

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

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

You should rely on your own evaluation to assess the merits and risks of the Proposals (as defined below).



**BINA PURI HOLDINGS BHD**

(Registration No.: 199001015515 (207184-X))

(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO:**

- (I) **PROPOSED PRIVATE PLACEMENT OF UP TO 479,293,900 NEW ORDINARY SHARES IN BINA PURI HOLDINGS BHD ("BINA PURI" OR THE "COMPANY") ("BINA PURI SHARE(S) OR SHARE(S)") ("PLACEMENT SHARE(S)"), REPRESENTING UP TO 30% OF THE EXISTING ISSUED SHARES OF BINA PURI, TO INDEPENDENT INVESTOR(S) TO BE IDENTIFIED AT AN ISSUE PRICE TO BE DETERMINED LATER ("PROPOSED PRIVATE PLACEMENT"); AND**
- (II) **PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,656,944,633 NEW BINA PURI SHARES ("RIGHTS SHARES") TOGETHER WITH UP TO 331,388,927 FREE DETACHABLE WARRANTS ("WARRANT(S) B") ON THE BASIS OF 2 RIGHTS SHARES FOR EVERY 3 EXISTING BINA PURI SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER TOGETHER WITH 1 WARRANT B FOR EVERY 5 RIGHTS SHARES SUBSCRIBED ("PROPOSED RIGHTS ISSUE WITH WARRANTS")**
- (COLLECTIVELY, REFERRED TO AS "PROPOSALS")**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Principal Adviser and Placement Agent**



**M & A SECURITIES SDN BHD**

(Registration No. 197301001503 (15017-H))

(A Wholly-Owned Subsidiary of Insas Berhad)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

**Financial Adviser**



NEWFIELDS

**NEWFIELDS ADVISORS SDN BHD**

(Registration No. 199401010372 (296051-V))

(A Corporate Finance Adviser licensed by Securities Commission Malaysia)

The resolutions in respect of the above Proposals will be tabled at the Extraordinary General Meeting ("**EGM**") of the Company which will be conducted on a fully virtual basis and entirely via Remote Participation and Electronic Voting via online meeting platform at TIIH Online website at <https://tiih.online> provided by Tricor Investor & Issuing House Services Sdn Bhd; broadcast live from 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 12.30 p.m. or immediately after the conclusion or adjournment (as the case maybe) of the 31st Annual General Meeting of Bina Puri which will be held at the same venue and on the same day at 11.00 a.m., whichever is later, or any adjournment thereof. The Notice of the EGM together with the Form of Proxy are enclosed in this Circular.

You are encouraged to attend, participate, speak (in the form of real time submission of typed texts) and vote remotely at the forthcoming EGM using the remote participation and electronic voting facilities. If you are unable to participate in the online EGM, you may appoint a proxy or proxies to participate and vote on your behalf. The Form of Proxy may be submitted by hand or by post to the Company's Share Registrar Office 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 48 hours before the time appointed for holding the EGM or any adjournment thereof, otherwise the Form of Proxy shall be treated as invalid. Alternatively, the Form of Proxy may also be electronically submitted via TIIH Online at <https://tiih.online>. Please refer to Administrative Guide for further information on electronic submission. The lodging of the Form of Proxy shall not preclude you from participating in the online EGM should you subsequently wish to do so.

Please follow the procedures provided in the Administrative Guide for our EGM which is available on the Company's website at <http://www.binapuri.com.my>.

Last date and time for lodging the Form of Proxy : Friday, 3 December 2022, at 12.30 p.m.

Date and time of EGM : Monday, 5 December 2022, at 12.30 p.m. or immediately after the conclusion or adjournment (as the case maybe) of the 31st Annual General Meeting of Bina Puri which will be held at the same venue and on the same day at 11.00 a.m., whichever is later, or any adjournment thereof

**This Circular is dated 17 November 2022**

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

“Act”	:	Companies Act 2016 and includes amendments made thereto, from time to time
“Additional ESIS Options”	:	Up to 1,485,775 additional ESIS Options to be issued arising from the ESIS Options Adjustments
“Additional Warrants A”	:	Up to 21,461,952 additional Warrants A to be issued arising from the Warrants A Adjustments
“Announcements”	:	Announcement dated 21 June 2022 and 19 August 2022 in relation to the Proposals
“Base Case Scenario”	:	Assuming: <ul style="list-style-type: none"><li>(a) none of the Convertible Securities are exercised into new Bina Puri Shares prior to the Entitlement Date;</li><li>(b) none of the Placement Shares are issued prior to the Entitlement Date; and</li><li>(c) all the Entitled Shareholders and/or their renounee(s) subscribe for their Rights Shares.</li></ul>
“Bina Group” or “Group”	:	Bina Puri and its subsidiaries, collectively
“Bina Puri” or “Company”	:	Bina Puri Holdings Bhd (Registration No. 199001015515 (207184-X))
“Bina Puri Share(s)” or “Share(s)”	:	Ordinary share(s) in Bina Puri
“Board” or “Directors”	:	Board of Directors of Bina Puri
“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
“By-Laws”	:	The by-laws which took effect on 1 March 2019, governing the ESIS
“Circular”	:	This circular to shareholders dated 17 November 2022 in relation to the Proposals
“Code”	:	The Malaysian Code on Take-Overs and Mergers, 2016
“Constitution”	:	Constitution of our Company
“Convertible Securities”	:	Collectively, 382,029,550 outstanding Warrants A and 26,447,263 outstanding ESIS Options, which will result in the issuance of 408,476,813 new Bina Puri Shares pursuant to the full conversion of all outstanding Warrants A and outstanding ESIS Options

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**DEFINITIONS (Cont'd)**

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"COVID-19"	:	Novel coronavirus disease 2019, an infectious respiratory disease which first broke out in 2019
"Deed Poll A"	:	The deed poll constituting the Warrants A and governing the rights of Warrant A holders entered into by our Company dated 11 November 2019
"Deed Poll B"	:	The deed poll constituting the Warrants B and governing the rights of Warrant B holders to be executed by our Company
"EGM"	:	Extraordinary general meeting
"Entitlement Basis"	:	The entitlement basis for the Proposed Rights Issue with Warrants which shall be determined by our Board at a later date
"Entitlement Date"	:	A date, to be determined by our Board and announced later, in which the names of shareholders of Bina Puri must appear in the Record of Depositors of Bina Puri as at the close of business on that date in order to be entitled to participate in the Proposed Rights Issue with Warrants
"Entitled Shareholders"	:	Shareholders of Bina Puri whose names appear in the Record of Depositors of Bina Puri on the Entitlement Date
"EPS" or "LPS"	:	Earnings / (losses) per share
"ESIS"	:	Employees' share issuance scheme
"ESIS Options"	:	Options granted under the existing ESIS of our Company which took effect on 1 March 2019 for a period of 5 years pursuant to the By-Laws
"ESIS Options Adjustments"	:	Adjustments to the exercise price and number of outstanding ESIS Options as a result of the Proposed Rights Issue with Warrants in accordance with the provisions of the By-Laws
"FYE"	:	Financial year ended/ending 30 June, where relevant
"Government"	:	The Government of Malaysia
"Indicative Placement Issue Price"	:	Indicative issue price of RM0.035 per Placement Share
"Indicative Rights Issue Price"	:	Indicative issue price of RM0.030 per Rights Share
"Indicative Warrant B Exercise Price"	:	Indicative exercise price of RM0.035 per Warrant B
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities, as may be amended from time to time
"LTD"	:	20 June 2022, being the last trading date immediately prior to the first announcement dated 21 June 2022 in relation to the Proposals
"LPD"	:	31 October 2022, being the latest practicable date prior to the date of this Circular

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**DEFINITIONS (Cont'd)**

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"Market Day"	: A day on which the stock market of Bursa Securities is open for trading of securities
"Maximum Scenario"	: The maximum number of 1,656,944,633 Rights Shares and 331,388,927 Warrants B to be issued under the Proposed Rights Issue with Warrants, assuming: <ul style="list-style-type: none"><li>(a) all the outstanding Convertible Securities as at LPD are exercised into new Bina Puri Shares prior to the Entitlement Date;</li><li>(b) all the Placement Shares are issued prior to the Entitlement Date; and</li><li>(c) all the Entitled Shareholders and/or their renounee(s) subscribe for their Rights Shares</li></ul>
"MCO"	: Movement control order (including all versions and phases) issued by the Government of Malaysia under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967
"Minimum Scenario"	: The minimum level of subscription which entails a minimum issuance to raise the minimum proceeds of RM5.00 million based on Indicative Rights Issue Price, pursuant to the Undertakings. Assuming: <ul style="list-style-type: none"><li>(a) none of the Convertible Securities are exercised into new Shares prior to the Entitlement Date;</li><li>(b) none of the Placement Shares are issued prior to the Entitlement Date; and</li><li>(c) a minimum issuance of 166,666,667 Rights Shares based on Indicative Rights Issue Price pursuant to the Undertakings</li></ul>
"M & A Securities"	: M & A Securities Sdn Bhd (Registration No. 197301001503 (15017-H))
"NA"	: Net assets
"Newfields"	: Newfields Advisory Sdn Bhd (Registration No. 199401010372 (296051-V))
"Official List"	: The list specifying all securities listed on the Main Market of Bursa Securities
"PAT/ (LAT)"	: Profit/ (Loss) after taxation
"PBT/ (LBT)"	: Profit/ (Loss) before taxation
"Placement Share(s)"	: Up to 479,293,900 new Bina Puri Shares pursuant to the Proposed Private Placement at an issue price to be determined later
"Proposals"	: Collectively, the Proposed Private Placement and Proposed Rights Issue with Warrants

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**DEFINITIONS (Cont'd)**

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"Proposed Private Placement"	: Proposed private placement of up to 479,293,900 new Bina Puri Shares, representing up to 30% of the existing number of issued Bina Puri Shares, to independent investor(s) to be identified at an issue price to be determined later
"Proposed Rights Issue with Warrants"	: Proposed renounceable rights issue of up to 1,656,944,633 Rights Shares together with up to 331,388,927 Warrants B on the basis of 2 Rights Shares for every 3 existing Bina Puri Shares held on the Entitlement Date together with 1 Warrant B for every 5 Rights Shares subscribed
"Record of Depositors"	: A record of securities holders established and maintained by Bursa Depository under the rules of Bursa Depository
"Rights Share(s)"	: Up to 1,656,944,633 new Bina Puri Shares to be issued pursuant to the Proposed Rights Issue with Warrants
"RM" and "sen"	: Ringgit Malaysia and sen, respectively
"Rules"	: The Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC
"Rp"	: Rupiah
"SC"	: Securities Commission Malaysia
"TERP"	: Theoretical ex-rights price
"Undertakings"	: The irrevocable written undertakings from the Undertaking Shareholders dated 15 August 2022 pursuant to which the Undertaking Shareholders have irrevocably and unconditionally undertaken, amongst others, to apply and subscribe for such subscription amount of at least RM5.00 million in aggregate under the Proposed Rights Issue with Warrants
"Undertaking Shareholders"	: The following undertaking shareholders who/which have provided his/its respective undertakings:  (i) Tan Sri Datuk Tee Hock Seng, JP; (ii) Datuk Matthew Tee Kai Woon; and (iii) Tee Hock Seng Holdings Sdn Bhd
"Warrants A"	: 382,029,550 outstanding warrants 2019/2022 issued by our Company on 23 December 2019 which are exercisable into 382,029,550 new Bina Puri Shares at an exercise price of RM0.10 each and are expiring on 22 December 2022
"Warrants A Adjustments"	: Adjustments to the exercise price and number of outstanding Warrants A as a result of the Proposed Rights Issue with Warrants in accordance with the provisions of the Deed Poll A
"Warrants B"	: Up to 331,388,927 free new detachable warrants to be issued pursuant to the Proposed Rights Issue with Warrants
"5D-VWAMP"	: 5-day volume weighted average market price

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**DEFINITIONS (Cont'd)**

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For the purpose of this Circular, all references to a time of day shall be a reference to Malaysian time unless otherwise stated. In this Circular, words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and vice versa. References to persons shall, where applicable, include corporations.

Certain figures included in this Circular have been subject to rounding adjustments. References to "we", "us", "our" and "ourselves" are to our Company save where the context otherwise requires, our subsidiaries and to "you" or "your" are to the shareholders of the Company.

Any reference in this Circular to the provisions of any statute, rules, regulation or rules of stock exchange shall (where the context admits) be construed as a reference to the provisions of such statute, rules, regulation or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments to the statute, rules, regulation or rules of stock exchange for the time being in force.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Company's plans and objectives will be achieved.

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**TABLE OF CONTENTS**

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**LETTER TO SHAREHOLDERS IN RELATION TO THE PROPOSALS CONTAININGS:**

<b>EXECUTIVE SUMMARY</b>	vii
<b>SECTION</b>	<b>PAGE</b>
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSALS	3
3. RATIONALE AND JUSTIFICATION FOR THE PROPOSALS	20
4. INDUSTRY OVERVIEW AND FUTURE PROSPECTS OF OUR GROUP	23
5. EFFECTS OF THE PROPOSALS	31
6. HISTORICAL SHARE PRICE PERFORMANCE	42
7. APPROVALS REQUIRED	42
8. INTERESTS OF OUR DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM	43
9. ESTIMATED TIMEFRAME FOR COMPLETION	43
10. OUTSTANDING CORPORATE EXERCISE ANNOUNCED BUT PENDING COMPLETION	44
11. ADVISERS	48
12. DIRECTORS' STATEMENT AND RECOMMENDATION	48
13. EGM	48
14. FURTHER INFORMATION	49
<b>APPENDICES</b>	
I ADDITIONAL INFORMATION	50
II FURTHER INFORMATION	55
<b>NOTICE OF EGM</b>	<b>ENCLOSED</b>
<b>FORM OF PROXY</b>	<b>ENCLOSED</b>

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## EXECUTIVE SUMMARY

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**THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSALS. OUR SHAREHOLDERS ARE ADVISED TO READ THE CIRCULAR AND ITS APPENDICES FOR FURTHER DETAILS AND NOT TO SOLELY RELY ON THIS EXECUTIVE SUMMARY IN FORMING A DECISION ON THE PROPOSALS BEFORE VOTING AT THE EGM**

Our Board is recommending our shareholders to vote **IN FAVOUR** of the resolutions in relation to the Proposals to be tabled at our forthcoming EGM to be convened.

