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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to the course of action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or an appropriate independent professional adviser immediately.

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**BINA PURI HOLDINGS BHD.**

Company No. 199001015515 (207184-X)  
(Incorporated in Malaysia)

## **CIRCULAR TO SHAREHOLDERS**

IN RELATION TO

**Part A**

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

**Part B**

PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES UP TO TEN PER CENTUM (10%) OF ITS TOTAL NUMBER OF ISSUED SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK")

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The Thirty-First Annual General Meeting ("31<sup>st</sup> AGM") of the Company will be held on a virtual basis and entirely via remote participation and electronic voting.

The Notice of the 31<sup>st</sup> AGM together with a copy of the Proxy Form is enclosed with this Circular. If you decide to appoint a proxy to attend and vote on your behalf at the 31<sup>st</sup> AGM, the Proxy Form should be completed and lodged at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time appointed for the 31<sup>st</sup> AGM or at any adjournment thereof. You can also have the option to lodge the proxy appointment electronically via TIIH Online at <https://tiih.online> before the proxy form lodgement cut-off time as mentioned below. For further information on the electronic lodgement of proxy form, kindly refer to the Administrative Details. The lodging of the Form of Proxy for the 31<sup>st</sup> AGM will not preclude you from attending and voting at the virtual 31<sup>st</sup> AGM should you subsequently decide to do so.

Last date and time for lodging the Proxy Form : Saturday, 3 December 2022 at 11:00 a.m.  
Date and time of the 31<sup>st</sup> AGM : Monday, 5 December 2022 at 11:00 a.m.  
Broadcast Venue : 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, Malaysia.  
Online meeting platform : TIIH online website at <https://tiih.online>

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This Circular is dated 31 October 2022

# DEFINITIONS

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

<b>Act</b>	:	The Companies Act 2016, including all amendments made from time to time and any re-enactment thereof
<b>AGM</b>	:	Annual General Meeting
<b>Audit Committee</b>	:	The duly constituted audit committee of the Company
<b>Bina Puri or Company</b>	:	Bina Puri Holdings Bhd. (207184-X)
<b>Bina Puri Group or Group</b>	:	Bina Puri and its subsidiaries (as defined in Section 4 of the Act)
<b>BPSB</b>	:	Bina Puri Sdn. Bhd.
<b>BPPSB</b>	:	Bina Puri Properties Sdn. Bhd.
<b>Board</b>	:	Board of Directors of the Company
<b>Bursa Securities</b>	:	Bursa Malaysia Securities Berhad
<b>Director</b>	:	A person as defined in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of the Company or any other company which is its subsidiary or holding company or a chief executive officer of the Company, its subsidiary or holding company
<b>KMQ</b>	:	KM Quarry Sdn. Bhd.

<b>Listing Requirements</b>	:	The Main Market Listing Requirements of the Bursa Securities including any amendment thereto that may be made from time to time
<b>Major Shareholder</b>	:	<p>A person who has (which includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon) an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is:-</p> <p>(a) 10% or more of the total number of voting shares in the Company; or</p> <p>(b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.</p> <p>For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act.</p>
<b>NA</b>	:	Net Assets
<b>Proposal</b>	:	Proposed renewal of shareholders' mandate for the Bina Puri Group to enter into Recurrent RPTs
<b>Recurrent RPTs</b>	:	Recurrent related party transactions of a revenue or trading nature with Related Parties which are necessary for the day-to-day operations as well as are in the ordinary course of business of the Group and are on terms not more favourable to the Related Parties than those generally available to the public
<b>Related Party</b>	:	A Director, Major Shareholder and/or person connected with such Director or Major Shareholder
<b>RM and Sen</b>	:	Ringgit Malaysia and Sen respectively

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## **PART A**

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

**(“PROPOSED RENEWAL OF  
RECURRENT RELATED PARTY  
TRANSACTIONS”)**

# BINA PURI HOLDINGS BHD.

Company No. 199001015515 (207184-X)  
(Incorporated in Malaysia)

## REGISTERED OFFICE

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

Date: 31 October 2021

## 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)

To: The Shareholders of Bina Puri Holdings Bhd.

Dear Sir/Madam

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

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### 1. INTRODUCTION

At an Annual General Meeting of the Company held on 15 December 2021, the Board sought and obtained shareholders' approval for amongst others the Bina Puri Group to enter into Recurrent RPTs. The authority that was procured, which may be renewed annually, will expire at the earliest of the following events:

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

On 28 October 2022, the Company announced its intention to seek the approval of shareholders at the forthcoming AGM for the Proposal, which is essentially made up of the renewal of the shareholders' mandate for substantially all the Recurrent RPTs approved at the immediately preceding AGM on 15 December 2021 with the Related Parties whose particulars appear in paragraph 2.4.

The purpose of this Circular is to provide shareholders with information on the Proposal and to seek your approval for the Ordinary Resolutions pertaining thereto, which will be tabled at the forthcoming AGM of the Company as an item of special business in the Agenda. The notice of our forthcoming AGM and the Form of Proxy are enclosed in the 2022 Annual Report.

**YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF PART A OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSAL TO BE TABLED AT OUR FORTHCOMING AGM.**

## **2. DETAILS OF THE PROPOSAL**

### **2.1 The Listing Requirements and Duration**

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

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

- (a) the conclusion of the next AGM of the Company (unless by a resolution or resolutions passed at the said AGM, the authority is renewed);
- (b) the expiry of the period within which the next AGM of the Company following the forthcoming AGM at which this mandate is approved, is required to be held pursuant to Section 340(2) of the Act, without regard to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (c) revoked or varied by a resolution or resolutions passed by shareholders of the Company in general meeting;

whichever is the earliest.

### **2.2 Additional Requirements**

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

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

whichever is the higher.

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

### **2.3 The Group's Principal Activities**

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

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

### **2.4 The Related Parties And Their Relationships With The Company**

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

- (a) Sea Travel and Tours Sdn. Bhd. (Company No. 31069-H) ("STT"), a company incorporated on 10.1.1977 and engaged in the tours and travel business in which a family member of YBhg. Tan Sri Datuk Tee Hock Seng, JP, Director and Major Shareholder of Bina Puri, holds 20% equity interest;

- (b) Kumpulan Melaka Bhd. (Company No. 334871-H) (“KMB”), a company incorporated on 25.2.1995 and engaged in the business of investment holding, property development and sand concession, which holds 30% equity interest in the Company’s subsidiary KMQ;
- (c) Dimara Holdings Sdn. Bhd. (Company No. 349254-P) (“DHSB”), a company incorporated on 03.07.1995 and engaged in investment holding and is a general contractor which specialised in civil and structural works in which Director (of the Company’s subsidiary), Mr. Ang Kiam Chai holds approximately 61.66% equity interest.

