discloses the following in compliance with the MMLR of Bursa Securities:

- i) Board composition;
- ii) Objectives of the committee;
- iii) Meetings and access to information;
- iv) Authorities; and
- v) Duties and Responsibilities.

In the process of selecting and evaluating candidates, the NC takes into consideration suitability for the role, Board balance and composition, mix of skills, experience, knowledge and other qualities as well as diversity in terms of gender, age and ethnicity background.

An assessment mechanism is in place to assess on an annual basis, the effectiveness of the Board as a whole and the Board Committees and the contribution of each individual Director. The annual assessment enables the Board to ensure that each of the Board members including the Group Managing Director and Chief Financial Officer has the character, experience, integrity, competence and time to effectively discharge their respective roles.

The key activities undertaken by the NC during the year are as follows:

- a) Recommending and reviewing the Policy on Board Composition;
- b) Reviewing the TORs of the Board Committees;
- c) Reviewing compliance of Board Committees with their respective TOR; and
- d) Reviewing the Term of Office and performance of the Audit Committee.

#### Practice 5.1 - Evaluation for Board, Board Committees

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

### and Individual Directors

The purpose of the Board Evaluation is to assess the processes by which the Board fulfils its responsibilities, including those provided by the MCCG 2017 and outlined by the Board Charter.

The Board, through its Nomination Committee, undertakes an evaluation each year in order to assess how well the Board, its committees, the Directors and the Chairman are performing including assessing the independence of Independent Directors after taking into account the individual Director's capability to exercise independent judgement at all times.

The evaluation covers the Director's composition, combination of skills, experience, communication, roles and responsibilities, effectiveness as well as conduct. All Directors complete questionnaires regarding the Board and Committees' on the processes, their effectiveness and where improvements may be considered.

The outcome of the evaluation exercise is reported to the Nomination Committee and then to the Board for review.

The Director Performance Evaluation Process is as follow:



The criteria used in the Director Assessment process:

- Integrity, Commitment and Ethics
- Governance
- Strategic Perspective
- Adding Value
- Judgement and Decision Making
- Teamwork
- Communication
- Commitment

Individual board members' performances are tied to a full board assessment process. Board members rate their own performance at the same time that they rate board performance.

The main elements used in the Board and Committee assessment process:

#### 1. Board Mix and Composition

Composition, constitution and diversity and that of its Committees, competencies of the members, review of Board and Committee charters and frequency of meetings.

#### 2. Skills and Expertise

Determination of the skill, knowledge and expertise a board should ideally hold, those it holds currently and the identified gaps.

#### 3. Dynamics and Functioning of the Board

Availability of timely and accurate information, interaction and communication with senior management, setting of Board agenda, cohesiveness and the quality of participation of members in meetings.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

### Practice 6.1 - Remuneration Policy and Procedures for Directors and Senior Management

The Group has adopted the Remuneration Policy that link the level of remuneration to the experience and level of responsibilities undertaken by a Non-Executive Director and to structure the component parts of remuneration so as to link rewards to corporate and individual performance of Executive Directors and ensure it was aligned with the business strategy and long-term objectives of the Group.

The performance of the Executive Director is measured based on the achievements of his annual performance as well as the performance of the Group. The Group rewards its employees and the Executive Directors with options under the Share Issuance Scheme (SIS).

The details of the vesting of options under the SIS are set out on page ## under the Directors' Report of the Audited Financial Statements for the FY2021.

### Practice 6.2 - Remuneration Committee

The Remuneration Committee ("RC") is chaired by YBhg. Tan Sri Dato' Wong Foon Meng, comprises of four (4) Directors, of which three (3) are Independent Non-Executive Directors and one (1) Director is the Executive Director.