<u>Key information</u>	<u>Description</u>	<u>Reference to Circular</u>
<b>Summary of the Proposals</b>	<p><b><u>Proposed Private Placement</u></b></p> <p>Proposed private placement of up to 479,293,900 Placement Shares, representing up to 30% of the existing number of issued Bina Puri Shares, to independent investor(s) to be identified.</p> <p>Based on the Indicative Placement Issue Price, the Proposed Private Placement will raise gross proceeds of up to RM16.78 million.</p> <p><b><u>Proposed Rights Issue with Warrants</u></b></p> <p>Basis of the Proposed Rights Issue with Warrants : 2 Rights Share for every 3 Bina Puri Shares held on the Entitlement Date, together with 1 Warrant B for every 5 Rights Share subscribed</p> <p>Number of issued Shares as at LPD : 1,597,646,237 Bina Puri Shares (nil treasury shares)</p> <p>Amount to be raised under the Proposed Rights Issue with Warrants : Based on the Indicative Rights Issue Price:</p> <ul style="list-style-type: none"><li>(i) RM5.00 million under the Minimum Scenario;</li><li>(ii) Up to RM31.95 million under the Base Case Scenario; and</li><li>(ii) Up to RM49.71 million under the Maximum Scenario</li></ul>	Section 2
	<p>The salient terms of the Warrants are set out in <b>Section 2.2.3.</b></p>	



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**EXECUTIVE SUMMARY (Cont'd)**

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<b>Key information</b>	<b>Description</b>	<b>Reference to Circular</b>
<b>Rationale for the Proposals</b>	<p>: Given our high gearing ratio, our Board is of the opinion that the Proposals remain the most appropriate method of raising funds, after taking into account the following:</p> <ul style="list-style-type: none"><li>(a) the Proposals will increase the number of Bina Puri Shares in circulation which may potentially enhance the liquidity and marketability of Bina Puri Shares on the Main Market of Bursa Securities;</li><li>(b) the Proposals will enable our Company to raise the requisite funds as stated in Section 2.5 without incurring additional bank borrowings or the issuance of debt instruments, thereby allowing our Company to reduce its gearing level and strengthen its financial position;</li><li>(c) the proceeds to be raised from the Proposals are intended to be utilised mainly for the funding of existing and future construction and property development projects and/or repayment of borrowings and outstanding trade payables. Based on the prospects and outlook of the property market and construction industry in Malaysia as set out in Sections 4.2 and 4.3, the utilisation of proceeds are expected to contribute positively to the future earnings of our Group;</li><li>(d) the Proposals will increase the capital base of our Company which is expected to strengthen our financial position;</li><li>(e) the Warrants B are expected to enhance the attractiveness of the Rights Shares. It provides the shareholders with the option to further participate in the equity of our Company at a pre-determined price and enable them to benefit from the future growth of our Company and any potential capital appreciation arising thereof;</li><li>(f) the Warrants B will also provide our Company with additional capital when they are exercised. The exercise of the Warrants B will allow our Company to raise fresh proceeds without incurring additional financing cost and minimise any potential cash outflow in respect of interest servicing; and</li></ul>	Section 3
<b>Approvals required</b>	<p>: The Proposals are subject to the following approvals being obtained:</p> <ul style="list-style-type: none"><li>(a) our shareholders at the forthcoming EGM to be convened; and</li><li>(b) any other relevant authorities and/ or parties, if required.</li></ul>	Section 7

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**EXECUTIVE SUMMARY (Cont'd)**

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<b>Key information</b>	<b>Description</b>	<b>Reference to Circular</b>
<b>Conditionality of the Proposals</b>	<p>The Proposed Private Placement and Proposed Rights Issue with Warrants are not inter-conditional with each other.</p> <p>The Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by our Company.</p>	Section 7

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**BINA PURI HOLDINGS BHD**  
(Registration No.: 199001015515 (207184-X))  
(Incorporated in Malaysia)

**Registered Office:**

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

17 November 2022

**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**

Dear Sir/ Madam,

- (I) PROPOSED PRIVATE PLACEMENT**
- (II) PROPOSED RIGHTS ISSUE WITH WARRANTS**

**(COLLECTIVELY REFERRED TO AS ("PROPOSALS"))**

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**1. INTRODUCTION**

On 21 June 2022, M & A Securities had, on behalf of our Board, announced that our Company proposes to undertake the Proposals.

On 19 August 2022, M & A Securities had, on behalf of our Board, announced that our Company proposes to vary the conditionality of the Proposals such that the Proposed Private Placement and Proposed Rights Issue with Warrants are not inter-conditional with each other.

On 1 November 2022, M & A Securities had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 1 November 2022 approved-in-principle the following:

- (a) listing of and quotation for the Placement Shares;
- (b) listing of and quotation for the Rights Shares, Warrants B and Additional Warrants A;
- (c) admission of the Warrants B on the Official List; and

- (d) listing of and quotation for the new Bina Puri Shares to be issued pursuant to the exercise of the Warrants B and Additional Warrants A,  
on the Main Market of Bursa Securities.

Bursa Securities' approval-in-principle is subject to the following conditions:

<b>Conditions</b>	<b>Status of Compliance</b>
(a) Bina Puri and M & A Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals;	To be complied
(b) M & A Securities to inform Bursa Securities upon the completion of the Proposals;	To be complied
(c) Bina Puri and M & A Securities must observe and ensure full compliance with Paragraph 6.50 of the Listing Requirements at all times;	To be complied
(d) M & A Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed;	To be complied
(e) Bina Puri to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants B as at the end of each quarter together with a detailed computation of listing fees payable; and	To be complied
(f) The Additional Warrants A must be issued and quoted simultaneously with the Warrants B and the Right Shares.	To be complied

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH DETAILS ON THE PROPOSALS, TO SET OUT OUR BOARD'S OPINION AND RECOMMENDATION ON PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED WITH THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN CAREFULLY BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM.**

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## **2. DETAILS OF THE PROPOSALS**

As at LPD, our Company has:

- (a) an issued share capital of RM246,521,562.49 comprising 1,597,646,237 Bina Puri Shares (nil treasury shares);
- (b) 382,029,550 outstanding Warrants A which are exercisable into 382,029,550 new Shares at an exercise price of RM0.10 each and are expiring on 22 December 2022 (for information, the Warrants A are currently out-of-the-money based on the 5D-VWAMP of Bina Puri Shares up to and including LPD of RM0.0335)<sup>(1)</sup>;
- (c) 26,447,263 outstanding ESIS Options with an exercise price of RM0.076 (for information, the ESIS Options are currently out-of-the-money based on the 5D-VWAMP of Bina Puri Shares up to and including LPD of RM0.0335)<sup>(2)</sup>; and
- (d) up to 140,184,436 ESIS Options which may be granted pursuant to the maximum allowable amount under the By-Laws based on our total number of issued Shares as at LPD.<sup>(3)</sup>

### **Notes:**

- (1) Since the issuance of Warrants A in December 2019, 10,000 Warrants A have been exercised into Bina Puri Shares.
- (2) Since the issuance of the ESIS Options in March 2019, 73,015,237 ESIS Options have been exercised into Bina Puri Shares.
- (3) For the purpose of the Proposals, our Company undertakes not to grant any additional ESIS Options from LTD up to the completion of the Proposals.

## **2.1 PROPOSED PRIVATE PLACEMENT**

### **2.1.1 Placement size**

The Proposed Private Placement will entail the issuance of up to 479,293,900 Placement Shares, representing up to 30% of our existing issued share capital of Bina Puri as at LPD. For the avoidance of doubt, any increase in the number of Bina Puri Shares arising from the exercise of the Convertible Securities will not affect the maximum number of Placement Shares to be issued under the Proposed Private Placement.

It is the intention of our Company to implement the Proposed Private Placement before the implementation of the Proposed Rights Issue with Warrants, however it is not an express condition set by our Company. In the event our Company and the Placement Agent are not able to secure investors for the Proposed Private Placement, our Company may proceed to implement the Proposed Rights Issue with Warrants. As such, the Proposed Private Placement and Proposed Rights Issue with Warrants are not inter-conditional with each other.

### **2.1.2 Basis of arriving at the issue price of the Placement Shares**

The issue price of the Placement Shares shall be fixed based on a discount of not more than 20% to the 5D-VWAMP up to and including the last trading day immediately preceding the price-fixing date, to be determined by our Board at a later date after receipt of all relevant approvals for the Proposed Private Placement. The maximum discount has been set at 20% to provide our Company with more flexibility when fixing the issue price of the Placement Shares as well as such discount deemed to be sufficient to entice the investor(s) to subscribe for the Placement Shares. This was determined by our Board after taking into consideration, the current market sentiment and our lackluster results, given that our Company was loss making over FYE 2020, 2021 and 2022 and incurred LBT of RM27.10 million, RM62.43 million and RM71.93 million respectively.

As the Proposed Private Placement may be implemented in several tranches, there could potentially be several price fixing dates and issue prices.

For illustrative purposes, the Indicative Placement Issue Price represents a premium of approximately 4.5% to the 5D-VWAMP of Bina Puri Shares up to and including LPD of RM0.0335 per Share. Based on the Indicative Placement Issue Price, the Proposed Private Placement will raise gross proceeds of approximately RM16.78 million.

### **2.1.3 Placement arrangement**

The Placement Shares will be placed to independent investor(s) to be identified.

In accordance with Paragraph 6.04(c) of the Listing Requirements, the Placement Shares will not be placed to the following parties:

- (a) our interested director, interested major shareholder, interested chief executive, or interested persons connected with such director, major shareholder or chief executive; and
- (b) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

Additionally, placees shall be person(s) or party(ies) who/which qualify under Schedules 6 and 7 of the Capital Markets and Services Act 2007.

The Proposed Private Placement may be implemented in one or more tranches (as the placees may be identified and procured over a period of time rather than simultaneously) within a period of 6 months from the date of approval from Bursa Securities for the listing and quotation of the Placement Shares or any extended period as may be approved by Bursa Securities, subject to the prevailing market conditions.

## **2.2 PROPOSED RIGHTS ISSUE WITH WARRANTS**

The Proposed Rights Issue with Warrants entails the issuance of up to 1,656,944,633 Rights Shares together with up to 331,388,927 Warrants B to be implemented on a renounceable basis of 2 Rights Shares for every 3 existing Bina Puri Shares together with 1 Warrant B for every 5 Rights Shares subscribed, at an issue price to be determined and announced by our Board at a later date. The Rights Shares will be offered to our Entitled Shareholders. The Entitlement Date will be determined by our Board after obtaining the approvals for the Proposed Rights Issue with Warrants from all relevant authorities and the shareholders of our Company.

The actual number of Rights Shares and Warrants B to be issued will depend on the total number of issued Shares held by our Entitled Shareholders on the Entitlement Date after taking into consideration any new Shares that may be issued from the Proposed Private Placement, the exercise of any outstanding Convertible Securities as well as the eventual subscription level for the Proposed Rights Issue with Warrants.

Under the Maximum Scenario, the maximum number of Rights Shares and Warrants B to be issued under the Proposed Rights Issue with Warrants is derived based on the enlarged number of issued Bina Puri Shares of 2,485,416,950, assuming:

- (a) all Convertible Securities are exercised into 408,476,813 new Shares; and
- (b) the issuance of 479,293,900 Placement Shares.

The table below illustrates the number of Rights Shares which will be made available for subscription and number of Warrants B which will be issued pursuant to the Proposed Rights Issue with Warrants based on the different scenarios:

<b>Scenario</b>	<b>No. of Rights Shares</b>	<b>No. of Warrants B</b>
Minimum Scenario	166,666,667	33,333,333
Base Case Scenario	1,065,097,491	213,019,498
Maximum Scenario	1,656,944,633	331,388,927

Based on the details of the Minimum Scenario pursuant to the Undertakings as set out in Section 2.2.4, 166,666,667 Rights Shares and 33,333,333 Warrants B will be issued pursuant to the Proposed Rights Issue with Warrants. The actual number of Rights Shares and Warrants B offered under the Proposed Rights Issue with Warrants will be determined on the Entitlement Date.

The indicative salient terms of the Warrants B are set out in Section 2.2.3 below.

## **2.2.1 Basis of determining the issue price of the Rights Shares and exercise price of the Warrants B**

### **(a) Rights Shares**

The issue price of the Rights Shares under the Proposed Rights Issue with Warrants will be determined by our Board at a later date after taking into consideration, amongst others, the following:

- (i) the historical share price of Bina Puri;
- (ii) the TERP of Bina Puri Shares based on the 5D-VWAMP of Bina Puri Shares up to and including the last trading day prior to the price-fixing date; and
- (iii) the funding requirements of our Group as set out in Section 2.5 below.

In any event, the discount of the issue price of the Rights Shares shall not be more than 30% of the TERP. For illustrative purposes, the Indicative Rights Issue Price would represent a discount of approximately 6.5% to the TERP of Bina Puri Shares of approximately RM0.0321 per Share calculated based on the 5D-VWAMP of Bina Puri Shares up to and including LPD of RM0.0335 per share.

The maximum discount has been fixed at 30% of the TERP to provide our Company with more flexibility when fixing the issue price of the Rights Shares to increase their attractiveness for more shareholders to subscribe for their respective entitlements under the Proposed Rights Issue with Warrants in order to raise the required funds for our Company, as well as to take into account the issue price of the Placement Shares.

This was determined by our Board after taking into consideration, the current market sentiment and our lackluster results, given that our company was loss making over FYE 2020, 2021 and 2022 and incurred LBT of RM27.10 million, RM62.43 million and RM71.93 million respectively. A higher discount was accorded on the Rights Shares as compared to a maximum discount of 20% on the Placement Shares to reward our existing shareholders for their continuous support to our Company.

**(b) Warrants B**

The exercise price of the Warrants B under the Proposed Rights Issue with Warrants will be determined by our Board at a later date, after taking into consideration, amongst others, the TERP of Bina Puri Shares based on the 5D-VWAMP of Bina Puri Shares up to and including the last trading day prior to the price-fixing date.

The Warrants B are attached to the Rights Shares without any cost and will be issued in proportion to the Rights Shares subscribed by our Entitled Shareholders. In any event, the exercise price of the Warrants B shall be fixed at a premium of not more than 20% of the TERP immediately preceding the price-fixing date. This was determined by our Board after taking into consideration, amongst others, that the Warrants B are issued without any cost and have a term of 5 years, during such time our Board is confident of our Group's turnaround and position prospects in a post COVID-19 pandemic environment.

For illustrative purposes, the Indicative Warrant B Exercise Price represents a premium of approximately 9.0% to the TERP of Bina Puri Shares of approximately RM0.0321, calculated based on the 5D-VWAMP of Bina Puri Shares up to and including LPD of RM0.0335 per share as well as assuming the Indicative Rights Issue Price of RM0.030 per Rights Share.