## 2.5 The Nature Of Transactions Contemplated Under The Proposal

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

Nature of transactions undertaken by Bina Puri and/or its subsidiaries	Transacting Parties *	% owned by Bina Puri Group	Estimated Value from the day of the forthcoming AGM until the AGM in the year 2023 <sup>^</sup> (being the validity period of the mandate) (RM)	Related Parties
Purchase of air tickets (to facilitate air travel in the course of business eg. travel to project sites)	(a) Bina Puri	-	200,000	STT (para 2.4(a))
	(b) BPSB	100	300,000	
	(c) BPPSB	100	200,000	
	<b>Subtotal 700,000</b>			
Sale of quarry products	KMQ	70	Note 1	KMB (para 2.4(b))
Contract works (e.g. road paving)	KMQ	70	Note 2	KMB (para 2.4(b))
Contract works (e.g. road paving)	(a) Bina Puri	-	Note 3	DHSB (para 2.4(c))
	(b) BPSB	100		

### Notes:

- \* The transacting parties for the Recurrent RPTs may include other companies within the Group.
- <sup>^</sup> The estimated values are based on the information available as at the date of this Circular with some of the estimates computed on an annualised basis. Due to the nature of some of the transactions, the actual value of transactions may vary from the estimated values disclosed above.
- Note 1 There is an existing arrangement with KMB to supply them with quarry materials on a long term and recurrent basis. It is however not practicable to ascribe an estimate at this juncture because it is dependent on the particular requirements of KMB’s projects.
- Note 2 KMB is proposing to subcontract road paving works or other contract works procured from time to time to KMQ on a negotiated margin basis. Due to the uncertainty of the number and size of projects which KMB may be able to procure and subcontract to KMQ, KMQ is unable to ascribe an estimated value for the year.
- Note 3 Bina Puri and BPSB are proposing to subcontract road paving works or other contract works procured from time to time to DHSB on a negotiated margin basis. Due to the uncertainty of the number and size of projects which Bina Puri and BPSB may be able to procure and subcontract to DHSB, Bina Puri and BPSB are unable to ascribe an estimated value for the year.

## 2.6 The Methods And Procedures By Which Transaction Prices Are Determined

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

- (a) the list of Related Parties will be circulated within the Bina Puri Group and all Related Parties will be notified that Recurrent RPTs are required to be undertaken with the Group on terms no less favourable than the usual terms offered to their favoured clients;
- (b) transaction prices and terms shall be at prevailing market rates as determined by market forces, demand and supply, quality of the products and services and other relevant factors. Where practical and feasible, quotations and tenders will be obtained from third parties to ascertain competitive transaction prices;



- (c) records shall be maintained by the Company to capture all Recurrent RPTs which are undertaken pursuant to the shareholders' mandate;
- (d) the annual internal audit plan shall incorporate a review of all Recurrent RPTs entered into pursuant to the shareholders' mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to;
- (e) the Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor Recurrent RPTs have been complied with; and
- (f) the Board and the Audit Committee shall be responsible for determining the review procedures and may delegate such functions relating thereto to individuals or committees within the Company as they deem appropriate. If a member of the Board or Audit Committee has an interest, as the case may be, he will abstain from any decision making by the Board or Audit Committee in respect of the said transaction.

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

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

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## 2.7 Existing Mandate On Recurrent RPTs

Set out below is the actual value transacted of each Recurrent RPT from the date on which the existing mandate was obtained on 15 December 2021 up to 30 September 2022, being the latest practicable date before the printing of this Circular, together with its estimated value as disclosed in the Circular to Shareholders dated 31 October 2022.

Nature of transactions undertaken by Bina Puri and/or its subsidiaries	Related Parties	Transacting Parties *	% owned by Bina Puri Group	Estimated Value as disclosed in the Circular to Shareholders dated 29.10.2022 <sup>^</sup> (RM)	Actual value transacted from 15.12.2021 to 30.09.2022 (RM)
Purchase of air tickets (to facilitate air travel in the course of business e.g. travel to project sites)	STT (para 2.4(a))	(a) Bina Puri	-	200,000	2,745
		(b) BPSB	100	300,000	21,495
		(c) BPPSB	100	200,000	45,582
				<b>Subtotal</b>	<b>700,000</b>
Sale of quarry products	KMB (para 2.4(b))	KMQ	70	Note 1	915,900
Contract works (e.g. road paving)	KMB (para 2.4(b))	KMQ	70	Note 2	-
Contract works (e.g. road paving)	DHSB (para 2.4(c))	(a) Bina Puri (b) BPSB	- 100	Note 3	-

### Notes:

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

<sup>^</sup> The estimated values are based on the information available as at the date of the Circular to Shareholders dated 30.04.2018 with some of the estimates computed on an annualised basis. Due to the nature of some of the transactions, the actual value of transactions may vary from the estimated values disclosed above.

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

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

Note 3 Bina Puri and BPSB are proposing to subcontract road paving works or other contract works procured from time to time to DHSB on a negotiated margin basis. Due to the uncertainty of the number and size of projects which Bina Puri and BPSB may be able to procure and subcontract to DHSB, Bina Puri and BPSB are unable to ascribe an estimated value for the year.

## 3. AUDIT COMMITTEE STATEMENT

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

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

## 4. RATIONALE

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

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

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

## 5. FINANCIAL EFFECTS

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

## 6. APPROVAL REQUIRED

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

## 7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

The interests, direct or indirect of the interested Related Parties (being the Director, Major Shareholders and/or persons connected with a Director or Major Shareholder) in the Proposal and their respective shareholdings in the Company as at 30 September 2022, are summarised as follows:

NAME OF SHAREHOLDERS	NO. OF ORDINARY SHARES IN THE COMPANY				
	DIRECT	%	INDIRECT	%	NOTES
Tan Sri Datuk Tee Hock Seng, JP	129,131,504 <sup>*</sup>	8.08	85,219,159 <sup>***</sup>	5.33	(1)
Kumpulan Melaka Berhad	-	-	-	-	(2)
Dr Tony Tan Cheng Kiat	96,308,710	6.03	-	-	(3)
Datuk Matthew Tee Kai Woon	85,219,159 <sup>**</sup>	5.33	129,131,504 <sup>****</sup>	8.08	(4)
Mr. Ang Kiam Chai	-	-	-	-	(5)

### Notes:

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

\* Including shares held through nominee company.