The Remuneration Committee's Terms of Reference ("TOR") is available on Group's corporate website. The terms of reference are as follows:

- (a) Review and recommend the entire individual remuneration packages for each of the Directors and key management of the Group;
- (b) Ensure that a strong link is maintained between the level of remuneration and individual performance against agreed targets, the performance-related elements of remuneration forming a significant proportion of the total remuneration package of the Directors and key management of the Group; and
- (c) Review and recommend to the Board of Directors of the Group the remuneration structure and policy and the terms of employment or contract of employment/service, any benefit, pension or incentive scheme entitlement; other bonuses, fees and expenses; any compensation payable on the termination of the service contract for the Directors and key management.

### Practice 7.1 & 7.2 - Disclosure of Remuneration

The details of the remuneration of the Directors of the Company and the Group for the financial year ended 30 June 2021:

|                                | COMPANY             |                         | GROUP               |                         |
|--------------------------------|---------------------|-------------------------|---------------------|-------------------------|
|                                | EXECUTIVE DIRECTORS | NON EXECUTIVE DIRECTORS | EXECUTIVE DIRECTORS | NON EXECUTIVE DIRECTORS |
| Salary, Bonus & Socso (RM)     | 1,442               | -                       | 1,496               | -                       |
| Fee (RM)                       | 24                  | 252                     | 24                  | 252                     |
| Defined Contribution Plan (RM) | 124                 | -                       | 124                 | -                       |
| Benefit-In-Kind (RM)           | -                   | -                       | -                   | -                       |

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

The number of Directors whose remuneration falls into the following bands is as follows:-

|                           | SALARIES, BONUSES<br>AND OTHER EMOLUMENTS |                            | FEE                    |                            |
|---------------------------|---|----------------------------|------------------------|----------------------------|
|                           | EXECUTIVE<br>DIRECTORS                    | NON EXECUTIVE<br>DIRECTORS | EXECUTIVE<br>DIRECTORS | NON EXECUTIVE<br>DIRECTORS |
| <b>Group</b>              |   |                            |                        |                            |
| Below RM50,000            | -   | -                          | 2                      | -                          |
| RM50,001 – RM100,000      | -   | -                          | -                      | 2                          |
| RM100,001 – RM150,000     | -   | -                          | -                      | 1                          |
| RM550,001 – RM600,000     | 1   | -                          | -                      | -                          |
| RM1,000,001 – RM1,050,000 | 1   | -                          | -                      | -                          |
| <b>Company</b>            |   |                            |                        |                            |
| Below RM50,000            | -   | -                          | 2                      | -                          |
| RM50,001 – RM100,000      | -   | -                          | -                      | 2                          |
| RM100,001 – RM150,000     | -   | -                          | -                      | 1                          |
| RM500,001 – RM550,000     | 1   | -                          | -                      | -                          |
| RM1,000,001 – RM1,050,000 | 1   | -                          | -                      | -                          |

The details of the remuneration of each Director in name basis is not to disclosed due to confidentiality and security reasons and such disclosure may be prejudicial to the Company's business interest.

Although the disclosure is not on named basis, the details above nonetheless still provide breakdown and different bands.

The number of Senior Management for the financial year under review, whose remuneration falls within the respective bands is as follows:

|                   | RM200,000 – RM300,000 |
|-------------------|-----------------------|
| Senior Management | 6                     |

The Group does not comply with the recommendation to disclose on named basis the top six senior management's remuneration in the bands of RM50,000 in order to preserve confidentiality and would be detrimental to the Group as this will facilitate opportunity for competitors to pinch the Group's top senior management.

### EFFECTIVE AUDIT AND RISK MANAGEMENT

#### Practice 8.1 - Chairman of Audit Committee

Ir. Ghazali Bin Bujang chaired the Committee and is not the Chairman of the Board. This is in compliance with the step up recommendation of MCCG 2017 and MMLR of Bursa Securities.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

### **Practice 8.2 & 8.3 - Cooling off period for Key Audit Partner and Assessment of External Auditor**

The Audit Committee will undertake an annual assessment on the performance of internal and external auditors, including the suitability and independence of the auditors, in accordance with the Group's policy. Both the internal and external auditors are independent.