**2.2.2 Entitlements to the Rights Shares**

The Rights Shares will be provisionally allotted to our Entitled Shareholders. Fractional entitlements pursuant to the Proposed Rights Issue with Warrants if any, will be dealt with in such manner as our Board in its absolute discretion deems fit and in the best interest of our Company.

For the avoidance of doubt, the Warrants B are attached to the Rights Shares without any cost to our Entitled Shareholders and renounee(s). The Proposed Rights Issue with Warrants is renouneable in full or in part. The Warrants B will be immediately detached from the Rights Shares upon issuance and will be separately traded. Accordingly, our Entitled Shareholders can subscribe for and/or renoune their entitlements to the Rights Shares in full or in part. The renoune of the Rights Shares by our Entitled Shareholders will accordingly entail the renoune of the Warrants B to be issued together with the Rights Shares. If our Entitled Shareholders decide to accept only part of their Rights Shares entitlements, they shall be entitled to the number of Warrants B in proportion to the Rights Shares they have accepted.

The Rights Shares which are not taken up or validly taken up shall be made available for excess applications by our Entitled Shareholders and/or their renounee(s). It is the intention of our Board to allocate the excess Rights Shares in a fair and equitable manner on a basis to be determined by our Board and announced later by our Company.

Any fractional entitlement under the Proposed Rights Issue with Warrants will be dealt with in such manner as our Board shall in its absolute discretion deems fit or expedient in order to minimise the incidence of odd lots and in the best interest of our Company.



### 2.2.3 Indicative salient terms of the Warrants B

The indicative salient terms of the Warrants B are set out below:

- Issuer : Bina Puri.
- Issue size : Up to 331,388,927 Warrants B.
- Form and denomination : The Warrants B will be issued in registered form and constituted by Deed Poll B.
- Tenure : 5 years commencing from and inclusive of the date of issuance of the Warrants B.
- Exercise period : The Warrants B may be exercised at any time within the Tenure not later than 5.00 p.m. on the last day of the exercise period. Warrants B not exercised during the exercise period will thereafter lapse and cease to be valid.
- Exercise price : The exercise price of the Warrants B shall be determined by the Board at a later date after obtaining the relevant approvals but prior to the Entitlement Date.
- The exercise price and/or the number of Warrants B in issue during the exercise period shall however be subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll B.
- Exercise rights : Each Warrant B carries the entitlement, at any time during the exercise period, to subscribe for 1 Bina Puri Share at the exercise price of the Warrants B, subject to adjustment in accordance with the provisions of the Deed Poll B.
- Expiry date : The last day of a period of 5 years commencing from and including the date of issue of the Warrants B (but if that day is not a Market Day, it shall be the immediately preceding Market Day).
- Mode of exercise : The holders of Warrants B must complete and sign the exercise form (which shall be irrevocable) and deliver the duly completed exercise form to the Company or the Company's share registrar together with a remittance of the exercise money by way of cashier's order or banker's draft or money order or postal order in Ringgit Malaysia drawn on a bank or post office operating in Malaysia in accordance with the provisions of the Deed Poll B.
- Participating rights of the holders of Warrant B : The holders of Warrants B are not entitled to vote in any general meeting of Bina Puri and/ or to participate in any distribution other than on winding-up, compromise or arrangement of Bina Puri and/ or offer of further securities in Bina Puri unless and until the holders of Warrants B become a shareholder of Bina Puri by exercising his/ her Warrants B into new Shares or unless otherwise resolved by Bina Puri in a general meeting.

Adjustments in the exercise price and/or number of Warrants B : The exercise price and/ or the number of Warrants B held by each holder of Warrant B shall from time to time be adjusted in accordance with the provisions of the Deed Poll B by the Directors in consultation with an approved adviser appointed by the Company and certified by the auditors in accordance with the provisions of the Deed Poll B.

In this respect, the exercise price and/or number of Warrants B shall only be adjusted following capitalisation issues, rights issues, bonus issues, consolidation or subdivision of shares or capital reduction exercise as permitted under the Listing Requirements.

Transferability : The transfer of Warrants B shall be subject to and be carried out in accordance with the provisions of the Deed Poll B, the provisions of the Securities Industry (Central Depositories) Act 1991 ("**Depositories Act**") and the Rules of Bursa Malaysia Depository Sdn Bhd as issued pursuant to the Depositories Act ("**Rules of Bursa Depository**"). Subject to the provisions of the Depositories Act and the Rules of Bursa Depository, no person shall be recognised by the Company as having title to the Warrants B entitling the holder to subscribe for a fractional part of a new Share. This is in relation to the rights conferred to the holders of Warrant B. In the event the holder exercises its rights to subscribe for new Shares of the Company, such entitlement shall only be in respect of the whole and not part of the new Shares of the Company.

Due to the various adjustment formulas provided in the Deed Poll B there may be fractions in the entitlement of the holder of Warrant B and the Company will not deal with such fractions. Each Warrant B or new Share shall be recognised by the Company as 1 full Warrant B or Share and not fractions.

Board lot : For the purposes of trading on the Bursa Securities, board lot for the Warrants B shall be 100 Warrants B, each carrying the right to subscribe for 100 new Shares at any time during the exercise period or in such other denominations permitted by Bursa Securities from time to time.

Rights on winding up, liquidation, compromise and/or arrangement : The rights of the holders of Warrants B on the winding-up, compromise or arrangement of the Company is as set out in the Deed Poll B.

Modification of rights of the holders of Warrant B : Save as otherwise provided in the Deed Poll B, a special resolution of the Warrant B holders is required to sanction any modification, alteration or abrogation in respect of the rights of the Warrant B holders.

Listing status : The Warrants B will be listed and quoted on the Main Market of Bursa Securities.

Governing law : The Warrants B and the Deed Poll B shall be governed by the applicable laws and regulations of Malaysia.

## 2.2.4 Minimum Scenario and Undertakings

Our Company intends to raise a minimum of RM5.00 million from the Proposed Rights Issue with Warrants to meet the funding requirements of our Group, which will be channelled towards the proposed utilisation as set out in Section 2.5.

As such, our Board has determined to undertake the Proposed Rights Issue with Warrants based on a minimum subscription level to raise the minimum proceeds of RM5.00 million. Based on the Indicative Rights Issue Price, the Minimum Scenario shall entail the issuance of 166,666,667 Rights Shares (which amounts to RM5.00 million) together with 33,333,333 Warrants B.

To meet the Minimum Scenario, our Company has procured the Undertakings from our Undertaking Shareholders, to apply and subscribe in full for their respective entitlements under the Proposed Rights Issue with Warrants and additional Rights Shares not taken up by other Entitled Shareholders, up to RM5.00 million. Details of the Undertakings under the Minimum Scenario are as follows:

### Minimum Scenario

	Existing direct shareholdings as at LPD		Total proposed Rights Shares with Warrants B to be subscribed pursuant to the Undertakings				Assuming none of the other Entitled Shareholders and/or their renouncee(s) subscribe for their Rights Shares			
	No. of Shares	(1)%	No. of Rights Shares	(2)%	No. of Warrants B	(3)%	No. of Shares held after the Proposed Rights Issue with Warrants	(4)%	No. of Shares held after full exercise of Warrants B	(5)%
Tan Sri Datuk Tee Hock Seng, JP	129,131,504	8.1	100,405,182	60.2	20,081,036	60.2	229,536,686	13.0	249,617,722	13.9
Datuk Matthew Tee Kai Woon	84,419,159	5.3	65,639,451	39.4	13,127,890	39.4	150,058,610	8.5	163,186,500	9.1
Tee Hock Seng Holdings Sdn Bhd <sup>(6)</sup>	800,000	0.1	622,034	0.4	124,407	0.4	1,422,034	0.1	1,546,441	0.1

### Notes:

- (1) Based on the issued share capital of 1,597,646,237 Shares as at LPD.
- (2) Based on the total number of 166,666,667 Rights Shares to be subscribed by the Undertaking Shareholders pursuant to their Undertakings under the Minimum Scenario.
- (3) Based on the total number of 33,333,333 free Warrants B attached to the Rights Shares to be subscribed by the Undertaking Shareholders.

- (4) Based on the enlarged share capital of 1,764,312,904 Shares under the Minimum Scenario.
- (5) Based on the enlarged share capital of 1,797,646,237 Shares under the Minimum Scenario and assuming full exercise of the Warrants B.
- (6) As at LPD, the shareholders of Tee Hock Seng Holdings Sdn Bhd are as follows:

<b>Name</b>	<b>No. of shares</b>	<b>%</b>
Puan Sri Datin Kong Wan Peng	300,000	30.0
Datuk Matthew Tee Kai Woon	350,000	35.0
James Tee Kai Wah	350,000	35.0
	<b>1,000,000</b>	<b>100.0</b>

The Undertaking Shareholders have confirmed:

- (a) that the Undertakings will not give rise to any mandatory take-over offer obligation pursuant to the Code and the Rules immediately after the completion of the Proposed Rights Issue with Warrants;
- (b) that it will at all times observe and ensure compliance with the provisions of the Code and the Rules and will seek from the SC the necessary exemptions from undertaking such mandatory take-over offer, if required; and
- (c) that it has sufficient financial resources to fulfil their respective Undertaking. The said confirmation has been verified by M & A Securities, being the Principal Adviser for the Proposed Rights Issue with Warrants.

There is no other pertinent condition in the Undertakings.

For illustrative purposes, assuming none of our other Entitled Shareholders subscribe for their entitlements to the Rights Shares, the Undertaking Shareholders will be subscribing for a total of 166,666,667 Rights Shares based on the Indicative Rights Issue Price.

However, should the actual issue price be higher or lower than RM0.030 per Rights Share, the total number of Rights Shares and excess Rights Shares to be subscribed by the Undertaking Shareholders (which is computed based on RM5.00 million divided by the actual issue price of the Rights Shares) will be adjusted correspondingly to arrive at RM5.00 million.

The underwriting arrangement(s), if any, are intended to be finalised prior to the despatch of the abridged prospectus for the Proposed Rights Issues with Warrants. For information purposes, the decision on whether underwriting arrangement(s) will be procured for the remaining portion of the Proposed Rights Issue with Warrants ("**Open Portion**") is dependent on, amongst others, the terms of the underwriting arrangement(s), then prevailing market condition and interest of the underwriter.

Our Company will ensure that the Undertakings and/or underwriting arrangements will not result in the following:

- (a) any breach in the public shareholding spread requirement by our Company under Paragraph 8.02(1) of the Listing Requirements, which stipulates that a listed corporation must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders; and
- (b) any consequences of mandatory general offer obligations pursuant to the Code and the Rules immediately after completion of the Proposed Rights Issue with Warrants.

### **2.3 Ranking of the Placement Shares, Rights Shares and new Bina Puri Shares to be issued arising from the exercise of Warrants B**

The Placement Shares, Rights Shares and new Bina Puri Shares from the exercise of Warrants B shall, upon allotment, issuance and payment of the issue price, rank equally in all respects with the then existing issued and fully paid-up Shares, save and except that these shares shall not be entitled to any dividend, rights, allotments and or other distributions, the entitlement date of which is prior to the date of allotment of these shares.

### **2.4 Listing of and quotation for the securities**

Approval-in-principle has been obtained from Bursa Securities, vide its letter dated 1 November 2022, for the listing of and quotation for the following on the Main Market of Bursa Securities:

- (i) Placement Shares;
- (ii) Rights Shares;
- (iii) Warrants B and Additional Warrants A; and
- (iv) new Bina Puri Shares to be issued from the exercise of the Warrants B and Additional Warrants A.

### **2.5 Utilisation of proceeds from the Proposals**

For illustrative purposes, the total proceeds to be raised from the Proposals are set out below:

	<b>Minimum Scenario (RM'000)</b>	<b>Base Case Scenario (RM'000)</b>	<b>Maximum Scenario (RM'000)</b>
Proposed Private Placement	-	-	16,775
Proposed Rights Issue with Warrants	5,000	31,953	49,709
	<b>5,000</b>	<b>31,953</b>	<b>66,484</b>

The proceeds raised are expected to be utilised in the following manner:

	<b>Minimum Scenario RM'000</b>	<b>Base Case Scenario RM'000</b>	<b>Maximum Scenario RM'000</b>	<b>Note</b>	<b>Expected time frame for utilisation of proceeds (from listing date)</b>
Property development projects	1,100	7,500	15,000	(1)	Within 24 months
Construction projects	1,100	7,500	15,000	(2)	Within 24 months
Repayment of bank borrowings	1,620	15,000	30,000	(3)	Within 12 months
Repayment of outstanding trade payables	-	663	4,484	(4)	Within 12 months
Estimated expenses for the Proposals	1,180	1,290	2,000	(5)	Within 1 month
<b>Total estimated proceeds</b>	<b>5,000</b>	<b>31,953</b>	<b>66,484</b>		

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**Notes:****(1) Property development projects**

Our Group intends to utilise proceeds of up to RM15.00 million to fund its existing property development projects as well as any other new property development projects to be undertaken by our Group in the future.

Several of our Group's existing property development projects are as follows (in order of priority for utilisation of proceeds):

No.	Project name/ Location	Description	Estimated completion date	Estimated gross development value	Percentage completed as at LPD	Estimated balance gross development cost to be incurred	Total units sold as at LPD	Total value sold as at LPD	Take-up rate secured as at LPD
				(RM' million)	(%)	(RM' million)	(No.)	(RM' million)	(%)
(a)	Petrie Villa/ Johor Bahru, Johor	23 units of 4-storey pool villas and 1 unit of clubhouse	December 2022	81.00	80.4	3.70	-	-	-
(b)	Lakehill/ Masai, Johor	384 units of double storey homes	December 2022	217.00	90.4	2.80	376	214.43	97.9
(c)	1 Puri Commercial Centre/ Kuching, Sarawak	28 units of 4 & 5 storey shoplots	March 2023	60.00	77.0	5.00	-	-	-
(d)	One Jesselton Condominium/ Kota Kinabalu, Sabah	125 units of 11-storey condominium	December 2023	119.40	90.0	13.00	124	118.01	99.2

No.	Project name/ Location	Description	Estimated completion date	Estimated gross development value	Percentage completed as at LPD	Estimated balance gross development cost to be incurred	Total units sold as at LPD	Total value sold as at LPD	Take-up rate secured as at LPD
				(RM' million)	(%)	(RM' million)	(No.)	(RM'million)	(%)
(e)	Main Place/ Kota Kinabalu, Sabah	306 units of 30-storey service suites with 2-storey commercial retails and 6-storey carparks	December 2025	296.00	(1)-	239.00	-	-	-
(f)	Waterfront Kuantan Phase 2/ Pahang	456 units of serviced apartments and 17 units of retail shops	December 2025	196.00	(1)-	154.00	-	-	-
				<b>969.40</b>		<b>417.50</b>	<b>500</b>	<b>332.44</b>	

**Note:**

(1) As at LPD, these projects have yet to commence.