\*\* Deemed interest via his interest in Tee Hock Seng Holdings Sdn Bhd (which holds 800,000 Shares)

\*\*\* Deemed interest via the shareholdings of his son, Datuk Matthew Tee Kai Woon and his son & immediate family members' interest in Tee Hock Seng Holdings Sdn Bhd (which holds 800,000 Shares)

\*\*\*\* Deemed interest via the shareholdings of his father, Tan Sri Datuk Tee Hock Seng, JP

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

The Proposal will be put forth in 5 to 6 Ordinary Resolutions at the forthcoming AGM. The interested Directors, YBhg. Tan Sri Datuk Tee Hock Seng, JP, Dr Tony Tan Cheng Kiat and Datuk Matthew Tee Kai Woon, interested Major Shareholders (YBhg. Tan Sri Datuk Tee Hock Seng, JP and KMB) and/or persons connected with them will abstain from voting in respect of their respective direct or indirect shareholdings in the Company on the relevant Ordinary Resolutions to approve the Proposal.

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

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

#### **8. AMOUNTS DUE AND OWING BY RELATED PARTIES**

There is no amount due and owing to the Bina Puri Group by its related parties under the Recurrent RPTs which exceeded the credit term for the financial year ended 30 June 2022.

#### **9. DIRECTORS' RECOMMENDATION**

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

#### **10. ANNUAL GENERAL MEETING**

The Thirty-First Annual General Meeting ("31<sup>st</sup> AGM") of the Company will be held 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 Monday, 5 December 2022 at 11.00 a.m.

If you are unable to attend and vote in person at the 31<sup>st</sup> AGM, you may appoint a proxy or proxies to attend and vote on your behalf by completing, signing and returning the enclosed Form of Proxy in accordance with the instructions contained therein as soon as possible, so as to arrive at the Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the date and time set for holding the 31<sup>st</sup> AGM as indicated above or any adjournment thereof.

You can also have the option to lodge the proxy appointment electronically via TIIH Online at <https://tiih.online> before the proxy form lodgement cut-off time as mentioned above. For further information on the electronic lodgement of proxy form, kindly refer to the Administrative Details.

The lodgement of the Form of Proxy shall not preclude you from attending and voting at the virtual 31<sup>st</sup> AGM should you subsequently wish to do so.

#### **11. FURTHER INFORMATION**

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

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

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

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## **PART B**

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PROPOSED RENEWAL OF AUTHORITY  
FOR THE COMPANY TO PURCHASE  
ITS OWN SHARES UP TO TEN PER  
CENTUM (10%) OF ITS TOTAL  
NUMBER OF ISSUED SHARES

**(“PROPOSED RENEWAL OF SHARE  
BUY-BACK)**

# DEFINITIONS

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

<b>Act</b>	:	The Companies Act 2016, including all amendments made from time to time and any re-enactment thereof
<b>AGM</b>	:	Annual General Meeting
<b>Audit Committee</b>	:	The duly constituted audit committee of the Company
<b>Bina Puri or Company</b>	:	Bina Puri Holdings Bhd.
<b>Bina Puri Group or Group</b>	:	Bina Puri and its subsidiaries (as defined in Section 4 of the Act)
<b>Board</b>	:	Board of Directors of the Company
<b>Bursa Securities</b>	:	Bursa Malaysia Securities Berhad
<b>Director</b>	:	A person as defined in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of the Company or any other company which is its subsidiary or holding company or a chief executive officer of the Company, its subsidiary or holding company
<b>Listing Requirements</b>	:	The Main Market Listing Requirements of the Bursa Securities including any amendment thereto that may be made from time to time
<b>LPD</b>		30 September 2021, being the latest practicable date prior to the printing of this Circular.
<b>Major Shareholder</b>	:	A person who has (which includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon) an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is:-  (a) 10% or more of the total number of voting shares in the Company; or  (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.  For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act.
<b>NA</b>	:	Net Assets
<b>Proposal</b>	:	Proposed renewal of shareholders' mandate for share buy-back for Bina Puri Holdings Bhd.
<b>Related Party(ies)</b>	:	A Director, Major Shareholder and/or person connected with such Director or Major Shareholder
<b>RM and Sen</b>	:	Ringgit Malaysia and Sen respectively

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## PART B

PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES UP TO TEN PER CENTUM (10%) OF ITS TOTAL NUMBER OF ISSUED SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK")

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# BINA PURI HOLDINGS BHD.

Company No. 199001015515 (207184-X)  
(Incorporated in Malaysia)

## REGISTERED OFFICE

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

Date: 31 October 2022

## 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)

To: The Shareholders of Bina Puri Holdings Bhd.

Dear Sir/Madam

## PROPOSED RENEWAL OF SHARE BUY-BACK

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### 1. INTRODUCTION

On 15 December 2021, the Company had obtained approval from the shareholders of the Company to purchase its own shares up to ten per centum (10%) of the total number of issued shares of the Company. The said authority will lapse at the conclusion of this forthcoming Annual General Meeting ("AGM")

The Company has intention to renew the authority to purchase its own shares by way of an ordinary resolution.

The purpose of this Statement is to provide shareholders with the relevant information on the Proposed Renewal of Share Buy-Back and to seek their approval for the ordinary resolution pertaining to the same to give effect to the Proposed Renewal of Share Buy-Back to be tabled at the forthcoming AGM.

**YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF PART B OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK TO BE TABLED AT OUR FORTHCOMING AGM.**

### 2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK

The Board of Directors of Bina Puri ("Board") proposes to seek shareholders' approval for a renewal of the authority to purchase and/or hold in aggregate of up to 10% of the total number of issued shares of the Company at any point of time through Bursa Securities.

As at 30 September 2022, the Company has:

- (i) 1,597,646,237 issued shares;
- (ii) 382,039,550 warrants issued; and
- (iii) Up to 26,447,263 Share Issuance Scheme ("SIS") Options granted.

Hence the maximum number of shares which maybe purchased by the Company will be ten per centum (10%) of the issued and paid-up ordinary shares of the Company or 200,613,305 shares based on the position as at 30 September 2022.



Such authority, if so approved, would be effective upon the passing of the ordinary resolution for the Proposed Renewal of Share Buy-Back until:-

- (i) the conclusion of the next AGM of Bina Puri following the general meeting at which the ordinary resolution for the Proposed Renewal of Share Buy-Back is passed, at which time such authority shall lapse unless it is renewed by ordinary resolution passed at the next AGM; or
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting of the Company, whichever occurs first.

The purchase of Bina Puri Shares under the Proposed Renewal of Share Buy-Back will be carried out through Bursa Securities via stockbrokers appointed by the Board.

The Board proposes to allocate an amount of up to the retained profits of the Company for the purchase of its own shares subject to the compliance with Section 127 of the Companies Act 2016 ("Act") and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase. Based on the latest audited financial statements of Bina Puri for the financial year ended 30 June 2022, the retained profits amounted to approximately RM49 million.