The Group has in place a policy that requires a former key audit partner of existing external auditor to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.

The Board has in place a formalised External Auditors Assessment Policy to enhance the External Auditors assessment processes and procedures. The policy shall assess the performance, suitability, objectivity and independence of the external auditor.

The functions of the Audit Committee in relation to the external and internal auditors are disclosed in pages 40 to 43 of the Annual Report.

### **Practice 8.4 - Independence of Audit Committee**

The Committee consists of three (3) members of which all are independent non-executive directors. None of them are alternate Directors.

### **Practice 8.5 - Financial Literacy of Audit Committee Member**

The Audit Committee possess the right mix of skills to discharge its duties effectively.

The Committee is chaired by Ir. Ghazali Bin Bujang who specialized in planning, engineering and management of infrastructure and development works. He also has a broad and balanced knowledge with respect to issues on economic and finance, technical and environmental relevant to development and infrastructure projects. En. Mohd Najib bin Abdul Aziz is a member of the Audit Committee and is a member of the Malaysian Institute of Accountants (MIA). The Committee also comprises members with engineering, corporate and finance backgrounds which are financially literate and provide diverse perspectives that strengthen the quality of deliberations.

### **Practice 9.1 & 9.2 - Risk Management and Internal Controls**

The Board remains committed to ensuring that its communications with shareholders continue to present a fair, balanced and understandable assessment of the Group and its prospects. The Board is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives.

The Group has an ongoing process for identifying, evaluating and managing key risks in the context of its business objectives. These processes are embedded within the Group's overall business operations and guided by operational manuals and policies and procedures.

The Board assisted by management regularly review, identify, evaluate, monitor and manage the principal risks faced by the Group. In addition, the internal auditors, using a risk-based approach, annually review the operational procedures and processes to ensure the integrity of the system of internal control.

Oversight of risk has been delegated to the Audit Committee ("AC"). The AC has responsibility for regularly reviewing the risk management assessment to ensure it remains sound. The AC is assisted by Board Executive Committee which are responsible for driving and supporting risk management across the Group.

The Statement of Risk Management and Internal Control is set out in page ## the Annual Report outlines the principal risks and uncertainties associated with the Group's business. The Audit Committee monitors and reports on the Group's risk management systems, corporate reporting and internal control principles. The committee is also responsible for maintaining an appropriate relationship with its internal and external auditors which is set out on pages 40 to 43 of the Audit Committee Report.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

### Practice 10.1 & 10.2 - Effectiveness of Internal Audit Function

The Group outsourced its internal audit function to an independent internal audit service provider, NGL Tricor Governance Sdn. Bhd.. The primary function of internal audit is to undertake systematic reviews of the governance, risk and internal control systems within the Group in accordance with an internal audit plan, so as to provide assurance that such systems are adequate and functioning as proposed.

The internal audit function's responsibilities are to provide independent and objective reports on the state of internal controls of the various operating units within the Group to the Audit Committee and provide recommendations for the improvement of the control procedures, so that corrective actions are taken to mitigate weaknesses noted in the system and controls of the respective operating units.

Details of the internal audit activities and scope of coverage of the outsourced internal audit function including the cost incurred are set out in the Statement on Risk Management and Internal Control included in this Annual Report.

## INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### Practice 11.1 - Communication with Stakeholders

The Board is committed to ensure that Group continues to engage effectively with the shareholders to facilitate a mutual understanding of objectives. The Group has a number of formal channels in place to effectively communicate this information to all the shareholders and stakeholders. The Board primarily achieve this through the following activities; the annual report, announcements to Bursa Securities, quarterly reports, Group's website and investor relations.

The Group also maintains a website which shareholders and other stakeholders can gain access to information about the Group, activities and/or any announcements made by the Group. This can all be located at [www.binapuri.com.my](http://www.binapuri.com.my).