As at LPD, our inventory balance consists of the following completed units from other residential/commercial property development projects of our Company:

Project name/ Location	Description	Completed unsold development	
		Units No.	%
<b>Residential</b>			
Jesselton View Condominium/ Kota Kinabalu, Sabah	80 units of 11-storey apartment	3	3.8



<u>Project name/ Location</u>	<u>Description</u>	<u>Completed unsold development</u>	
		<u>Units No.</u>	<u>%</u>
<b>Commercial</b>			
Imperium Residence /Kuantan, Pahang	714 units of 23-storey serviced apartments on top of a 6-storey podium block with 5 units of commercial lots	13	1.8
		<b>16</b>	

The proceeds shall be utilised as payment to main contractor(s) and/or subcontractor(s) for subcontracted construction works undertaken for the property development projects mentioned above which includes other construction related costs and professional fees. The proceeds will be prioritised for our existing property developments projects first. In the event our property development projects are able to generate surplus cash flows from internally generated funds (i.e. from sale of property development units after deducting property development costs), any unutilised proceeds will be channeled towards new property development projects to be undertaken by our Group in the future.

(2) **Construction projects**

Our Group intends to utilise proceeds up to RM15.00 million to fund its existing construction projects as well as any other new construction projects to be undertaken in the future.

Several of our Group's existing construction projects are as follows (in order of priority for utilisation of proceeds):

<u>Project name/ Location</u>	<u>Developer/ main contractor</u>	<u>Description</u>	<u>Estimated completion date</u>	<u>Contract value (RM' million)</u>	<u>Total contract cost incurred as at LPD (RM' million)</u>	<u>Total payment received as at LPD (RM' million)</u>	<u>Total value completed as at LPD (RM' million)</u>	<u>Estimated value of unbilled order book (RM' million)</u>
Upgrading works for Pan Borneo Highway/ Sarawak	Lebuhraya Borneo Utara Sdn Bhd/ PPESW BPSB JV Sdn Bhd	Road upgrading works for Bukit Sebangkoi section (37.3 km) and Sarikei section (27.5 km)	December 2022 <sup>(1)</sup>	601.77	391.99	412.81	422.06	179.71

<b>Project name/ Location</b>	<b>Developer/ main contractor</b>	<b>Description</b>	<b>Estimated completion date</b>	<b>Contract value (RM' million)</b>	<b>Total contract cost incurred as at LPD (RM' million)</b>	<b>Total payment received as at LPD (RM' million)</b>	<b>Total value completed as at LPD (RM' million)</b>	<b>Estimated value of unbilled order book (RM' million)</b>
Hotel Kerajaan Negeri Terengganu/ Tasik Kenyir, Terengganu	Pengarah Kerja Raya Negeri Terengganu	150 hotel room with banquet hall, restaurants and swimming pool	March 2023 <sup>(2)</sup>	94.34	84.60	80.77	85.99	8.35
				<b>696.11</b>	<b>476.59</b>	<b>493.58</b>	<b>508.05</b>	<b>188.06</b>

**Notes:**

- (1) The original completion date for this project was August 2020. The delay in the project was mainly due to a revision in the pavement structure of the highway, a revision in the payment structure to contractors by the developer, force majeure events such as bad weather, as well as the MCO periods imposed by the Government as a result of the COVID-19 pandemic. Our Group has secured multiple extension of time from the developer and is currently on track with the latest revised completion date in December 2022.
- (2) The original completion date for this project was June 2018. The delay in the project was mainly due to delay in obtaining the required authorities' approvals, disruption in progress arising from issues on bridge access to the project site, as well as the MCO periods imposed by the Government as a result of the COVID-19 pandemic. Our Group has secured multiple extension of time from the developer and is currently on track with the latest revised completion date in March 2023.

The proceeds shall be utilised as payments to subcontractors, material costs, earthworks, piling works and site clearing undertaken for the construction projects mentioned above which includes other construction related costs and professional fees. The proceeds will be prioritised for our existing construction projects first. In the event our construction projects are able to generate surplus cash flows from internally generated funds (i.e. from receipts of progress billings after deducting construction costs), any unutilised proceeds will be channeled towards new construction projects to be undertaken by our Group in the future.

The allocation of funding for the above-mentioned property development and construction projects in Notes (1) and (2) will be determined over the progress of the projects based on their status and the estimated costs required then. In the event of, amongst others, any termination or delays in the above-mentioned projects, the surplus will be adjusted and re-allocated to other existing property development and construction projects and/or future projects of our Group, depending on their respective funding requirement.

Our Group intends to fund the remaining shortfall in the property development expenditure or construction sum via progressive sales billings to be received and/or bank borrowings. However, the actual funding breakdown cannot be determined at this juncture as it will depend on, amongst others, the actual proceeds raised from the Proposals as well as the availability and suitability of other funding options at the relevant time.

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(3) **Repayment of bank borrowings**

Our Group intends to utilise proceeds up to RM30.00 million to partially repay its bank borrowings. As at LPD, the total outstanding principal amount of our Group's borrowings stood at approximately RM413.29 million, comprising the following:

<b>Type of borrowings</b>	<b>Interest rate per annum (%)</b>	<b>Balance as at LPD RM'000</b>
Term loans	3.5 – 9.2	248,510
Bank overdrafts	6.3 – 9.2	19,833
Revolving credits	6.3 – 7.3	97,830
Trade finance facilities	7.3 – 7.7	47,115
		<b>413,288</b>

As at LPD, RM118.50 million is repayable within 12 months and RM294.79 million is repayable after 12 months.

As at LPD, our Group has yet to determine the type of borrowings which it will repay and the quantum of such repayment as this will depend on the level of proceeds raised by our Group pursuant to the Proposals. Nonetheless, our Board shall prioritise repayment of bank borrowings with impending maturity followed by the potential interest savings in determining the type of borrowings to be repaid and the quantum of repayment. For illustration purposes, the priority of repayment of borrowings will be as follows:

- (i) firstly, towards the repayment of term loans;
- (ii) secondly, towards the repayment of trade finance facilities;
- (iii) thirdly, towards the repayment of revolving credits; and
- (iv) lastly, towards the repayment of bank overdrafts.

Based on an average effective interest rate of 6.3% to 8.4% per annum, the repayment of the bank borrowings amounting to RM30.00 million is expected to result in an annual interest savings of approximately RM2.04 million.

After the proposed repayment, our Group's total borrowings will reduce to RM383.29 million. The proposed repayment of bank borrowings coupled with the increase in total equity from the issuance of new Shares under the Proposals will reduce our Group's gearing ratio. Please refer to Section 5.2 for the effect of the Proposals on our gearing ratio. In the event only the Minimum Scenario is realised, any shortfall in the amount required to settle our short-term borrowings will be funded via internally generated funds (i.e. surplus funds generated from our property development and construction projects). We will continue our current conservative and cautious business management and operation strategy in order to preserve our cash flows to fund our operations and financing obligations.

(4) **Repayment of outstanding trade payables**

Our Group intends to utilise up to RM4.48 million for repayment of outstanding trade payables. As at 30 June 2022, the total outstanding trade payables (including retention sum) of our Group amounts to RM230.99 million, of which RM203.25 million has exceeded its credit terms while the remaining RM27.74 million are still within its credit terms. The ageing analysis of our outstanding trade payables as at 30 June 2022 is as follows:

	<b>Outstanding trade payables as at 30 June 2022<sup>(1)</sup> (RM' million)</b>
Within 1 year	24.41
1 to 2 years	49.96
2 to 5 years	118.42
More than 5 years	38.20
<b>Total</b>	<b>230.99</b>

**Note:**

(1) Including retention sum as at 30 June 2022.

Our Group has yet to determine the trade payable balances which it will repay and the quantum of such repayment as this will depend on the level of proceeds raised by Our Group pursuant to the Proposals.

(5) **Estimated expenses for the Proposals**

The breakdown of the estimated expenses for the Proposals are as follows:

<b>Description</b>	<b>Minimum Scenario RM'000</b>	<b>Base Case Scenario RM'000</b>	<b>Maximum Scenario RM'000</b>
Professional fees <sup>(i)</sup>	800	900	1,600
Fees to relevant authorities	100	110	120
Miscellaneous charges (Printing, meeting expenses and advertising)	280	280	280
	<b>1,180</b>	<b>1,290</b>	<b>2,000</b>

**Note:**

(i) Comprises the professional fees of the Principal Adviser and Placement Agent, Financial Adviser, Solicitors, Reporting Accountants, Share Registrar and Company Secretary.

In the event the actual expenses are less than the allocated amount, the excess allocated amount shall be utilised as working capital for our Group.

The proceeds to be raised from the Proposals will be utilised firstly to meet the allocations under the Minimum Scenario, and thereafter in the following priority:

- (a) firstly, under the Base Case Scenario; and
- (b) lastly, under the Maximum Scenario.

Any further funding required beyond the amount of proceeds raised from the Proposals is expected to be sourced from internally generated funds and/or bank borrowings.

Pending utilisation of the proceeds from the Proposals for the above purposes, the proceeds will be placed in deposits with licensed financial institutions or short-term money market instruments. The interests derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional general working capital for our Group.

## 2.6 Proceeds from the exercise of Warrants B

Based on the Indicative Warrant B Exercise Price each, the exercise of the Warrants B will raise up to RM1.17 million (under the Minimum Scenario), RM7.46 million (under the Base Case Scenario) and RM11.60 million (under the Maximum Scenario).

Any proceeds arising from the exercise of the Warrants B in the future shall be utilised for the working capital of our Group which includes but is not limited to salaries, rental, materials, transportation and other related expenses for its ordinary course of business, the breakdown of which has yet to be determined. The exact details of the utilisation of such proceeds, including the breakdown of the utilisation have not been determined. Pending utilisation of such proceeds, the proceeds will be placed in deposits with licensed financial institutions or short-term money market instruments. The interests derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional general working capital for our Company.

## 3. RATIONALE AND JUSTIFICATION FOR THE PROPOSALS

Our Board had considered other methods of fundraising available such as obtaining additional borrowings. However, our Group's current capital structure is highly geared with a gearing ratio as at 30 June 2022 of 1.54 times which restricts us from obtaining additional borrowings. The COVID-19 pandemic and resultant MCO periods imposed by the Government since 2020 had resulted in disruption in the overall operating environment of our Group's operations. As a result, the progress of our construction projects were delayed which resulted in a decline in revenue recognition, and the sluggish property market resulted in lower sales from our property development division. Furthermore, our Group continued to incur certain fixed costs (such as rental costs, staff costs and borrowing costs) which resulted in our weak financial performance for FYE 2020 to 2022. In order to obtain sufficient cash flow for our Group's operations, our Board had undertaken various equity fund-raising exercises in the past in order to fund our working capital.

Given our high gearing ratio, our Board is of the opinion that the Proposals remain the most appropriate method of raising funds, after taking into account the following:

- (a) the Proposals will increase the number of Bina Puri Shares in circulation which may potentially enhance the liquidity and marketability of Bina Puri Shares on the Main Market of Bursa Securities. This is evident from the general trend of increase in the average trading volume and trading value of our Shares following our past fund-raising exercises. For illustration purpose, detailed below is our average trading volume and trading value (extracted from Bloomberg) based on 30, 60 and 90 Market Days before and after our past fund-raising exercises:

No.	Fund-raising exercise	Trading period	Average daily trading volume	Average daily trading value
			No. of shares	RM
(a)	Private Placement 2016 (as defined in Section 10.1)  (Completed on 25 October 2017, and T = 25 October 2017)	T-90 Market Days	610,301	231,772
		T-60 Market Days	493,328	175,923
		T-30 Market Days	409,720	149,126
		T+30 Market Days	547,107	200,046
		T+60 Market Days	414,035	148,884
		T+90 Market Days	326,871	116,059

No.	Fund-raising exercise	Trading period	Average daily trading volume	Average daily trading value
			No. of shares	RM
(b)	Private Placement 2017 (as defined in Section 10.1)  (Completed on 3 August 2018, and T = 3 August 2018)	T-90 Market Days	1,121,606	327,567
		T-60 Market Days	1,501,433	437,782
		T-30 Market Days	1,234,530	316,724
		T+30 Market Days	809,493	198,448
		T+60 Market Days	642,555	146,120
(c)	Private Placement 2018 (as defined in Section 10.1)  (Completed on 24 December 2018, and T = 24 December 2018)	T-90 Market Days	481,549	103,218
		T-60 Market Days	359,453	67,400
		T-30 Market Days	292,903	52,137
		T+30 Market Days	18,007,380	3,915,753
		T+60 Market Days	13,001,620	2,735,525
(d)	Rights Issue with Warrants A (as defined in Section 10.1)  (Completed on 30 December 2019, and T = 30 December 2019)	T-90 Market Days	1,910,627	215,559
		T-60 Market Days	2,388,292	262,414
		T-30 Market Days	3,312,230	343,039
		T+30 Market Days	6,534,373	602,459
		T+60 Market Days	4,947,325	398,861
(e)	Private Placement 2020a (as defined in Section 10.1)  (Completed on 21 September 2020, and T = 21 September 2020)	T-90 Market Days	15,359,823	1,310,904
		T-60 Market Days	19,628,070	1,722,008
		T-30 Market Days	32,027,673	2,899,088
		T+30 Market Days	18,812,766	1,710,217
		T+60 Market Days	21,156,728	2,021,308
(f)	Private Placement 2020b (as defined in Section 10.1)  (Completed on 19 April 2021, and T = 19 April 2021)	T-90 Market Days	12,182,860	1,259,409
		T-60 Market Days	6,870,270	665,295
		T-30 Market Days	8,468,593	846,625
		T+30 Market Days	18,809,430	1,662,954
		T+60 Market Days	13,097,322	1,104,521
(g)	Private Placement 2021 (as defined in Section 10.1)  (Completed on 4 October 2021, and T = 4 October 2021)	T-90 Market Days	6,911,706	433,781
		T-60 Market Days	6,791,098	381,998
		T-30 Market Days	10,582,247	573,268
		T+30 Market Days	2,057,650	98,221
		T+60 Market Days	1,987,865	90,035
		T+90 Market Days	3,317,676	156,715

Based on the above illustration, our average trading volume and/or trading value have generally improved after our past fund-raising exercises, with the exception of Private Placement 2017 and Private Placement 2021.