The Proposed Renewal of Share Buy-Back will allow the Board to exercise the power of the Company to purchase its own shares at any time within the abovementioned period using the internal funds of the Bina Puri and its subsidiaries ("Group") and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later, depending on, amongst others, the availability of funds at the time of purchase, the actual number of shares to be purchased and other relevant cost factors. The actual number of shares to be purchased and the timing of such purchase will depend on, amongst others, the market conditions and sentiments of the stock market as well as the retained profits and the financial resources available to the Group.

If the Company purchases its own shares using external borrowings, the Board will ensure that the Group has sufficient funds to repay the external borrowings and that the repayment would not have any material effect on the cash flow of the Group.

Bina Puri may only purchase its own shares at a price which is not more than 15% above the weighted average market price of Bina Puri Shares for the 5 market days immediately preceding the date of the purchase.

The Company may only resell the purchased shares held as treasury shares at a price, which is:-

- (a) not less than the weighted average market price of the shares for the 5 market days immediately prior to the date of the resale; or
- (b) a discounted price of not more than 5% to the weighted average market price of the shares for the 5 market days immediately prior to the date of the resale, provided that the resale takes place no earlier than 30 days from the date of the purchase; and the resale price is not less than the cost of purchase of the shares being resold.

The Company shall, upon each purchase or re-sale of shares, make the necessary announcements to Bursa Securities.

In accordance with Section 127 of the Act, the Directors of the Company may deal with the purchased shares pursuant to the Proposed Renewal of Share Buy-Back, in the following manner:-

- (i) cancel the purchased shares;
- (ii) retain the purchased shares as treasury shares for distribution as share dividends to the shareholders and/or resell through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or cancel subsequently; or
- (iii) retain part of the purchased shares as treasury shares and cancel the remainder.

The decision whether to retain the purchased shares as treasury shares, to cancel the purchased shares, to distribute the treasury shares as share dividends or to resell the treasury shares on Bursa Securities will be made by the Board at the appropriate time. The distribution of treasury shares as share dividends may be applied as a reduction of the retained profits of the Company.

While the purchased shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in any distribution and otherwise are suspended. The treasury shares shall not be taken into

account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

The Company will make an immediate announcement to Bursa Securities of any purchase and resale of the shares and whether the purchased shares will be cancelled or retained as treasury shares or a combination of both.

The Proposed Renewal of Share Buy-Back will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with the 25% public shareholding spread as required by the Main Market Listing Requirements of Bursa Securities.

As at 30 September 2022, the public shareholding spread of the Company based on the total number of issued shares of 1,597,646,237 Bina Puri Shares was 68.09%. The Board will endeavour to ensure that the Company complies with the public shareholding spread requirements and shall not buy back the Company's own shares if the purchase would result in the public shareholding spread requirements not being met.

### **3. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK**

The Proposed Renewal of Share Buy-Back, if implemented, will enable Bina Puri to utilise any of its surplus financial resources, which is not immediately required for other uses, to purchase its own shares from the market. The Proposed Renewal of Share Buy-Back is expected to stabilise the supply and demand, as well as the price of Bina Puri Shares.

If Bina Puri Shares purchased are subsequently cancelled, the Proposed Renewal of Share Buy-Back may strengthen the earnings per share ("EPS") of the Group. Consequently, long-term and genuine investors are expected to enjoy a corresponding increase in the value of their investments in the Company.

The purchased shares can also be held as treasury shares and resold on Bursa Securities at a higher price therefore realising a potential gain. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

The Proposed Renewal of Share Buy-Back is not expected to have any potential material disadvantage to the Company and its shareholders, and it will be implemented only after due consideration of the financial resources of the Group, and of the resultant impact on the shareholders of the Company. The Board will be mindful of the interests of Bina Puri and its shareholders in undertaking the Proposed Renewal of Share Buy-Back.

### **4. ADVANTAGES AND DISADVANTAGES**

The potential advantages of the Proposed Renewal of Share Buy-Back are as follows:-

- (i) allows the Company to take preventive measures against speculation particularly when its shares are undervalued, which would in turn, stabilise the market price of Bina Puri Shares and hence, enhance investors' confidence;
- (ii) allows the Company flexibility in achieving the desired capital structure, in terms of debt and equity composition as well as size of equity;
- (iii) if the purchased shares which are retained as treasury shares are resold at a higher price, it will provide the Company with opportunities for potential gains; and
- (iv) if the treasury shares are distributed as dividends by the Company, it may then serve to reward the shareholders of the Company.

The potential disadvantages of the Proposed Renewal of Share Buy-Back are as follows:-

- (i) reduce the financial resources of the Company which may otherwise be retained and used for the businesses of the Group. Nevertheless, the Board will be mindful of the interests of the Group and its shareholders in undertaking the Proposed Renewal of Share Buy-Back; and
- (ii) as the Proposed Renewal of Share Buy-Back can only be made out of retained earnings, it may result in the reduction of financial resources available for distribution as dividends and bonus issues to the shareholders of the Company.

## 5. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK

As at 30 September 2022, the total SIS exercised by the employees of the Group is 73,015,237 shares which has been exercised into the Company shares. The balance of SIS Options based on the mandate granted to the Company on 24 September 2018 in relation to the SIS Options and based on the paid up capital of the Company as at 30 September 2022.

The effects of the Proposed Renewal of Share Buy-Back on the share capital, shareholding structure, net assets, earnings and working capital of the Company are set out below based on the following scenarios:-

Minimum scenario : Assuming none of the existing SIS Options and Warrants granted, exercised into new Bina Puri Shares.

Maximum scenario : Assuming all the existing SIS Options and Warrants granted, exercised into new Bina Puri Shares.

### 5.1 Share Capital

The proforma effects of the Proposed Renewal of Share Buy-Back on the total number of issued shares of the Company are set out below:-

	Minimum scenario	Maximum scenario
	No. of shares	No. of shares
Total number of issued shares*	1,597,646,237	1,597,646,237
Assuming full exercise of the Warrants **	-	382,039,550
	<b>1,597,646,237</b>	<b>1,979,685,787</b>
Assuming full exercise of the SIS Options ***	-	26,447,263
	<b>1,597,646,237</b>	<b>2,006,133,050</b>
Maximum number of purchased shares are cancelled pursuant to the Proposed Renewal of Share Buy-Back	(159,764,624)	(200,613,305)
<b>Upon completion of the Proposed Renewal of Share Buy-Back</b>	<b>1,437,881,613</b>	<b>1,805,519,745</b>

#### Notes:-

\* As at 30 September 2022

\*\* As at 30 September 2022, Bina Puri has issued 382,039,550 warrants

\*\*\* As at 30 September 2022, Bina Puri has granted 26,447,263 SIS Options but not exercised

On the other hand, if Bina Puri Shares purchased are retained as treasury shares, resold or distributed to its shareholders, the Proposed Renewal of Share Buy-Back will have no effect on the existing issued shares capital of Bina Puri.