### Practice 12.1 - Notice of General Meeting

The notice of Annual General Meeting ("AGM") is sent out to the shareholders at least 28 days before the date of the meeting so that shareholders have adequate time to consider the resolutions that will be discussed at the AGM.

The AGM serves as a principal forum for dialogue with shareholders. Extraordinary General Meetings are held as and when required.

### Practice 12.2 - Attendance of Directors at General Meeting

During the AGM, the Board presents the financial performance of the Group as contained in the Annual Report. Shareholders are encouraged to participate and are given every opportunity to raise questions and seek clarification during the session. All the Board members are available to respond to shareholders' queries.

### Practice 12.3 - Use of Technology for Shareholders' Voting

The Group held its AGM at the corporate office in Selayang, Selangor. Since 2018, the general meeting have adopted the voting exercise via electronic polling for convenience of the shareholders.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

### Compliance with the CG Code

The Board considers that the Group has complied with the best practice and applied the main principles of MCCG 2017 with the exception of the following:

|               | EXPLANATION  |
|---------------|--|
| Practice 4.1  | <p>The Board currently has six (6) members comprising three (3) Non-Executive Directors and three (3) Executive Directors. The Board is made up of an Independent Non-Executive Chairman, a Group Managing Director, a Founder Director/Executive Director, an Executive Directors, and two (2) Independent Non-Executive Directors.</p> <p>The Board do not fulfil the requirement of MCCG 2017 to have majority of the board comprising of independent directors. Currently, Board is in compliance with the requirements by the MMLR of Bursa Securities of having at least one third (1/3) of Independent Non-Executive Directors.</p> |
| Practice 6.2  | <p>The Remuneration Committee should only consist of non-executive directors and a majority of them must be Independent Directors, drawing advice from experts, if necessary.</p> <p>The Remuneration committee currently consist of three (3) Independent Directors and one (1) executive director which is the Group Managing Director who is able to give insight on the Group's performance in relation to the industry.</p>   |
| Practice 7.2  | <p>To preserve confidentiality, the Group does not comply with recommendation to disclose on named basis the top five senior management's remuneration in the bands of RM 50,000.</p>  |
| Practice 9.1  | <p>The Board has a risk management assessment in practice for identifying, evaluating and managing key risks in the context of its business objectives. These processes are embedded within the Group's overall business operations and guided by operational manuals and policies and procedures.</p> <p>The Board assisted by management regularly review, identify, evaluate, monitor and manage the principal risks faced by the Group. In addition, the internal auditors, using a risk-based approach, annually review the operational procedures and processes to ensure the integrity of the system of internal control.</p>       |
| Practice 12.3 | <p>Since 2018, the general meeting have adopted the voting exercise via electronic polling for convenience of the shareholders.</p>  |

### CG Report

As required under paragraph 15.25 (2) of MMLR of Bursa Securities, the Group's application of each Practice of the CG Code during the financial year and explanation for departure and setting out timeline for compliance or alternative practice is set out in the Group CG Report and can be downloaded at [www.binapuri.com.my](http://www.binapuri.com.my).

### ADDITIONAL DISCLOSURE

#### (a) Share Buy-Back

There was no Share Buy-Back during the financial year ended 30 June 2021.

#### (b) Options, Warrants or Convertible Securities Exercised

There were 103,735,500 options granted to the eligible employees and Directors of the Group during the financial year ended 30 June 2021.

#### (c) American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")

There was no ADR or GDR Programme sponsored by the Company.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

### (d) Sanctions and/or Penalties Imposed

There were no sanctions and/or penalties imposed on the Company or its subsidiaries, directors or management by the relevant regulatory bodies.

### (e) Non-Audit Fees

The amount of non-audit fees paid to a company affiliated to the auditors' firm by the Company and its subsidiaries for the financial period ended 30 June 2021 was RM32,000.