The decrease in trading volume and trading value after Private Placement 2017 may be attributable to weaker market sentiments as a result of press statement by our Board during our EGM on 24 September 2018 stating that "Bina Puri Holdings Bhd said the group's core construction business may stay in the red for the rest of the year as many projects that it intends to participate in are still in limbo." (Source: *Bina Puri cautious about construction operations, The Edge Markets, published 25 September 2018*)

The decrease in trading volume and trading value after Private Placement 2021 may be attributable to the widening loss reported by our Group for FYE 30 June 2021, where our Group recorded a larger LAT of RM63.72 million, which is 60.1% higher than the LAT of RM39.80 million in FYE 2020.

- (b) the Proposals will enable our Company to raise the requisite funds as stated in Section 2.5 above without incurring additional bank borrowings or the issuance of debt instruments, thereby allowing our Company to reduce its gearing level and strengthen its financial position;
- (c) the proceeds to be raised from the Proposals are intended to be utilised mainly for the funding of existing and future construction and property development projects and/or repayment of borrowings and outstanding trade payables. Based on the prospects and outlook of the property market and construction industry in Malaysia as set out in Sections 4.2 and 4.3, the utilisation of proceeds are expected to contribute positively to the future earnings of our Group;
- (d) the Proposals will increase the capital base of our Company which is expected to strengthen our financial position;
- (e) the Warrants B are expected to enhance the attractiveness of the Rights Shares. It provides the shareholders with the option to further participate in the equity of our Company at a pre-determined price and enable them to benefit from the future growth of our Company and any potential capital appreciation arising thereof; and
- (f) the Warrants B will also provide our Company with additional capital when they are exercised. The exercise of the Warrants B will allow our Company to raise fresh proceeds without incurring additional financing cost and minimise any potential cash outflow in respect of interest servicing.

In relation to (e) and (f) above, the COVID-19 pandemic and resultant MCO periods imposed by the Government in the last 2 financial years had affected our business operations and financial performance, which impacted our Share price and caused the Warrants A to be out-of-the-money as they were issued in December 2019 just before the outbreak of the COVID-19 pandemic. However, our Board is of the opinion that the issuance of the Warrants B at zero cost is still beneficial to our shareholders in light of the prospects of our Group in a post COVID-19 pandemic environment. In addition, the Warrants B will have a longer tenure of 5 years compared to the 3 years tenure of Warrants A.

In addition, please refer to Appendix I for further details of the:

- (a) steps taken by our Company to improve its financial condition, and value creation and positive impact of the Proposals to our Company and our shareholders; and
- (b) adequacy of the Proposals in addressing the financial requirements of our Company.



## 4. INDUSTRY OVERVIEW AND FUTURE PROSPECTS OF OUR GROUP

### 4.1 Overview and outlook of the Malaysian economy

The Malaysian economy registered a stronger growth of 8.9% in the second quarter of 2022 (1Q 2022: 5.0%). While the Gross Domestic Product ("GDP") was lifted to some extent by the low base from the Full Movement Control Order ("FMCO") in June 2021, growth in April and May 2022 was particularly robust. Domestic demand continued to strengthen, underpinned by the steady recovery in labour market conditions and ongoing policy support. The higher growth was also reflective of normalising economic activity as the country moved towards endemicity and reopened international borders. Exports remain supported by strong demand for E&E products. By sector, the services and manufacturing sectors continued to drive growth. On a quarter-on-quarter seasonally-adjusted basis, the economy increased by 3.5% (1Q 2022: 3.8%).

With growth in the first half of 2022 at 6.9%, the Malaysian economy is projected to expand further for the remainder of the year. Commenting on the outlook for 2022, Bank Negara Malaysia ("BNM") Governor Tan Sri Nor Shamsiah explained, "While external demand could face headwinds from slower global growth, the Malaysian economy will continue to be supported by firm domestic demand. Growth would also benefit from improving labour market conditions and higher tourist arrivals, as well as continued implementation of multi-year investment projects". However, Malaysia's growth remains susceptible to a weaker-than-expected global growth, further escalation of geopolitical conflicts and worsening supply chain disruptions.

Headline inflation is projected to trend higher in some months during the remainder of the year, due partly to the base effect from the discount on electricity prices implemented in 3Q 2021. Core inflation is expected to average higher in 2022, as demand continues to improve amid the high-cost environment. The extent of upside pressures on inflation is expected to remain partly contained by the existing price control measures, fuel subsidies and the continued spare capacity in the economy. Nevertheless, the inflation outlook continues to be contingent on upside risks stemming from the strength of domestic demand, global price developments, and domestic policy measures.

*(Source: Economic and Financial Developments in Malaysia in the Second Quarter of 2022, BNM, published on 12 August 2022)*

Malaysia's economy is expected to continue its recovery momentum to achieve a GDP growth of 6.5% to 7.0% in 2022, in line with strong domestic demand, stellar exports performance and implementation of measures under the expansionary Budget 2022. Despite a softening world economic growth and trade activities, the economy is projected to grow between 4.0% and 5.0% in 2023, supported by steady domestic demand, a vibrant services sector, implementation of new and ongoing high multiplier infrastructure projects and sustained exports. The Government will continue to monitor global developments as well as implement appropriate policies and reform initiatives to strengthen the economy and fiscal position to withstand potential external shocks, improve people's livelihoods and enhance business resilience.

*(Source: Economic Outlook 2023, Ministry of Finance Malaysia)*

## 4.2 Overview and outlook of the property market in Malaysia

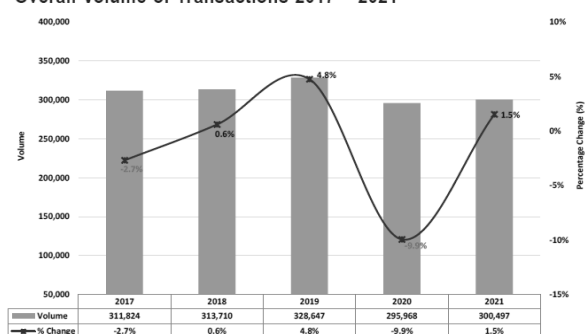
The property market showed signs of recovery following the implementation of various stimulus provided by the Government, via Short-term Economic Recovery Plan namely Pelan Jana Semula Ekonomi Negara ("**PENJANA**") and Prihatin Rakyat Economic Stimulus Package ("**PRIHATIN**"). The stimulus helped to sustain the confidence of the industry and households at large in coping with the impact of pandemic. In addition, initiatives introduced under Budget 2021 remained supportive to the property market.

The Home Ownership Campaign (HOC) has been extended by Government up to 31 December 2021, in hoping to assist households to own homes and reduce the numbers of unsold properties in the country.

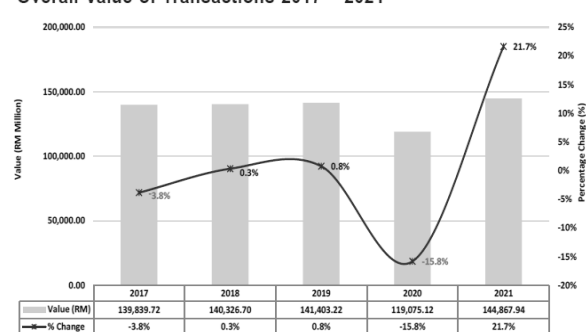
The property market performance showed a slight improvement in 2021 but has yet to surpass the pre-pandemic level recorded prior to 2020. More than 300,000 transactions worth nearly RM145 billion were recorded, indicating an increase of 1.5% in volume and 21.7% in value compared to last year.

The residential, commercial and industrial sub-sectors saw an increase of 3.9%, 10.7% and 17.6% respectively, while agriculture and development land sub-sectors declined slightly by 7.5% and 7.4% respectively. Value of transactions recorded higher increase for residential, commercial, industrial and development land sub-sectors each at 16.7%, 43.1%, 32.9% and 33.2% whereas agriculture recorded otherwise, decreased by 5.1%.

Overall Volume of Transactions 2017 – 2021



Overall Value of Transactions 2017 – 2021



BNM is expecting economic growth recovery to strengthen in 2022, on similar track with global economic recovery. Despite the external risks arising from the military conflict in Ukraine on international trading, commodity prices and financial markets, BNM anticipated that Malaysia economic recovery will be "driven by expansion in global demand and higher private sector expenditure amid improvements in the labour market and continued targeted policy support."

The property market is expected to regain its momentum in 2022 though the environment remained challenging. The health of the residential sector is paramount to the overall performance of the property market. To ensure the vitality of this sector as well as improving the livelihood of the nation, various initiatives are outlined under Budget 2022.

Under 'Initiative 2: Home Ownership', the initiatives include:

- RM1.5 billion allocation for low-income groups housing projects i.e. rumah mesra rakyat and maintenance assistance programmes.
- Lifting the imposition of Real Property Gains Tax on the disposal of properties in the 6th year onwards by Malaysian citizens, permanent residents and other than companies.

- Guarantees of up to RM2 billion to banks via Skim Jaminan Kredit Perumahan in assisting gig works, small entrepreneurs and farmers in obtaining home financing.

In addition, the Ministry of Housing and Local Government alongside the Ministry of Finance is planning to organise a Home Ownership Programme (HOPE) with special focus for B40 and M40 groups in providing home financing facilities to these groups.

The 'Transition to Endemic' phase of COVID-19 starting 1st April 2022 will see the lifting of restrictions of business operating hours and reopening of country borders, which is expected to further improve domestic economic activities and entails better prospects for the leisure sector. The transition phase is a much needed boost for this sector as more tourist arrivals are expected, both domestic and international. This will translate into better occupancy of hotels apart from creating employment opportunities to the locals.

Nevertheless, the environment will remain challenging for the retail and office sector as more new supply enter the market in the near future. As industry normalizes and adapts to the new norms of working from home and market digitalization, the office and retail sector may continue to face downward pressure.

On the development front, major ongoing infrastructure projects are expected to spur the economic activities and property market in the long run. These include among others:

- Gemas - Johor Bahru electrified double-track
- Rapid Transit System (RTS)
- Light Rail Transit (LRT) Line 3
- Mass Rapid Transit 2 (MRT 2) - Putrajaya Line
- Mass Rapid Transit 3 (MRT 3) - Circle Line
- Nilai – Labu – Enstek Expressway (NLE)
- East Coast Rail Link (ECRL)
- Pan Borneo Highway (Tawau – Kuching)

As economy is set to be on the right trajectory, the property market performance is expected to be on similar track. The accommodative policies, continuous government support, well execution of all planned measures outlined in Budget 2022 and the proper implementation of strategies and initiatives under 12th Malaysian Plan are expected to support growth in the property sector.

*(Source: Property Market Report 2021, Valuation and Property Services Department, Ministry of Finance Malaysia)*

### **4.3 Overview and outlook of the construction industry in Malaysia**

The construction sector contracted by 2.1% in the first half of 2022, mainly due to lower construction activities in civil engineering and residential buildings subsectors. In contrast, non-residential buildings and specialised construction activities subsectors registered a growth during the same period, in line with expansion in business activities, albeit rising prices of construction-related materials.

The sector is expected to turn around in the second half with an expansion rate of 6.9%, supported by positive growth in all subsectors. Improvement in private investment and robust domestic economic activities are anticipated to increase demand for more industrial buildings. In addition, the acceleration of major infrastructure projects will continue to drive the sector's performance. The development of residential property is expected to remain active supported by continuous implementation of measures under the Budget 2022 including a total government guarantee of up to RM2.00 billion to banks via Skim Jaminan Kredit Perumahan ("SJKP") as well as housing projects for low income group with an allocation of RM1.50 billion. In 2022, the sector is projected to rebound by 2.3%.

The construction sector is forecast to expand by 4.7% in 2023 following a better performance in all subsectors. Civil engineering subsector is anticipated to rebound buoyed by implementation of new projects such as Mass Rapid Transit Line 3 (MRT3) Circle Line and acceleration of ongoing infrastructure projects which include, Rapid Transit System (RTS) Link, East Coast Rail Link (ECRL) and Light Rail Transit Line 3 (LRT3).

In addition, the approved investment projects in the manufacturing sector are anticipated to come onstream and subsequently creating a greater demand for industrial buildings. Hence, the non-residential buildings subsector is projected to expand further. Meanwhile, the residential buildings subsector is expected to grow steadily supported by more construction of affordable houses, in line with the strategy under the 12th Malaysia Plan. In addition, incentive offered by the Government to encourage home ownership through the Malaysian Home Ownership Initiative (i-MILIKI) programme is expected to spur demand for residential buildings while addressing the property overhang issue.

*(Source: Economic Outlook 2023, Ministry of Finance Malaysia)*

#### **4.4 Overview and outlook of the construction industry in Thailand**

The Thai economy in the second quarter of 2022 expanded by 2.5% (%YoY), accelerating from a -2.3% growth in the previous quarter. After seasonally adjusted, the economy increased by 0.7% from the first quarter of 2021 (%QoQ seasonally adjusted). In the first half of 2022, the economy grew by 2.4%. On expenditure side: private consumption expenditure and export of services accelerated. Export of goods, government consumption expenditure, and private investment slowed down, while public investment declined. On the production side: accommodation and food service activities sector, wholesale and retail trades sector, and transportation and storage sector accelerated. On the contrary, agricultural sector and the electricity, gas, steam, and air conditioning supply sector decelerated while the manufacturing sector and the construction sector decreased.

Meanwhile, the investment in construction decreased for seven quarters consecutively at 1.3% (yet improving from an -8.0% drop in the previous quarter) as a result of a decline in other private construction by 40.9%, following a decline in the construction of Mass Rapid Transit Authority of Thailand in yellow line and pink line projects which were in the final stages of construction process before partially operating within this year. Meanwhile, the construction in non-residential sector increased by 19.7%, accelerating from 12.7% in the previous quarter, and the residential sector turned to expand by 4.6% from a -3.1% drop in the previous quarter. However, the business sentiment index in this quarter rose to 49.3 from 48.6 in the previous quarter.