The actual number of Bina Puri Shares to be purchased will depend on, inter alia, market conditions and sentiments of Bursa Securities as well as the retained profits and financial resources available to the Company at the time of the purchase(s).

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## 5.2 Substantial Shareholders' and Directors' Shareholdings

The proforma effects of the Proposed Renewal of Share Buy-Back on the shareholdings of the Directors and substantial shareholders of the Company are set out below based on the Register of Substantial Shareholders and Register of Directors as at 30 September 2022:-

### (i) Minimum Scenario

NAME OF SHAREHOLDERS	AS OF 30 SEPTEMBER 2022				AFTER THE PROPOSED RENEWAL OF SHARE BUY-BACK ^			
	DIRECT NO. OF SHARES	%	INDIRECT NO. OF SHARES	%	DIRECT NO. OF SHARES	%	INDIRECT NO. OF SHARES	%
<b>Substantial Shareholders</b>								
Tan Sri Datuk Tee Hock Seng, JP	129,131,504*	8.08	85,219,159***	5.33	129,131,504*	8.98	85,219,159***	5.93
Dato' Neoh Soo Keat	110,380,700*	6.91	-	-	110,380,700*	7.68	-	-
Dr. Tony Tan Cheng Kiat	96,308,710	6.03	-	-	96,308,710	6.70	-	-
Datuk Matthew Tee Kai Woon	85,219,159**	5.33	129,131,504****	8.08	85,219,159**	5.93	129,131,504****	8.98
<b>Directors</b>								
Tan Sri Dato' Wong Foon Meng	-	-	-	-	-	-	-	-
Tan Sri Datuk Tee Hock Seng, JP	129,131,504*	8.08	85,219,159***	5.33	129,131,504*	8.98	85,219,159***	5.93
Dr. Tony Tan Cheng Kiat	96,308,710	6.03	-	-	96,308,710	6.70	-	-
Datuk Matthew Tee Kai Woon	85,219,159**	5.33	129,131,504****	8.08	85,219,159**	5.93	129,131,504****	8.98
Ir. Ghazali Bin Bujang	-	-	-	-	-	-	-	-
Mohd Najib Bin Abdul Aziz	-	-	-	-	-	-	-	-

**Notes:-**

\* including shares held through nominee company.

\*\* Deemed interest via his interest in Tee Hock Seng Holdings Sdn Bhd (which holds 800,000 Shares)

\*\*\* Deemed interest via the shareholdings of his son, Datuk Matthew Tee Kai Woon and his son & immediate family members' interest in Tee Hock Seng Holdings Sdn Bhd (which holds 800,000 Shares)

\*\*\*\* Deemed interest via the shareholdings of his father, Tan Sri Datuk Tee Hock Seng, JP

^ Assuming that the Proposed Renewal of Share Buy-Back is implemented in full, i.e. up to ten percent (10%) of the total number of issued shares, the purchased shares are acquired from public shareholders and the purchased shares are cancelled.

## 5.2 Substantial Shareholders' and Directors' Shareholdings (Cont'd)

### (ii) Maximum Scenario

NAME OF SHAREHOLDERS	AS OF 30 SEPTEMBER 2022				(I) ASSUMING FULL EXERCISE OF WARRANTS			
	DIRECT NO. OF SHARES	%	INDIRECT NO. OF SHARES	%	DIRECT NO. OF SHARES	%	INDIRECT NO. OF SHARES	%
<b>Substantial Shareholders</b>								
Tan Sri Datuk Tee Hock Seng, JP	129,131,504*	8.08	85,219,159***	5.33	147,871,282*	7.47	90,228,084##	4.56
Dato' Neoh Soo Keat	110,380,700*	6.91	-	-	110,380,700*	5.58	-	-
Dr. Tony Tan Cheng Kiat	96,308,710	6.03	-	-	96,308,710	4.86	-	-
Datuk Matthew Tee Kai Woon	85,219,159**	5.33	129,131,504****	8.08	90,228,084#	4.56	147,871,282****	7.47
<b>Directors</b>								
Tan Sri Dato' Wong Foon Meng	-	-	-	-	-	-	-	-
Tan Sri Datuk Tee Hock Seng, JP	129,131,504*	8.08	85,219,159***	5.33	147,871,282*	7.47	90,228,084##	4.56
Dr. Tony Tan Cheng Kiat	96,308,710	6.03	-	-	96,308,710	4.86	-	-
Datuk Matthew Tee Kai Woon	85,219,159**	5.33	129,131,504****	8.08	90,228,084#	4.56	147,871,282****	7.47
Ir. Ghazali Bin Bujang	-	-	-	-	-	-	-	-
Mohd Najib Bin Abdul Aziz	-	-	-	-	-	-	-	-

**Notes:-**

\* including shares held through nominee company.

\*\* Deemed interest via his interest in Tee Hock Seng Holdings Sdn Bhd (which holds 800,000 Shares)

\*\*\* Deemed interest via the shareholdings of his son, Datuk Matthew Tee Kai Woon and his son & immediate family members' interest in Tee Hock Seng Holdings Sdn Bhd (which holds 800,000 Shares)

\*\*\*\* Deemed interest via the shareholdings of his father, Tan Sri Datuk Tee Hock Seng, JP

# Deemed interest via his interest in Tee Hock Seng Holdings Sdn Bhd (which holds 1,200,000 Shares)

## Deemed interest via the shareholdings of his son, Datuk Matthew Tee Kai Woon and his son & immediate family members' interest in Tee Hock Seng Holdings Sdn Bhd (which holds 1,200,000 Shares)

## 5.2 Substantial Shareholders' and Directors' Shareholdings (Cont'd)

### (ii) Maximum Scenario

NAME OF SHAREHOLDERS	(II) ASSUMING FULL EXERCISE OF WARRANTS AND THE SIS OPTIONS ~				(III) AFTER (II) AND THE PROPOSED RENEWAL OF SHARE BUY-BACK ^			
	DIRECT NO. OF SHARES	%	INDIRECT NO. OF SHARES	%	DIRECT NO. OF SHARES	%	INDIRECT NO. OF SHARES	%
<b>Substantial Shareholders</b>								
Tan Sri Datuk Tee Hock Seng, JP	147,871,282*	7.37	91,068,084##	4.54	147,871,282*	8.19	91,068,084##	5.04
Dato' Neoh Soo Keat	110,380,700*	5.50	-	-	110,380,700*	6.11	-	-
Dr. Tony Tan Cheng Kiat	98,174,473	4.89	-	-	98,174,473	5.44	-	-
Datuk Matthew Tee Kai Woon	91,068,084#	4.54	147,871,282****	7.37	91,068,084#	5.04	147,871,282****	8.19
<b>Directors</b>								
Tan Sri Dato' Wong Foon Meng	-	-	-	-	-	-	-	-
Tan Sri Datuk Tee Hock Seng, JP	147,871,282*	7.37	91,068,084##	4.54	147,871,282*	8.19	91,068,084##	5.04
Dr. Tony Tan Cheng Kiat	98,174,473	4.89	-	-	98,174,473	5.44	-	-
Datuk Matthew Tee Kai Woon	91,068,084#	4.54	147,871,282****	7.37	91,068,084#	5.04	147,871,282****	8.19
Ir. Ghazali Bin Bujang	-	-	-	-	-	-	-	-
Mohd Najib Bin Abdul Aziz	-	-	-	-	-	-	-	-

**Notes:-**

\* including shares held through nominee company.