### (f) Variation of Results

The results for the financial year ended 30 June 2021 do not differ by 10% or more from the unaudited results previously released. The Company has not released or announced any estimated profit, financial forecast or projection during the said financial year.

### (g) Profit Guarantee

The Company has not issued any profit guarantee in the financial year ended period ended 30 June 2020.

### (h) Material Contracts

None of the directors and major shareholders has any material contract with the Company and/or its subsidiaries during the financial year under review.

### (i) Revaluation Policy on Landed Properties

The Group did not adopt a policy on regular revaluation of its landed properties.

### (j) Private Placement

The Private Placement entails the issuance of up to 124,395,200 Placement Shares, representing not more than 10% of the enlarged number of 1,243,952,150 issued Bina Puri Shares. The private placement had been approved by Bursa Malaysia and shareholders of the Company on 17 July 2020 and 5 December 2019 respectively. The Private Placement was completed on 21 September 2020;

The Company had successfully placed out 76,907,900 new Bina Puri Shares pursuant to the Private Placement, which raised cumulative gross proceeds of approximately RM6.193 million. The Company has utilised the proceeds in the following manner:

|   | AMOUNT<br>(RM'000) |
|---|--------------------|
| Funding for existing property development and construction projects | 5,129              |
| Working capital requirements  | 481                |
| Repayment of bank borrowings  | 500                |
| Expenses in relation to the Private Placement                       | 83                 |
| <b>Total</b>  | <b>6,193</b>       |

### (k) Share Issuance Scheme ("SIS")

The SIS of the Company is governed by the SIS By-Laws and was approved by the shareholders on 24 September 2018. The SIS is in force for a period of five (5) years effective from 1 March 2019 and will be expiring on 29 February 2024.

| Date of offer    | Exercise Price of option offered<br>(RM) | Total number of Options offered |
|------------------|--|---------------------------------|
| 17 February 2020 | 0.076                                    | 103,735,500                     |

Please refer to page 68 and 148 of the Annual Report for the further details on the SIS.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

THE MALAYSIAN CODE OF CORPORATE GOVERNANCE 2017 ("THE CODE") STIPULATES THAT THE BOARD OF DIRECTORS ("THE BOARD") OF LISTED COMPANIES SHOULD MAINTAIN A SOUND RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROL SYSTEM TO SAFEGUARD SHAREHOLDERS' INVESTMENTS AND THE GROUP'S ASSETS. PURSUANT TO PARAGRAPH 15.26(B) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") AND THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL: GUIDELINES FOR DIRECTORS OF LISTED ISSUERS ("GUIDELINES"), THE BOARD IS PLEASED TO PROVIDE THE FOLLOWING STATEMENT, WHICH OUTLINES THE MAIN FEATURES AND ADEQUACY OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021.

## BOARD'S RESPONSIBILITY

The Board recognises the importance of maintaining an effective risk management practice and a sound system of internal control of the Group as a whole. The Board also affirms its responsibility of reviewing the adequacy and integrity of these systems, so as to safeguard shareholders' investments and the Group's assets.

However, it should be noted that any system of internal control and risk Management is designed to manage rather than to eliminate the risk of failure to achieve the Group's strategic business and operational objectives within the risk appetite established by the Board and management. Accordingly, they can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

## KEY RISK MANAGEMENT AND INTERNAL CONTROL FEATURES

The Group has a well-defined organisational structure with clearly defined lines of accountability, authority and responsibility to the Board, its committees and functional units. Key processes have been established in reviewing the adequacy and effectiveness of the risk management and internal control system including the following:

- The Group Executive Committee was established to manage the Group's operating divisions in accordance with corporate objectives, strategies, policies and annual budgets as approved by the Board.
- The Audit Committee ("AC") of the Group performs regular risk management assessments and through the Internal Audit function, reviews the internal control processes, and evaluates the adequacy and effectiveness of the risk management and internal control system. The AC also seeks the observations of the independent external and internal auditors of the Group. Further details are set out in the Audit Committee Report.
- Senior Management and Head of Department is responsible for implementing the processes for identifying, evaluating, monitoring and reporting of risks and internal control, taking appropriate and timely corrective actions as needed, to support the Group's risk management philosophy, promote compliance and manage risks.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

### Risk Management

The Group has an ongoing process for identifying, evaluating and managing key risks in the context of its business objectives. These processes are embedded within the Group's overall business operations and guided by operational manuals and policies and procedures.

The Board assisted by management regularly review, identify, evaluate, monitor and manage the principal risks faced by the Group. In addition, the internal auditors, using a risk-based approach, annually review the operational procedures and processes to ensure the integrity of the system of internal control.

The Group adopted the followings steps for its risk management:



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL


(Cont'd)

Through quarterly Board meeting discussion and operational meeting among project team, the Group had identified major risk areas of concern and mitigating actions were undertaken within appropriate timeframes. The Group's significant risks identified for the financial year ended 30 June 2021 are outlined below:

| PRINCIPAL RISKS  | DESCRIPTION   | RISK MITIGATION STRATEGIES  |
|--|---|---|
| <p><b>Economic Risk</b></p>   | <p>Slowdown in the local and global economy may affect the Property and Construction Division's order book replenishment and result in overcapacity situations in its capital resources.</p> <p>The Property Division's property sales slowed down due to the subdued market sentiments, saturated market and stiff competition.</p> <p>All of these factors affect the Group's profitability.</p>                                      | <ul style="list-style-type: none"> <li>• Securing long term yearly income recurring projects;</li> <li>• Exploring various business and geographical diversifications;</li> <li>• Regularly reviewing the business plans against performances to address any gaps or shortfalls</li> <li>• Securing long term yearly income recurring projects;</li> <li>• Exploring various business and geographical diversifications;</li> <li>• Regularly reviewing the business plans against performances to address any gaps or shortfalls;</li> <li>• Maintaining good relationships with contractors and suppliers in order to negotiate for more favourable terms;</li> <li>• Enhancing customer retention and also obtaining awards of projects from new customers;</li> <li>• Enhancing efficiency and productivity in its operations, particularly in project management;</li> <li>• Adopting innovative marketing strategies with appropriate product differentiation and flexibility in product offerings to suit the market demand for its properties.</li> </ul> |
| <p><b>Project Risk</b></p>  | <p>These are risks associated with projects that are of specific nature, in particular, project management and construction risks in relation to both Construction and Property divisions, in both short and long term, potentially arising from delay in project completion, escalating construction costs, shortages of construction materials, supply chain efficiency and shortage of workers and experienced project managers.</p> | <ul style="list-style-type: none"> <li>• Develop an effective strategy for managing project risks</li> <li>• Develop a set of key criteria to manage the significant risks that are common within most projects.</li> <li>• Setting a project governance structure consisting of clear project definition and planning process</li> <li>• An effective talent management program.</li> <li>• Specific risks associated with project management are normally delegated to project managers for attention and action.</li> <li>• Frequent site visits by contract officers and project management team</li> </ul>   |

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

| PRINCIPAL RISKS  | DESCRIPTION   | RISK MITIGATION STRATEGIES   |
|--|---|--|
| <p><b>Financial Risk</b></p>  | <p>This is related to the risk that the Group may have inadequate cash flow to meet its financial obligations. The financial risks are in relation to interest rates, foreign currency, liquidity and credit.</p> | <ul style="list-style-type: none"> <li>The Group constantly seeks to ensure that there is a reduction in cash outflow and increased cash inflow for the development of the Group's businesses, at the same time taking into consideration the impact of currency fluctuation, interest rates, credit risks and other risks related to the external market.</li> <li>The Group's fund raising exercises include Private Placement to investors and Rights Issue to all shareholders of Bina Puri Holdings Bhd.</li> </ul> |

**Key Elements of the Group's Internal Control System**

**Authority and Responsibility**

**i. Organisation Structure**

The Group has a comprehensive organisational structure which organises business operations. Clear lines of reporting, authority and segregation of duties are well documented in the organisation chart. The structure promotes ownership and accountability and delegated authority for planning, executing, controlling and monitoring of business operations. This structure is subject to periodic review to incorporate any emerging business needs.