Construction sector continued to decrease by 4.5%, compared with a -5.5% contraction in the previous quarter. This was in line with a decline in both public and private constructions. In this quarter, Public construction declined by 6.6%, compared with a -3.9% drop in the previous quarter. (Government construction decreased by 12.5%, compared with a -2.1% drop in the previous quarter whereas state enterprise construction increased by 6.8%, improving from a -6.9% decrease in the previous quarter). Private construction continued to decline for seventh consecutive quarter by 1.3%, as a result of a contraction in other construction, especially urban railway construction. Meanwhile, construction of residential buildings rebound, and construction of nonresidential buildings continued to expand for four consecutive quarters. Construction Material Price Index continued to rise by 6.9% for the seventh consecutive quarter owing to an increase in the iron products (11.7%), cement (7.4%), and others (6.8%).

In the first half of 2022, construction sector decreased by 5.0%, compared with a -2.8% drop in the second half of 2021. Public construction decreased by 5.3% while private construction dropped by 4.5%.

The Thai economy in the second half of 2022 is likely to improve from the first half of the year. The Thai economy in 2022 is projected to expand in the range of 2.7% - 3.2% (with a midpoint of 3.0%), accelerating from a -1.5% growth in 2021, mainly supported by; (i) the improvement in private consumption; (ii) the recovery of tourism sector; and (iii) the continual expansion of export of goods. Meanwhile, private consumption expenditure and private investment are expected to increase by 4.4% and 3.1%, respectively. Headline inflation is expected to be within 6.3% - 6.8% and the current account is projected to record a deficit of 1.6% of GDP, compared with a deficit of 2.1% in 2021.

*(Source: NESDC Economic Report, Thai Economic Performance in Q2 and Outlook for 2022, Macroeconomic Strategy and Planning Division, Office of the National Economic and Social Development Council, published on 15 August 2022)*

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#### 4.5 Prospects of our Group

Our Group is involved in various business divisions, including construction, property development, quarrying and power generation. However, for the past few financial years, construction and property development have been the main focus of our Group. The audited segmental revenue and PBT/(LBT) of our Group for FYE 2019 to 2022 are as follows:

Segmental revenue	FYE 2019		FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Construction	584,466	56.1	219,311	56.6	157,047	54.6	40,927	17.4
Property development	365,826	35.1	152,194	39.3	103,692	36.1	136,511	58.1
Quarry	64,113	6.2	37,781	9.8	14,358	5.0	18,766	8.0
Power supply	25,504	2.4	11,442	3.0	12,322	4.3	14,065	6.0
Others	1,080	0.1	-	-	47	0.0	24,650	10.5
Adjustments and eliminations	-	-	(33,306)	(8.6)	-	-	-	-
<b>Total revenue</b>	<b>1,040,989</b>	<b>100.0</b>	<b>387,422</b>	<b>100.0</b>	<b>287,466</b>	<b>100.0</b>	<b>234,919</b>	<b>100.0</b>

Segmental PBT/(LBT)	FYE 2019		FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Construction	(47,669)	(76.6)	(74,489)	274.9	(49,695)	79.6	(33,333)	46.3
Property development	96,883	155.8	59,438	(219.4)	2,527	(4.0)	1,180	(1.6)
Quarry	8,276	13.3	(449)	1.7	735	(1.2)	(18,048)	25.1
Polyol	323	0.5	-	0.0	-	0.0	-	-
Power supply	3,904	6.3	(9,969)	36.8	(582)	0.9	(844)	1.2
Others	91	0.1	62	(0.2)	(281)	0.5	(1,740)	2.4
Adjustments and eliminations	393	0.6	(1,689)	6.2	(15,131)	24.2	(19,144)	26.6
<b>Total PBT/(LBT)</b>	<b>62,201</b>	<b>100.0</b>	<b>(27,096)</b>	<b>100.0</b>	<b>(62,427)</b>	<b>100.0</b>	<b>(71,929)</b>	<b>100.0</b>

As at LPD, our Group's construction division is involved in various projects domestically and overseas. The current unbilled order book of our Group stands at approximately RM524.55 million, which is expected to provide earnings visibility for our Group over the next 1 to 2 years. Our Group's on-going construction projects as at LPD comprise the following:

- (a) Upgrading works for Pan Borneo Highway in Sarawak;
- (b) Hotel Kerajaan Negeri Terengganu in Pulau Poh, Tasik Kenyir, Terengganu;
- (c) Malaysian Embassy in Moscow, Russia;
- (d) construction works for the high-speed railway project in Thailand; and
- (e) construction works for the Supreme Court Building Complex in Nepal.

For the property development division, as at LPD, our Group has several ongoing projects in Johor, Pahang, Sabah and Sarawak with a combined estimated gross development value of RM1.22 billion. Based on the sales achieved for the property development division, the unbilled sales amounts to approximately RM38.34 million as at LPD. Our Group's on-going property development projects as at LPD comprise the following:

- (a) Petrie Villa in Johor Bahru, Johor;
- (b) Lakehill in Masai, Johor;
- (c) 1 Puri Commercial Center in Kuching, Sarawak;
- (d) One Jesselton Condominium in Kota Kinabalu, Sarawak;
- (e) Main Place in Kota Kinabalu, Sabah;
- (f) Waterfront Kuantan Phase 2 in Pahang; and
- (g) The Valley in Bentong, Pahang.

Moving forward, our Group will continue to participate actively in open tenders for both public and private projects in Malaysia and overseas to replenish its order book, supported by our Group's experience and competitiveness in the construction sector.

Our Group is keen to expand its presence in the renewable energy sector in Malaysia and will participate actively in tendering for large scale solar power plant projects, leveraging on our power subsidiary listed on the Indonesia Stock Exchange, PT Megapower Makmur Tbk ("**PMMT**").

The key power plants currently being operated by PMMT includes the following:

- (a) Bantaeng 1: a mini-hydro power plant with installed capacity of 2 x 2,250 kilowatt ("**kW**"), located at Patanetteang Village, Tompobulu District, Bantaeng Regency, South Sulawesi, Indonesia;
- (b) Muntok: a diesel power plant with installed capacity of 13 x 800 kW located at Jalan Mentok Pal 2, No. 198, West Bangka Regency, Bangka-Belitung Islands, Indonesia;
- (c) Bengkalis: a diesel power plant with installed capacity of 8 x 800 kW located at Desa Pangkalan Batang, Bengkalis Regency, Riau, Indonesia; and
- (d) Toboali 1 & 2: two diesel power plant with installed capacity of 7 x 800kW and 8 x 800 kW respectively located at Jalan Puput No. 3, Toboali, South Bangka Regency, Bangka-Belitung Islands, Indonesia.

For the financial year ended 31 December 2021, with the recovery of the Indonesian economy in 2021, PMMT had registered a PAT of Rp 2,504.96 million (approximately RM0.73 million at an exchange rate of IDR100:RM0.0290, based on average exchange rate in 2021 published by BNM) compared to a LAT of Rp 4.99 million (approximately RM1,442 at an exchange rate of IDR100:RM0.0289, based on average exchange rate in 2020 published by BNM) for the financial year ended 31 December 2020. Moving forward, with the expected completion of new power projects leading to an increase in power production by the company and the support of the Indonesian government for the development of electricity with renewable resources, PMMT's financial performance is expected to further improve in the subsequent financial years.

In Malaysia, the Ministry of Energy and Natural Resources of Malaysia (“**KeTSA**”) is committed to the use of renewable resources for power generation with a target to reach 31% of the total installed capacity in Malaysia coming from renewable resources in 2025 and 40% by 2035 under Malaysian Energy Transition Plan 2021 -2040. The Government will be focusing on Peninsular Malaysia as it accounts for 80% of Malaysia’s electricity demand. Out of the 31% renewable energy target in 2025, 26% comes from Peninsular Malaysia in 2025 and out of the 40% target in 2035, Peninsular Malaysia accounts for 32%. Renewable energy capacity in Peninsular Malaysia is projected to increase from the current 4,430 Megawatt (“**MW**”) to 10,944MW in the next 15 years. As solar has the highest potential, Malaysia plans to introduce battery energy storage systems (“**BESS**”), with a total capacity of 500MW from 2030 onwards.

Hence, taking into consideration the above and the expected recovery of the Malaysian economy post COVID-19 pandemic, our Group is optimistic on the outlook and long-term prospects of the renewable energy sector, particularly in the solar power space in Malaysia.

Our Group, in response to the COVID-19 crisis and market uncertainties, will continue to exercise prudence in the management of our Group’s financial matters and operations.

Premised on the above as well as the overview and outlook of the property market and construction industry in Malaysia as set out in Sections 4.2 and 4.3, our Board is optimistic of the future prospects of our Group moving forward.

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## 5. EFFECTS OF THE PROPOSALS

### 5.1 Share capital

The pro forma effects of the Proposals on the issued share capital of our Company are as follows:

	Minimum Scenario		Base Case Scenario		Maximum Scenario	
	No. of Shares	RM'000	No. of Shares	RM'000	No. of Shares	RM'000
Issued share capital as at LPD	1,597,646,237	246,522	1,597,646,237	246,522	1,597,646,237	246,522
Assuming full exercise of Convertible Securities	-	-	-	-	408,476,813	<sup>(3)</sup> 51,141
	1,597,646,237	246,522	1,597,646,237	246,522	2,006,123,050	297,663
Placement Shares to be issued	-	-	-	-	479,293,900	<sup>(4)</sup> 16,775
Enlarged share capital after Proposed Private Placement	1,597,646,237	246,522	1,597,646,237	246,522	2,485,416,950	314,438
Rights Shares to be issued	166,666,667	<sup>(1)</sup> 2,950	1,065,097,491	<sup>(1)</sup> 25,103	1,656,944,633	<sup>(1)</sup> 39,059
Enlarged share capital after Proposed Rights Issue with Warrants	1,764,312,904	249,472	2,662,743,728	271,625	4,142,361,583	353,497
To be issued assuming full exercise of Warrants B	33,333,333	<sup>(2)</sup> 2,036	213,019,498	<sup>(2)</sup> 13,015	331,388,927	<sup>(2)</sup> 20,247
<b>Enlarged share capital</b>	<b>1,797,646,237</b>	<b>251,508</b>	<b>2,875,763,226</b>	<b>284,640</b>	<b>4,473,750,510</b>	<b>373,744</b>

#### Notes:

- (1) Based on the Indicative Rights Issue Price, adjusted for the creation of warrant reserve based on the issuance of Warrants B at a fair value of RM0.0261 each (computed based on the Trinomial option pricing model (*source: Bloomberg as at LPD*)) and deducting the estimated expenses incidental to the Proposals amounting to RM1.18 million (for the Minimum Scenario), RM1.29 million (for the Base Case Scenario) and RM2.00 million (for the Maximum Scenario).
- (2) Based on the Indicative Warrant B Exercise Price and after accounting for the reversal of Warrant B reserve.
- (3) Based on the exercise price of outstanding Warrants A of RM0.10 and outstanding ESIS Options of RM0.076 and after accounting for the reversal of warrant and share option reserve.
- (4) Based on the Indicative Placement Issue Price.

Based on the illustration above, the number of new shares which will arise from the exercise of all outstanding convertible securities, does not exceed 50.0% of the total number of issued shares of Bina Puri. As such, we are in compliance with Paragraph 6.50 of the Listing Requirements.

## 5.2 NA and gearing

For illustrative purposes, the pro forma effects of the Proposals on the NA and gearing of our Group based on its audited consolidated financial statements as at 30 June 2022 are as follows:

### Minimum Scenario

	(I)	(II)	
	After the Proposed Rights Issue with Warrants	(4)After (I) and assuming full exercise of all Warrants B	
Audited as at 30 June 2022	RM'000	RM'000	
Share capital	246,522	(1)249,472	251,508
Other reserves	484	(2)1,354	484
Accumulated losses	(79,477)	(79,477)	(79,477)
<b>Shareholders' fund / NA</b>	<b>167,529</b>	<b>171,349</b>	<b>172,515</b>
Non-controlling interest	107,169	107,169	107,169
<b>Total equity</b>	<b>274,698</b>	<b>278,518</b>	<b>279,684</b>
Number of Shares in issue ('000)	1,597,646	1,764,313	1,797,646
NA per Share (RM)	0.10	0.10	0.10
Borrowings (interest-bearing)	424,292	(3)422,672	422,672
Gearing ratio (times)	1.54	1.52	1.51

### Notes:

- (1) Adjusted for the issuance of 166,666,667 Rights Shares at the Indicative Rights Issue Price and after deducting estimated expenses incidental to the Proposals of approximately RM1.18 million.
- (2) Adjusted for the creation of warrant reserve amounting to RM0.87 million for the issuance of 33,333,333 Warrants B at a fair value of RM0.0261 each, computed based on the Trinomial option pricing model (*source: Bloomberg as at LPD*).
- (3) After utilisation of RM1.62 million from the total proceeds of the Proposals towards repayment of our Group's bank borrowings.
- (4) Assuming the exercise of all 33,333,333 Warrants B at the Indicative Warrant B Exercise Price.

## **Base Case Scenario**

	<b>(I)</b>	<b>(II)</b>
	<b>After the Proposed Rights Issue with Warrants</b>	<b><sup>(4)</sup>After (I) and assuming full exercise of all Warrants B</b>
<b>Audited as at 30 June 2022</b>	<b>RM'000</b>	<b>RM'000</b>
Share capital	246,522	<sup>(1)</sup> 271,625
Other reserves	484	<sup>(2)</sup> 6,044
Accumulated losses	(79,477)	(79,477)
<b>Shareholders' fund / NA</b>	<b>167,529</b>	<b>205,647</b>
Non-controlling interest	107,169	107,169
<b>Total equity</b>	<b>274,698</b>	<b>312,816</b>
Number of Shares in issue ('000)	1,597,646	2,662,744
NA per Share (RM)	0.10	0.07
Borrowings (interest-bearing)	424,292	<sup>(3)</sup> 409,292
Gearing ratio (times)	1.54	1.34

### **Notes:**

- (1) Adjusted for issuance of 1,065,097,491 Rights Shares at the Indicative Rights Issue Price and after deducting estimated expenses incidental to the Proposals of approximately RM1.29 million.
- (2) Adjusted for the creation of warrant reserve amounting to RM5.56 million for the issuance of 213,019,498 Warrants B at a fair value of RM0.0261 each, computed based on the Trinomial option pricing model (*source: Bloomberg as at LPD*).
- (3) After utilisation of RM15.00 million from the total proceeds of the Proposals towards repayment of our Group's bank borrowings.
- (4) Assuming the exercise of all 213,019,498 Warrants B at the Indicative Warrant B Exercise Price.