\*\* Deemed interest via his interest in Tee Hock Seng Holdings Sdn Bhd (which holds 800,000 Shares)

\*\*\* Deemed interest via the shareholdings of his son, Datuk Matthew Tee Kai Woon and his son & immediate family members' interest in Tee Hock Seng Holdings Sdn Bhd (which holds 800,000 Shares)

\*\*\*\* Deemed interest via the shareholdings of his father, Tan Sri Datuk Tee Hock Seng, JP

# Deemed interest via his interest in Tee Hock Seng Holdings Sdn Bhd (which holds 1,200,000 Shares)

## Deemed interest via the shareholdings of his son, Datuk Matthew Tee Kai Woon and his son & immediate family members' interest in Tee Hock Seng Holdings Sdn Bhd (which holds 1,200,000 Shares)

~ Assuming 26,447,263 SIS Options were granted and exercised under the Company

^ Assuming that the Proposed Renewal of Share Buy-Back is implemented in full, i.e. up to ten percent (10%) of the total number of issued shares, the purchased shares are acquired from public shareholders and the purchased shares are cancelled.

### **5.3 Net Assets**

The effect of the Proposed Renewal of Share Buy-Back on the consolidated net assets of the Company will depend on the actual number of shares purchased, the purchase prices of the shares, the effective cost of funding or any loss in interest income to the Company, and the treatment of the shares so purchased.

The Proposed Renewal of Share Buy-Back will reduce the consolidated net assets per share when the purchase price exceeds the consolidated net assets per share of the Company at the time of purchase. On the contrary, the consolidated net assets per share will increase when the purchase price is less than the consolidated net assets per share of the Company at the time of purchase.

If the shares purchased under the Proposed Renewal of Share Buy-Back are held as treasury shares and subsequently resold on Bursa Securities, the consolidated net assets per share would increase if the Group realise a gain from the resale or vice versa. If the treasury shares are distributed as share dividends, it will decrease the consolidated net assets by the cost of the treasury shares redistributed.

### **5.4 Earnings**

The effect of the Proposed Renewal of Share Buy-Back on the consolidated earnings per share of the Company will depend on the purchase prices paid for the shares, the effective funding cost to the Group to finance the purchase of the shares or any loss in interest income to the Group if internally generated funds are utilised to finance the purchase of the shares.

Assuming that any shares so purchased are retained as treasury shares as per Section 127 of the Act and resold on Bursa Securities, the effects on the consolidated earnings of the Company will depend on the actual selling price, the number of treasury shares resold and the effective gain or interest savings arising from the exercise.

### **5.5 Working capital**

The implementation of the Proposed Renewal of Share Buy-Back is likely to reduce the working capital of the Group, the quantum being dependent on the number of the purchased shares, the purchase price(s) and the amount of financial resources to be utilised for the purchase of the shares.

For the purchased shares retained as treasury shares as per Section 127 of the Act, upon its resale, the working capital of the Company will increase. Again, the quantum of the increase in the working capital will depend on the actual selling price of the treasury shares resold, the effective gain or interest saving arising and the gain or loss from the disposal.

## **6. IMPLICATION OF THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS 2016 (“CODE”) AND RULES ON TAKE-OVERS, MERGERS AND COMPULSORY ACQUISITIONS (“RULES”)**

Pursuant to the Code, a person and/or any person acting in concert with him will be required to make a mandatory offer for the remaining shares not already owned by him/them if his and/or their holding of voting shares in a company is increased beyond 33% or, if his and/or their holding of voting shares is more than 33% but less than 50%, his and/or their holding of voting shares is increased by more than 2% in any 6 months period. However, an exemption from undertaking a mandatory offer when the company purchases its own voting shares may be granted by the Securities Commission Malaysia under Rule 4.15 of the Rules.

The Board takes cognizance of the requirements of the Code and the Rules and will be mindful of the requirements when making any purchases of shares pursuant to the Proposed Renewal of Share Buy-Back.

As at LPD, the Proposal Share Buy-Back is not expected to result in any shareholder triggering an obligation to undertake a mandatory general offer under the Code.

## **7. PURCHASE, RESALE AND CANCELLATION OF PURCHASED SHARES MADE PURSUANT TO THE EXISTING AUTHORITY**

The Company has not made any purchase of its own Shares or resale of treasury shares since it obtained the shareholders' approval at the Thirtieth AGM held on 15 December 2021.

## **8. APPROVAL REQUIRED**

The Proposed Share Buy-Back required the approval of our shareholders at the forthcoming AGM.

**9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM**

None of the directors and major shareholders and any person connected with the directors or major shareholders, or both, have direct and indirect interests in the proposed purchase of shares or resale of treasury shares, if any.

**10. DIRECTORS' RECOMMENDATION**

The Board, after having considered all aspects of the Proposed Renewal of Share Buy-Back and after careful deliberation, is of the opinion that the Proposed Renewal of Share Buy-Back is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the relevant resolutions in relation to the Proposed Renewal of Share Buy-Back to be tabled at the forthcoming AGM.

**11. ANNUAL GENERAL MEETING**

The Thirty-First Annual General Meeting ("31<sup>st</sup> AGM") of the Company will be held 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 Monday, 5 December 2022 at 11.00 a.m.

If you are unable to attend and vote in person at the 31<sup>st</sup> AGM, you may appoint a proxy or proxies to attend and vote on your behalf by completing, signing and returning the enclosed Form of Proxy in accordance with the instructions contained therein as soon as possible, so as to arrive at the Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the date and time set for holding the 30<sup>th</sup> AGM as indicated above or any adjournment thereof.

You can also have the option to lodge the proxy appointment electronically via TIIH Online at <https://tiih.online> before the proxy form lodgement cut-off time as mentioned above. For further information on the electronic lodgement of proxy form, kindly refer to the Administrative Details.