**ii. Clear Description of Roles and Responsibilities**

Each role in the organisation structure is supported by clear job description established, which are linked to the vision, mission and business strategies of the Group.

**iii. Delegation Authority Limit ("DAL")**

The Group DAL is subject to regular review and update to promote organisational efficiency and ensure it is aligned with the Board's risk appetite.

**Policies and Procedures**

Policies and Procedures are established to ensure consistency in complying with related Group's operations requirement. New and revised policies are formulated to cater business needs or risks arise and to support implementation of proper governance of the Group.

Policies and Procedures are subject to periodic review to ensure it remains effective and relevant to the business growth and transformation. The Group's Policies and Procedures are categorised as follows:

**i. Board Policies**

Board level policies comprise Board Charters, Terms of References of Board Committees to ensure proper working of the Board in the handling of risk and control matters of the Group.

These are further explained in detail in the Corporate Governance Overview Statement.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

### ii. Operational Policies and Procedures

Systematic documented standard operating policies and procedures that cover various operational areas which are subject to regular review and improvement. Other Policies and Procedures required by ISO 9001:2015 Quality Management System, are subject to regular review and improvement, to continually manage and controls the quality requirement of the Group's products and services.

### iii. Code of Conduct and Ethics, and Whistle-blowing Policy

The Board has formalised a Code of Conduct and Ethics and a Whistle-blowing Policy to ensure the Board, senior management and employees' business decisions follow the Group commitment to the highest ethical standards and law, and to provide a channel for employees and stakeholders to provide information on frauds, wrongdoings and non-compliance with regulations and procedures by a vendor, customer or employee of the Group.

### Human Resource Management and Development

A standardised performance management system is developed to continually appraise and reward the employees of the Group in accordance with their performance. Emphasis is also placed on enhancing the quality and capability of human assets through training and development programs, which enhances their ability to meet their performance and job expectations.

### Monitoring

#### i. Financial and Operational Review

The Group presents its financial results to the Audit Committee for review in each quarter before financial statement is tabled to the Board for approval and subsequent announcement to Bursa Securities. The quarterly review enables the AC to assess and deliberate the Group's financial results, operational performance and variances against budget to enable them to monitor and contribute towards improving the performance of the Group.

#### ii. Budgetary Review

The Group performs an annual budgeting and forecasting exercise, including the development of business plan and performance targets for the Group. A comprehensive operating and capital expenditure requirement is tabled to the Board for approval prior to the commencement of a new financial year.

#### iii. Internal Audit Function

The Group had established an Audit Committee with the primary objective of assisting the Board to review the adequacy and integrity of the Group's internal control. In discharging its duties, the internal audit function of the Group is outsourced to Tricor Axcelasia Sdn. Bhd. ("TASB").

The TASB independently reviews the adequacy and integrity of the system of internal control and reports to the Audit Committee on a regular basis. The annual audit plan covering the key activities of the Group is tabled to the Audit Committee for discussion and approval. The Internal Auditors review the Group's internal control system based on a risk-based approach and guided by accepted internal auditing practices

For the financial year ended 30 June 2021, TASB has completed one (1) internal control review according to the approved annual audit plan. The findings arising from the internal control reviews together with recommendations, management responses and proposed action plans were promptly reported to the Audit Committee. The audit plan is further explained in detail in the Audit Committee Report.