## Maximum Scenario

		(I)	(II)	(III)	(IV)
	Audited as at 30 June 2022	<sup>(1)</sup> After full exercise of Convertible Securities	<sup>(2)</sup> After (I) and the Proposed Private Placement	After (II) and the Proposed Rights Issue with Warrants	<sup>(6)</sup> After (III) and assuming full exercise of all Warrants B
	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	246,522	297,663	314,438	<sup>(3)</sup> 353,497	373,744
Other reserves	484	(10,444)	(10,444)	<sup>(4)</sup> (1,795)	(10,444)
Accumulated losses	(79,477)	(79,477)	(79,477)	(79,477)	(79,477)
<b>Shareholders' fund / NA</b>	<b>167,529</b>	<b>207,742</b>	<b>224,517</b>	<b>272,225</b>	<b>283,823</b>
Non-controlling interest	107,169	107,169	107,169	107,169	107,169
<b>Total equity</b>	<b>274,698</b>	<b>314,911</b>	<b>331,686</b>	<b>379,394</b>	<b>390,992</b>
Number of Shares in issue ('000)	1,597,646	2,006,123	2,485,417	4,142,362	4,473,751
NA per Share (RM)	0.10	0.10	0.09	0.07	0.06
Borrowings (interest-bearing)	424,292	424,292	424,292	<sup>(5)</sup> 394,292	394,292
Gearing ratio (times)	1.54	1.35	1.28	1.04	1.01

### Notes:

- (1) Adjusted for the issuance of Bina Puri Shares pursuant to the exercise of all outstanding Warrants A at an issue price of RM0.10, exercise of all outstanding ESIS Options at an exercise price of RM0.076 and after accounting for the reversal of warrant and share option reserve.
- (2) Adjusted for issuance of 479,293,900 Placement Shares at the Indicative Placement Issue Price.
- (3) Adjusted for issuance of 1,656,944,633 Rights Shares at the Indicative Rights Issue Price and after deducting estimated expenses incidental to the Proposals of approximately RM2.00 million.
- (4) Adjusted for the creation of warrant reserve amounting to RM8.65 million for the issuance of 331,388,927 Warrants B at a fair value of RM0.0274 each, computed based on the Trinomial option pricing model (*source: Bloomberg as at LPD*).
- (5) After utilisation of RM30.00 million from the total proceeds of the Proposals towards repayment of our Group's bank borrowings.
- (6) Assuming the exercise of all 331,388,927 Warrants B at the Indicative Warrant B Exercise Price.

### 5.3 Substantial shareholders' shareholdings

The pro forma effects of the Proposals on the shareholdings of the substantial shareholders is set out below:

#### Minimum Scenario

	As at LPD				(I) After the Proposed Rights Issue with Warrants				(II) After (I) and assuming full exercise of all Warrants B					
					<----Direct---->		<---Indirect--->		<----Direct---->		<---Indirect-->		<----Direct---->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Sri Datuk Tee Hock Seng, JP	129,131,504	8.1	<sup>(1)</sup> 85,219,159	5.3	229,536,686	13.0	<sup>(1)</sup> 151,480,644	8.6	249,617,722	13.9	<sup>(1)</sup> 164,732,941	9.2		
Dato' Neoh Soo Keat	113,726,900	7.1	-	-	113,726,900	6.4	-	-	113,726,900	6.3	-	-		
Datuk Matthew Tee Kai Woon	84,419,159	5.3	<sup>(2)</sup> 129,931,504	8.1	150,058,610	8.5	<sup>(2)</sup> 230,958,720	13.1	163,186,500	9.1	<sup>(2)</sup> 251,164,163	14.0		
Dr Tony Tan Cheng Kiat	96,308,710	6.0	-	-	96,308,710	5.5	-	-	96,308,710	5.4	-	-		
Investors to be identified	-	-	-	-	-	-	-	-	-	-	-	-		

#### Notes:

- (1) Deemed interest via the shareholdings of his son, Datuk Matthew Tee Kai Woon and his son's in Tee Hock Seng Holdings Sdn Bhd (which holds 800,000 Shares as at LPD) pursuant to Section 8 of the Act.
- (2) Deemed interest via the shareholdings of his father, Tan Sri Datuk Tee Hock Seng, JP and his interest in Tee Hock Seng Holdings Sdn Bhd (which holds 800,000 Shares as at LPD) pursuant to Section 8 of the Act.

## **Base Case Scenario**

	As at LPD				(I) After (I) and the Proposed Rights Issue with Warrants				(II) After (II) and assuming full exercise of Warrants B			
	<-----Direct----->		<-----Indirect----->		<----Direct---->		<---Indirect--->		<-----Direct----->		<---Indirect--->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Sri Datuk Tee Hock Seng, JP	129,131,504	8.1	<sup>(1)</sup> 85,219,159	5.3	215,219,173	8.1	<sup>(1)</sup> 142,031,932	5.3	232,436,707	8.1	<sup>(1)</sup> 153,394,486	5.3
Dato' Neoh Soo Keat	113,726,900	7.1	-	-	189,544,833	7.1	-	-	204,708,420	7.1	-	-
Datuk Matthew Tee Kai Woon	84,419,159	5.3	<sup>(2)</sup> 129,931,504	8.1	140,698,599	5.3	<sup>(2)</sup> 216,552,507	8.1	151,954,486	5.3	<sup>(2)</sup> 233,876,707	8.1
Dr Tony Tan Cheng Kiat	96,308,710	6.0	-	-	160,514,517	6.0	-	-	173,355,678	6.0	-	-
Investors to be identified	-	-	-	-	-	-	-	-	-	-	-	-

### **Notes:**

- <sup>(1)</sup> Deemed interest via the shareholdings of his son, Datuk Matthew Tee Kai Woon and his son's interest in Tee Hock Seng Holdings Sdn Bhd (which holds 800,000 Shares as at LPD) pursuant to Section 8 of the Act.
- <sup>(2)</sup> Deemed interest via the shareholdings of his father, Tan Sri Datuk Tee Hock Seng, JP and his interest in Tee Hock Seng Holdings Sdn Bhd (which holds 800,000 Shares as at LPD) pursuant to Section 8 of the Act.

## Maximum Scenario

Substantial shareholders	As at LPD				(I) After full exercise of Convertible Securities			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Sri Datuk Tee Hock Seng, JP	129,131,504	8.1	<sup>(1)</sup> 85,219,159	5.3	<sup>(3)</sup> 147,871,282	7.4	<sup>(1)</sup> 91,068,084	4.5
Dato' Neoh Soo Keat	113,726,900	7.1	-	-	113,726,900	5.7	-	-
Datuk Matthew Tee Kai Woon	84,419,159	5.3	<sup>(2)</sup> 129,931,504	8.1	<sup>(4)</sup> 89,868,084	4.5	<sup>(2)</sup> 149,071,282	7.4
Dr Tony Tan Cheng Kiat	96,308,710	6.0	-	-	<sup>(5)</sup> 98,174,473	4.9	-	-

	(II) After (I) and the Proposed Private Placement				(III) After (II) and the Proposed Rights Issue with Warrants				(IV) After (III) and assuming full exercise of Warrants B			
	<----Direct---->		<---Indirect--->		<----Direct---->		<---Indirect--->		<----Direct---->		<---Indirect--->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Sri Datuk Tee Hock Seng, JP	<sup>(3)</sup> 147,871,282	5.9	<sup>(1)</sup> 91,068,084	3.7	<sup>(3)</sup> 246,452,137	5.9	<sup>(1)</sup> 151,780,140	3.7	<sup>(3)</sup> 266,168,308	5.9	<sup>(1)</sup> 163,922,551	3.7
Dato' Neoh Soo Keat	113,726,900	4.6	-	-	189,544,833	4.6	-	-	204,708,420	4.6	-	-
Datuk Matthew Tee Kai Woon	<sup>(4)</sup> 89,868,084	3.6	<sup>(2)</sup> 149,071,282	6.0	<sup>(4)</sup> 149,780,140	3.6	<sup>(2)</sup> 248,452,137	6.0	<sup>(4)</sup> 161,762,551	3.6	<sup>(2)</sup> 268,328,308	6.0
Dr Tony Tan Cheng Kiat	<sup>(5)</sup> 98,174,473	4.0	-	-	<sup>(5)</sup> 163,624,122	4.0	-	-	<sup>(5)</sup> 176,714,051	4.0	-	-
Investors to be identified	479,293,900	19.3	-	-	798,823,167	19.3	-	-	862,729,020	19.3	-	-

### Notes:

- (1) Deemed interest via the shareholdings of his son, Datuk Matthew Tee Kai Woon and his son's interest in Tee Hock Seng Holdings Sdn Bhd (which holds 800,000 Shares as at LPD) pursuant to Section 8 of the Act.
- (2) Deemed interest via the shareholdings of his father, Tan Sri Datuk Tee Hock Seng, JP and his interest in Tee Hock Seng Holdings Sdn Bhd (which holds 800,000 Shares as at LPD) pursuant to Section 8 of the Act.
- (3) Assuming full exercise of his outstanding 18,739,778 Warrants A into new Bina Puri Shares.
- (4) Assuming full exercise of his outstanding 4,608,925 Warrants A and 840,000 ESIS Options into new Bina Puri Shares.
- (5) Assuming full exercise of his outstanding 1,865,763 ESIS Options into new Bina Puri Shares.

## 5.4 Earnings and EPS

The effects of the Proposals on the consolidated losses and LPS of our Company for FYE 30 June 2023 will depend on, amongst others, the number of Placement Shares and Rights Shares to be issued and the level of returns generated from the utilisation of the proceeds to be raised from the Proposals.

Assuming that the consolidated losses of our Company remain unchanged, the LPS of our Company will be diluted as a result of the increase in the number of Shares in issue following the issuance of the Placement Shares, Rights Shares and any new Shares arising from the exercise of the Warrants B.

For illustration purposes only, based on the audited consolidated financial statements of Bina Puri for FYE 30 June 2022 and assuming the Proposals had been effected at the beginning of the financial year, the pro forma effects of the Proposals on the consolidated earnings and EPS of Bina Puri assuming the maximum scenario, are as follows:

	<b>Audited as at 30 June 2022</b>	<b>After the Proposals (Maximum Scenario)</b>
	<b>RM'000</b>	<b>RM'000</b>
LAT attributable to owners of our Company	(74,749)	(74,749)
Pro forma LAT attributable to owners of our Company <sup>(1)</sup>	(74,749)	(74,749)
No. of shares ('000)	1,597,646	4,473,751
EPS (sen)	(4.68)	(1.67)

### Note:

<sup>(1)</sup> There is no change in the pro forma LAT attributable to owners of our Company after the Proposals as the estimated expenses incidental to the Proposals will be deducted from our share capital.

## 5.5 Convertible securities

Save as disclosed below, our Company does not have any other outstanding convertible securities as at LPD.

### 5.5.1 Warrants A

As at LPD, there are 382,029,550 outstanding Warrants A, which have an exercise price of RM0.10 each and are expiring on 22 December 2022.

In accordance with the provisions of the Deed Poll A, the Proposed Private Placement is not expected to result in any adjustment to the exercise price and number of outstanding Warrants A. Consequential to the Proposed Rights Issue with Warrants, the exercise price and/or number of Warrants A may be adjusted in accordance with Warrant A Adjustments.

The Warrant A Adjustments will only be finalised on the Entitlement Date (where applicable) and will be effective on the date following the Entitlement Date (where applicable), and the relevant notifications to the respective holders will be issued by our Company at a later date.



For illustrative purpose, in accordance with the provisions of the Deed Poll A, based on the outstanding Warrants A as at LPD of 382,029,550 which are exercisable into 382,029,550 new Bina Puri Shares at an exercise price of RM0.10 each, set out below is the detailed computations of the Warrants A Adjustments:

$$(i) \quad \text{The new exercise price} = S \quad X \quad \frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$

$$(ii) \quad \text{The adjusted Warrants A} = T \quad X \quad \frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)}$$

Where,

- C = RM0.0335, being the market price of each Share on the market day immediately preceding the date of announcement of the Entitlement Date of the Proposed Rights Issue with Warrants to Bursa Securities (for illustrative purposes, the 5D-VWAMP up to and including LPD is used);
- G = 1,597,646,237, being the aggregate number of Shares in issue as at LPD;
- H = 1,656,944,633, being the aggregate number of Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;
- H\* = 1,656,944,633, being the aggregate number of Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;
- I = RM0.030, being the subscription consideration of each Rights Share;
- I\* = RM0.030, being the subscription consideration of each Rights Share;
- J = 331,388,927, being the aggregate number of Shares to be issued upon exercise of Warrants B computed based on 1,656,944,633 Rights Shares;
- K = RM0.035, being the exercise price of each Warrant B;
- S = RM0.10, being the existing exercise price of the outstanding Warrants A; and
- T = 382,029,550, being the existing number of outstanding Warrants A.

**(a) Adjustment to the exercise price of Warrants A**

$$\begin{aligned} \text{The new exercise price} &= \text{RM0.10} \quad X \quad \frac{(1,597,646,237 \times \text{RM0.0335}) + (1,656,944,633 \times \text{RM0.030}) + (331,388,927 \times \text{RM0.035})}{(1,597,646,237 + 1,656,944,633 + 331,388,927) \times \text{RM0.0335}} \\ &= \text{RM0.10} \\ &\quad \text{(rounded up to the nearest one Sen as provided in the Deed Poll A)} \end{aligned}$$

As provided in the Deed Poll A, in the event the adjustment to the exercise price would be less than one Sen, no adjustment shall be made to the exercise price of Warrants A.

**(b) Adjustment to the number of outstanding Warrants A**

$$\text{The adjusted Warrants A} = 382,029,550 \times \frac{(1,597,646,237 + 1,656,944,633) \times \text{RM0.0335}}{(1,597,646,237 \times \text{RM0.0335}) + (1,656,944,633 \times \text{RM0.030})}$$

$$= 403,491,502$$

$$\text{The additional number of Warrants A} = 403,491,502 - 382,029,550$$

$$= 21,461,952$$

(rounded down to the nearest whole Warrant A as provided in the Deed Poll A)

Based on the above computation, the adjusted Warrants A is 403,491,502. As at LPD, there are 382,029,550 outstanding Warrants A. As such, our Company will have to issue 21,461,952 Additional Warrants A (assuming there are no fractional entitlements).

Nevertheless, as the Warrants A are expiring on 22 December 2022 and the tentative completion date of the Proposed Rights Issue with Warrants is early March 2023, it is unlikely that our Group will be required to issue the Additional Warrants A arising from the Warrant A Adjustments.