The lodgement of the Form of Proxy shall not preclude you from attending and voting at the virtual 31<sup>st</sup> AGM should you subsequently wish to do so.

**12. FURTHER INFORMATION**

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

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

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



# APPENDIX I

## FURTHER INFORMATION

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### 1. DIRECTORS' RESPONSIBILITY STATEMENT

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

### 2. MATERIAL LITIGATION

(i) **In the matter of an arbitration between BK Asiapacific (Malaysia) Sdn. Bhd. (formerly known as BK Burns & Ong Sdn. Bhd.) ("BK Burns") v UEMC-Bina Puri JV (unincorporated joint venture), UEM Construction Sdn. Bhd. and Bina Puri Sdn. Bhd. (collectively, "UEM-BPSB JV")**

UEM-BPSB JV is an unincorporated joint venture between UEM Construction Sdn. Bhd. and BPSB (on a 60:40 proportion basis). Malaysia Airport Holdings Berhad had awarded a contract to UEM-BPSB JV to carry out construction works in respect of the development of the new low cost carrier terminal at the Kuala Lumpur International Airport, Sepang. UEM-BPSB JV thereafter engaged BK Burns for provision of commercial and contractual management & advisory services.

A statement of case was filed by BK Burns against UEM-BPSB JV on 16 June 2017 for wrongful termination, claiming for an alleged amount of RM6.9 million for loss and damage and loss of profit, including 5% incentive payment for any commercial settlement. This does not include BK Burns' claim for a monthly fee effective January 2012 until completion and 5% incentive payment during this period.

UEM-BPSB JV filed its defence on 16 August 2017 which contended inter-alia that there is no agreement of the alleged 5% incentive payment, the termination is valid and no further payments are due and owing to BK Burns.

The Hearing concluded on 1 March 2019. On 25 June 2020, the Arbitrator has determined that BK Burn is entitled for nominal damages of RM3,000.00 only with no order in respect of loss of profit, interest and costs ("Arbitration Decision").

On 12 October 2020, BK Burn has filed a Set Aside Application of the Arbitration Decision and the matter is fixed for Case Management on 27 October 2020.

The JV filed Affidavit Reply on 17.11.2020. UEM-BPSB JV opposition are on the grounds that the relief sought by BK Burns does not fall under the express provision in Section 37 of the Arbitration Act 2005. Additionally, there is no basis to BK Burns' allegations of biasness and/or lack of independence or impartiality. There are also no grounds to support BK Burns' contention that there was a breach of natural justice.

The hearing is fixed on 14 December 2021. The Judge has dismissed BK Burn's setting aside application.

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

BPPPL had filed an application under Section 20 of the Arbitration Act 1940 of Pakistan before the High Court of Sindh on 28 September 2012 for reference of a dispute to arbitration for the alleged unlawful termination by NHA of the concession agreement dated 16 January 2012 entered into between BPPPL and NHA ("Concession Agreement"). The application was granted on 23 April 2013.

BPPPL commenced the arbitral proceedings on 21 October 2013 claiming for a sum of PKR26,760,300,964 (approximately RM720 million) for loss and damage including loss of profit, interest, cost and expenses. NHA contended on 9 December 2013 that the termination is lawful. On 27 March 2019, Mr Justice (R) Nasir-ul-Mulk allowed BPPPL's claims against NHA as follows:-

- (a) a declaration that the termination notice issued by NHA was unlawful repudiation and therefore anticipatory breach of the Concession Agreement; and

(b) BPPPL shall be entitled for the actual pre-development cost and actual development costs to be determined by a joint auditor in accordance with the award.

(a) and (b) above are collectively referred to as the "Arbitration Award".

On 6 April 2019, the Adjudication Award was filed in High Court of Sindh at Karachi to be enforced and made a rule of court. On 25 November 2019, the Court recognised the enforcement of the Arbitration Award and appointed the Auditor to evaluate the damages. On 7 September 2020, the Auditor has directed that the termination payment payable by NHA to BPPPL is PKR 873,561,224 with interest of PKR224,681.00 per day from 21 July 2020 until full settlement.

On 29 October 2020, BPPPL has filed in the enforcement/recovery of award application to the court.

Pending hearing date for BPPL's recovery of award. BPPL has filed certificate of urgency. The hearing shall take place on 14 November 2022.

(Based on BNM's exchange rate of PKR1:RM0.0269)

**(iii) Conaire Engineering Sdn. Bhd. – L.L.C ("Conaire") v (1) BPHD and (2) Pembinaan SPK Sdn. Bhd. ("SPK") (collectively referred as "SPK – BPHB JV")**

SPK-Bina Puri is an unincorporated joint venture between SPK and Bina Puri (on a 70:30 proportion basis) ("SPK-BPHB JV"). An agreement was entered into between Conaire and the SPK-BPHB JV in respect of the electromechanical and plumbing works at Phase 1, Plot 1, Area B for 'residential, commercial and entertainment development at Al Reem Island, Abu Dhabi, UAE'. On 17 March 2015, Conaire obtained a judgment in default at the Abu Dhabi Court against SPK-BPHB JV for, amongst others, AED20,718,958.25 (approximately RM23.6/22790854 million) ("Abu Dhabi Judgment").

On 11 April 2016, Conaire issued and served a writ to SPK and Bina Puri to enforce the Abu Dhabi Judgment at the High Court of Pulau Pinang ("Conaire's Claim"). On 31 October 2017, the High Court of Pulau Pinang directed the case to be heard at the High Court of Kuala Lumpur. Conaire thereafter applied for a summary judgment to enforce the Abu Dhabi Judgment but it was dismissed by the High Court of Kuala Lumpur. On 18 January 2019, the High Court of Kuala Lumpur allowed the Conaire's Claim ("High Court Judgment").

On 14 February 2019, SPK and Bina Puri filed an appeal at the Court of Appeal on the High Court Judgment ("Appeal"). On 22 February 2019, SPK and Bina Puri applied to stay the High Court Judgment pending the disposal of the Appeal ("Stay of Execution Application"). On 17 April 2019, the High Court of Kuala Lumpur allowed the Stay of Execution Application. On 12 September 2019, the Court of Appeal has granted SPK and BPHD's notice of motion to amend the notice of appeal. On 3 February 2021, the Court of Appeal dismissed BPHD's appeal and varied the High Court judgement.

BPHB has filed application for leave to appeal in Federal Court on 19 February 2021. The application for leave to appeal in Federal Court has been granted. The appeal proper hearing started on 2 September 2022 and the continued hearing is fixed on 13 December 2022.