The Audit Committee, on behalf of the Board, reviews the measures undertaken on internal control issues identified by the Internal Auditors. The Board will discuss with the Audit Committee and management on matters relating to internal controls and deliberates on their recommendations for implementation.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

### iv. Other Reviews

Frequent site visits by contract officers and project management team are established in monitoring the progress of projects undertaken by the Group. The ongoing performance of each business operating unit is reviewed on a monthly basis and these performance reviews are escalated to the Board on a quarterly basis.

### THE BOARD'S STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board believes that the risk management and system of internal control are in place for the year under review and up to the date of issuance of financial statements, are effective and adequate to safeguard shareholders' investment, the interest of regulators and employees and has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

The Board has received assurance from the Group Managing Director that the Group's risk management and internal control system are operating adequately and effectively, in all material aspects throughout the year under review.

The Board is committed to continually strengthen the transparency and efficiency of the Group's operations and control environment. This will be supported by an assessment independent of operations on the adequacy and integrity of the controls by the Internal Auditors. Other initiatives deemed necessary will be considered from time to time in order to ensure that the control environment remains reasonably secure.

The Statement on Risk Management and Internal Control does not deal with the associated companies and joint ventures as the Group does not have management control over their operations.

The internal control system is reviewed on an ongoing basis by the Board, Audit Committee and Management for the monitoring of compliance with policies and procedures. The Heads of Department as well as the respective Project Managers are involved in continually improving the control processes within their respective departments and projects.

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, the external auditors have conducted a limited assurance engagement on this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Information and Audit and Assurance Practice Guide 3 (previously RPG 5 (Revised 2015) ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control.

Based on their procedures performed, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this statement is not prepared, in all material aspects, in accordance with disclosure required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Controls: Guidance for Directors of Listed Issuers to be set out, nor is factually inaccurate. AAPG 3 does not require the External Auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The External Auditors also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

### CONCLUSION

The Board recognises the ever changing dynamic business environment and will endeavour to continue improving and enhancing the existing system of risk management and internal controls to ensure their continued relevance.



# Financial Statements

|     |   |
|-----|---|
| 65  | Statement of Directors' Responsibility        |
| 66  | Directors' Report                             |
| 72  | Consolidated Statements of Financial Position |
| 74  | Statements of Financial Position              |
| 76  | Statements of Comprehensive Income            |
| 78  | Consolidated Statements of Changes in Equity  |
| 80  | Statements of Changes in Equity               |
| 81  | Statements of Cash Flows                      |
| 85  | Notes to the Financial Statements             |
| 191 | Statement by Directors                        |
| 191 | Statutory Declaration                         |
| 192 | Independent Auditors' Report                  |

## STATEMENT OF DIRECTORS' RESPONSIBILITY

in Relation to the Audited Financial Statements

The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year which have been made out in accordance with the applicable approved accounting standard in Malaysia.

It is the responsibility of the Directors to ensure that the financial reporting of the Group and the Company present a true and fair view of the statement of affairs of the Group and the Company as at the end of the financial year and of their results and their cash flows for the year then ended.

In preparing the financial statements, the Directors have observed the following criteria:

- Overseeing the overall conduct of the company's business and that of the group;
- Identifying principal risks and ensuring that an appropriate system of internal control exists to manage these risk;
- Reviewing the adequacy and integrity of internal controls system and management system in the Company and the Group;
- Adopting suitable accounting policies and apply them consistently
- Ensuring that the financial statements were prepared on a going concern basis and in compliance with all applicable approved accounting standard in Malaysia subject to any material departures, if any, were disclosed.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the financial year ended 30 June 2021 appropriate accounting policies were used and applied consistently, and adopted to include new and review Malaysian Financial Reporting Standards were applicable. The Directors are also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and to minimize fraud and other irregularities.



[www.binapuri.com.my](http://www.binapuri.com.my)

• **Bina Puri Holdings Bhd**

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