Bina Puri's solicitors are of the view that there is a reasonable chance of success subject to the Court of Appeal agreeing to, amongst others, that the judgment obtained by Conaire at the Abu Dhabi Court cannot be enforced in Malaysia under the Reciprocal Enforcement of Judgments Act 1958.

(Based on BNM's exchange rate of AED1:RM1.1399)

**(iv) Bina Puri Mining Sdn. Bhd. ("BPM") v Bukit Biru Quarry Sdn. Bhd. ("BB Quarry")**

BPM had filed a suit against BB Quarry on 11 May 2015, claiming for the sum of RM8,714,779.84 for the breach of the quarry operation agreement dated 1 January 2013 entered into between the parties ("Quarry Operation Agreement"), which includes a claim for misrepresentation. BB Quarry counter-claimed against BPM for a sum of RM1,412,023.79 being the alleged contract fees, insurance premium and reimbursement of commission fees payable by BPM pursuant to the Quarry Operation Agreement.

The Miri High Court has directed to split the trials into two tiers, firstly, liability of the parties and thereafter the computation of the quantum. The trial has been concluded on 16 May 2018. On 24 December 2018, BPM's claim has been dismissed while the counter-claim by BB Quarry has been allowed. On 21 January 2019, BPM has filed an appeal at the Court of Appeal.

On 24 June 2021, BPM's appeal has been dismissed. BPM has filed application for leave of appeal at Federal Court. The hearing on 9 November 2021 has dismissed the leave for appeal on BPM's counter claim. The trial for assessment of damages is fixed on 14 to 16 December 2022.

BPM's solicitors are of the view that there is a reasonable chance for the appeal in the event the Court of Appeal is agreeable with the ground raised by BPM.

**(v) Ideal Heights Development Sdn Bhd (“IHD”) v Jurujati Konsultant Sdn Bhd (“Jurujati”)**

Writ and statement of claim was filed by IHD against Jurujati on 30 December 2020 for seeking of refund for fees overpaid to Jurujati amounting to RM565,519.66 as well as general damages, interest, and costs.

In Jurujati defend, there has been no overpayment and alleges that IHD owes a sum of RM380,438.66 for outstanding fees to Jurujati instead. Currently, both parties are in the midst of complying with the court's directions on pre-trial documents. No trial dates have been fixed.

On 15 January 2021, IHD filed a writ and a statement of claim at the Shah Alam High Court against Jurujati for loss and damage suffered by IHD as a result of Jurujati's breach of contract and/or negligence concerning a construction project in Kuantan. The issues in disputes concern the change in design and/or structural drawings, collapse of boardwalk, clogging of the gross pollutant trap.

IHD is claiming for additional costs for the structural of the project in the sum of RM4,293,073.42 as well as general damages, interest, and costs. The trial dates fixed are 18 November 2022 and 13 to 15 December 2022.

**(vi) RHB Bank v Bina Puri Holding Bhd (SHAH ALAM HIGH COURT SUIT NO. BA-22NCC-37-03/2020)**

A suit was filed by RHB Bank Berhad (“RHB”) against Bina Puri Holding Bhd (“BPHB”) for demand under guarantee and indemnity for bank guarantees provided by it in favour of National Housing Authority of Thailand (“NHA”) in respect of a joint venture agreement dated 9 March 2006 between NHA, Bina Puri (Thailand) Ltd (“BPTL”) and Deva Development Public Co. Ltd.

There was a Thai Court judgment dated 16 August 2019 against BPTL and RHB, which is currently appealed upon and pending a hearing date. However, RHB has called on the revolving bank guarantees with EXIM Bank and unilaterally on 13 November 2019, paid a sum of Thai Baht 323,042,419.28 into the Thai Court.

Taking into account of the aforesaid payments, RHB now claims against BPHB for the balance, i.e., interest and other expenses in total of Thai Baht 93,535,467.66 (RM12,486,330.18) together with interest of 5% p.a from date of judgement until the date of full settlement and costs. RHB subsequently filed an application for a summary judgment on the Thai Baht 93,535,467.66 (RM12,486,330.18) against BPHB.

However, it was dismissed by the High Court. RHB then appealed against the High Court' decision in dismissing the summary judgment application to the Court of Appeal. The appeal has also been dismissed.

The Court has fixed the trial on 1 to 4 August 2023 and 7 to 9 August 2023.

**(vii) RHB Bank Berhad v Bina Puri Holding Bhd**

RHB Bank Berhad filed a Writ Action against Bina Puri and Bina Puri Holdings Bhd at the Shah Alam High Court vide Writ No: BA-22NCC-106-07/2020 on 20 July 2020.

RHB's cause of action against Bina Puri is for their failure to repay the overdraft facility granted to them. The cause of action against Bina Puri Holdings is based on the same facility in the capacity as a guarantor for the said facility. The sums claimed is for a sum of RM3,922,553.54 calculated as at 31 May 2020.

RHB filed an application for summary judgment against Bina Puri and Bina Puri Holdings. On 4 February 2021, the Court granted judgment against Bina Puri and Bina Puri Holdings for the sums mentioned above.

On 2 March 2021, Bina Puri and Bina Puri Holdings filed an appeal to the Court of Appeal against the said decision vide Court of Appeal No: B-02(IM)(NCO)-462-03/2021. Bina Puri and Bina Puri Holdings also filed an application for stay of execution which was fixed for hearing on 6 September 2021. The decision of the application for stay of execution was adjourned to 8 October 2021.

The Appeal at the Court of Appeal was heard and dismissed on 7 October 2021 with costs of RM5,000. On 8 October 2021, the application for stay of execution was dismissed with costs of RM4,000.

**(viii) Lakehill Resort Development Sdn Bhd (LRDSB) v (1) Bina Puri Properties Sdn Bhd (BPPSB) and (2) Bina Puri Holdings Berhad**

Lakehill filed summons on 28 September 2021 for a sum of RM18,356,047.45 for the outstanding land cost and the owner's entitlement at the Shah Alam High Court vide Suit no. BA-22NCVC-381-09/2021

Bina Puri and BPPSB have entered appearance. The hearing for Plaintiff's Application for Summary Judgment and Striking out the 1<sup>st</sup> and 2<sup>nd</sup> Defendant's Counterclaims is on 6 January 2023.

The hearing for the 1<sup>st</sup> Defendant's application for rejoinder is fixed on 25 November 2022.

**3. MATERIAL CONTRACTS**

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

**4. DOCUMENTS FOR INSPECTION**

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

- (a) the Constitution of the Company;
- (b) the audited consolidated accounts of the Bina Puri Group for the past 2 financial years ended 30 June 2020 and 30 June 2021;
- (c) the relevant cause papers in respect of material litigation referred to in Paragraph 2 above.

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INTENTIONALLY LEFT BLANK