**5.5.2 ESIS Options**

As at LPD, there are 26,447,263 ESIS Options granted under the existing ESIS which have not been exercised. Furthermore, our Company has up to 140,184,436 ESIS Options which may be granted pursuant to the maximum allowable amount under the existing By-Laws based on the total number of issued Shares as at LPD. Nonetheless, our Company undertakes not to grant any additional ESIS Options from LPD up to the completion of the Proposals.

In accordance with the provisions of the By-Laws, the Proposed Private Placement will not result in any adjustment to the exercise price and number of outstanding ESIS Options.

Consequential to the Proposed Rights Issue with Warrants, the exercise price and/or number of outstanding ESIS Options may be adjusted in accordance with ESIS Options Adjustments.

The ESIS Options Adjustments will only be finalised on the Entitlement Date (where applicable) and will be effective on the date following the Entitlement Date (where applicable), and the relevant notifications to the respective holders will be issued by our Company at a later date.

For illustrative purpose, in accordance with the provisions of the By-Laws, based on the outstanding ESIS Options as at the LPD of 26,447,263 which are exercisable into 26,447,263 new Bina Puri Shares at an exercise price of RM0.076 each, set out below is the detailed computations of the ESIS Options Adjustments:

$$(i) \quad \text{The new exercise price} = S \times \frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$

$$(ii) \quad \text{The adjusted ESIS Options} = \frac{T \times (G + H^*) \times C}{(G \times C) + (H^* \times I^*)}$$

Where,

- C = RM0.0335, being the market price of each Share on the market day immediately preceding the date of announcement of the Entitlement Date of the Proposed Rights Issue with Warrants to Bursa Securities (for illustrative purposes, the 5D-VWAMP up to and including the LPD is used);
- G = 1,597,646,237, being the aggregate number of Shares in issue as at the LPD;
- H = 1,656,944,633, being the aggregate number of Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;
- H\* = 1,656,944,633, being the aggregate number of Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;
- I = RM0.030, being the subscription consideration of each Rights Share;
- I\* = RM0.030, being the subscription consideration of each Rights Share;
- J = 331,388,927, being the aggregate number of Shares to be issued upon exercise of Warrants B computed based on 1,656,944,633 Rights Shares;
- K = RM0.035, being the exercise price of each Warrant B;
- S = RM0.076, being the existing exercise price of the outstanding ESIS Options; and
- T = 26,447,263, being the existing number of outstanding ESIS Options.

**(i) Adjustment to the exercise price of ESIS Options**

$$\begin{aligned} \text{The new exercise price} &= \text{RM0.076} \times \frac{(1,597,646,237 \times \text{RM0.0335}) + (1,656,944,633 \times \text{RM0.030}) + (331,388,927 \times \text{RM0.035})}{(1,597,646,237 + 1,656,944,633 + 331,388,927) \times \text{RM0.0335}} \\ &= \text{RM0.07} \\ &\text{(rounded down to the nearest one Sen as provided in the By-Laws)} \end{aligned}$$

**(ii) Adjustment to the number of outstanding ESIS Options**

$$\begin{aligned} \text{The adjusted ESIS Options} &= \frac{26,447,263 \times (1,597,646,237 + 1,656,944,633) \times \text{RM0.0335}}{(1,597,646,237 \times \text{RM0.0335}) + (1,656,944,633 \times \text{RM0.030})} \\ &= 27,933,038 \end{aligned}$$

$$\begin{aligned} \text{The additional number of ESIS Options} &= 27,933,038 - 26,447,263 \\ &= 1,485,775 \\ &\text{(rounded down to the nearest whole ESIS Option as provided in the By-Laws)} \end{aligned}$$

Based on the above computation, the adjusted ESIS Options is 27,933,038. As at the LPD, there are 26,447,263 outstanding ESIS Options. As such, our Company will have to issue 1,485,775 additional ESIS Options (assuming there are no fractional entitlements).

## 6. HISTORICAL SHARE PRICE PERFORMANCE

The monthly highest and lowest market prices of Bina Puri Shares as traded on Bursa Securities for the past 12 months preceding the date of this Circular are as follows:

	<b>High RM</b>	<b>Low RM</b>
<b>2021</b>		
November	0.050	0.040
December	0.045	0.040
<b>2022</b>		
January	0.055	0.040
February	0.055	0.040
March	0.045	0.035
April	0.050	0.035
May	0.080	0.050
June	0.065	0.035
July	0.045	0.030
August	0.045	0.035
September	0.040	0.030
October	0.040	0.025
Last transacted market price of Bina Puri Shares on LTD		0.050
Last transacted market price of Bina Puri Shares on LPD		0.035

*(Source: M & A Securities)*

## 7. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:

- (a) approval of Bursa Securities for the listing of and quotation for the following:
  - (i) the Placement Shares;
  - (ii) the Rights Shares, Warrants B and Additional Warrants A;
  - (iii) admission of the Warrants B on the Official List; and
  - (iv) new Bina Puri Shares to be issued pursuant to the exercise of the Warrants B and Additional Warrants A,  
on the Main Market of Bursa Securities;
- (b) approval of our shareholders for the Proposals at the forthcoming EGM to be convened; and
- (c) approval, waiver and/or consent of any other relevant authorities and/or persons, if required.

Further to the above, the implementation of the Proposed Rights Issue with Warrants is subject to the registration of the abridged prospectus by the SC.

It is the intention of our Company to implement the Proposed Private Placement before the Proposed Rights Issue with Warrants, however it is not an express condition set by our Company. As such, the Proposed Private Placement and Proposed Rights Issue with Warrants are not inter-conditional with each other.

The Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by our Company.

Section 85(1) of the Act provides that, subject to the Constitution, where a company issues shares which rank equally to the existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.

Clause 55 of the Constitution states that subject to any direction to the contrary that may be given by our Company in general meeting, all new shares or other convertible securities, shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notice from our Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled.

In view of the above, shareholders are advised that the approval by the shareholders of the Proposed Private Placement would effectively mean that the pre-emptive rights granted to the shareholders under Section 85(1) and Clause 55 of the Constitution of the Act will be hereby waived.

## **8. INTERESTS OF OUR DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM**

None of our Directors, major shareholders, chief executive of Bina Puri and/or persons connected with them have any interest in the Proposals, except for their respective entitlements as shareholders of our Company under the Proposed Rights Issue with Warrants including the right to apply for additional Rights Shares under the excess Rights Shares application, which are also available to all our existing shareholders.

## **9. ESTIMATED TIMEFRAME FOR COMPLETION**

The tentative timetable in relation to the Proposals are as follows:

<b>Event</b>	<b>Date</b>
EGM to approve the Proposals	Early December 2022
Listing of and quotation for the Placement Shares on the Main Market of Bursa Securities	End December 2022
Announcement to Bursa Securities of Entitlement Date	Mid January 2023
Issuance of abridged prospectus	End January 2023
Closing date for acceptance and applications of the Proposed Rights Issue with Warrants	Mid February 2023
Listing of and quotation for the Rights Share, Warrants B and Additional Warrants A on the Main Market of Bursa Securities	Early March 2023

Barring any unforeseen circumstances and subject to receipt of all relevant approvals, the Proposals are expected to be completed by the first half of 2023.

## 10. OUTSTANDING CORPORATE EXERCISE ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals, there is no other corporate exercise/scheme being undertaken by our Company which has been announced but is pending completion as at the date of this Circular.

### 10.1 Details of past fund-raising exercise in the past 5 years

- (a) On 25 October 2017, our Company completed a private placement of 24,287,000 new Shares (representing approximately 10.0% of the then existing total number of issued Shares) which raised a total of RM10.39 million ("**Private Placement 2016**").

The said proceeds have been utilised as follows:

	<b>Actual proceeds raised</b>	<b>Amount utilised as at LPD</b>	<b>Balance unutilised</b>	<b>Note</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
Funding for existing construction projects	8,374	8,374	-	(1)
Repayment of bank borrowings	1,940	1,940	-	(2)
Expenses for the Private Placement 2016	76	76	-	(3)
	<b>10,390</b>	<b>10,390</b>	<b>-</b>	

#### Notes:

- (1) Comprises payment to contractors, suppliers, material costs, earthwork, piling works, site clearing, building and external works, consultants and relevant authorities.
- (2) Comprises payment for term loans.
- (3) Comprises payment for advisors' professional fees, fees to the relevant authorities and miscellaneous expenses.
- (b) On 3 August 2018, our Company completed a private placement of 26,716,000 new Shares (representing approximately 10.0% of the then existing total number of issued Shares) which raised a total of RM6.74 million ("**Private Placement 2017**").

The said proceeds have been utilised as follows:

	<b>Actual proceeds raised</b>	<b>Amount utilised as at LPD</b>	<b>Balance unutilised</b>	<b>Note</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
Funding for existing property development and construction projects	4,658	4,658	-	(1)
Repayment of bank borrowings	2,005	2,005	-	(2)
Expenses for the Private Placement 2017	81	81	-	(3)
	<b>6,744</b>	<b>6,744</b>	<b>-</b>	

**Notes:**

- (1) Comprises payment to contractors, suppliers, material costs, earthwork, piling works, site clearing, building and external works, consultants and relevant authorities.
- (2) Comprises payment for term loans.
- (3) Comprises payment for advisors' professional fees, fees to the relevant authorities and miscellaneous expenses.
- (c) On 26 December 2018, our Company completed a private placement of 88,162,900 new Shares (representing approximately 30.0% of the then existing total number of issued Shares) which raised a total of RM14.37 million ("**Private Placement 2018**").

The said proceeds have been utilised as follows:

	<b>Actual proceeds raised</b>	<b>Amount utilised as at LPD</b>	<b>Balance unutilised</b>	<b>Note</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
Funding for existing property development and construction projects	11,212	11,212	-	(1)
Repayment of bank borrowings	3,000	3,000	-	(2)
Expenses for the Private Placement 2018	160	160	-	(3)
	<b>14,372</b>	<b>14,372</b>	<b>-</b>	

**Notes:**

- (1) Comprises payment to contractors, suppliers, material costs, earthwork, piling works, site clearing, building and external works, consultants and relevant authorities.
- (2) Comprises payment for term loans.
- (3) Comprises payment for advisors' professional fees, fees to the relevant authorities and miscellaneous expenses.
- (d) On 30 December 2019, our Company completed a rights issue with warrants exercise involving the issuance of up to 439,345,450 new Shares together with up to 439,345,450 free detachable Warrants A on the basis of 1 Rights Share together with 1 free Warrant A for every existing share held by entitled shareholders on 28 November 2019, raising a total of RM34.38 million ("**Rights Issues with Warrants A**").

The said proceeds have been utilised as follows:

	<b>Actual proceeds raised</b>	<b>Amount utilised as at LPD</b>	<b>Balance unutilised</b>	<b>Note</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
Funding for existing property development and construction projects	22,000	22,000	-	(1)
Repayment of bank borrowings	5,000	5,000	-	(2)
Working capital	5,984	<sup>(5)</sup> 6,074	-	(3)
Expenses for the Rights Issue with Warrants A	1,400	<sup>(5)</sup> 1,310	-	(4)
	<b>34,384</b>	<b>34,384</b>	<b>-</b>	

**Notes:**

- (1) Comprises payment to contractors, suppliers, material costs, earthwork, piling works, site clearing, building and external works, consultants and relevant authorities.
- (2) Comprises payment for term loans.
- (3) Comprises payment for staff costs, other operating and administrative expenses.
- (4) Comprises payment for advisors' professional fees, fees to the relevant authorities and miscellaneous expenses.
- (5) As the actual expenses for the Rights Issue with Warrants A was lower than the estimated expenses, the balance was reallocated to working capital.
- (e) On 21 September 2020, our Company completed a private placement exercise involving the issuance of 76,907,900 new Shares (representing 10% of the then existing total number of issued Shares before the private placement), raising a total of RM5.21 million ("**Private Placement 2020a**").

The said proceeds have been utilised as follows:

	<b>Actual proceeds raised</b>	<b>Amount utilised as at LPD</b>	<b>Balance unutilised</b>	<b>Note</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
Funding for existing property development and construction projects	4,150	4,150	-	(1)
Repayment of bank borrowings	500	500	-	(2)
Working capital	481	481	-	(3)
Expenses for the Private Placement 2020a	83	83	-	(4)
	<b>5,214</b>	<b>5,214</b>	<b>-</b>	



**Notes:**

- (1) Comprises payment to contractors, suppliers, material costs, earthwork, piling works, site clearing, building and external works, consultants and relevant authorities.
- (2) Comprises payment for term loans.
- (3) Comprises payment for staff costs, other operating and administrative expenses.
- (4) Comprises payment for advisors' professional fees, fees to the relevant authorities and miscellaneous expenses.
- (f) On 19 April 2021, our Company completed a private placement exercise involving the issuance of 260,523,000 new Shares (representing 30% of the then existing total number of issued Shares before the private placement), raising a total of RM21.13 million ("**Private Placement 2020b**").

The said proceeds have been utilised as follows:

	<b>Actual proceeds raised</b>	<b>Amount utilised as at LPD</b>	<b>Balance unutilised</b>	<b>Note</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
Funding for existing property development and construction projects	21,028	21,028	-	(1)
Expenses for the Private Placement 2020b	100	100	-	(2)
	<b>21,128</b>	<b>21,128</b>	<b>-</b>	

**Notes:**

- (1) Comprises payment to contractors, suppliers, material costs, earthwork, piling works, site clearing, building and external works, consultants and relevant authorities.
- (2) Comprises payment for advisors' professional fees, fees to the relevant authorities and miscellaneous expenses.
- (g) On 4 October 2021, our Company completed a private placement exercise involving the issuance of 143,111,000 new Shares (representing 10% of the then existing total number of issued Shares before the private placement), raising a total of RM7.52 million ("**Private Placement 2021**").

The said proceeds have been utilised as follows:

	<b>Actual proceeds raised</b>	<b>Amount utilised as at LPD</b>	<b>Balance unutilised</b>	<b>Note</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
Working capital	7,390	7,390	-	(1)
Expenses for the Private Placement 2021	129	129	-	(2)
	<b>7,519</b>	<b>7,519</b>	<b>-</b>	

**Notes:**

- (1) Comprises payment for staff costs, other operating and administrative expenses.
- (2) Comprises payment for advisors' professional fees, fees to the relevant authorities and miscellaneous expenses.

Save for the above, our Company had not undertaken any other equity fund-raising exercises in the past 5 years. All of the proceeds raised for Private Placement 2021, Private Placement 2020a, Private Placement 2020b, Rights Issues with Warrants A, Private Placement 2018, Private Placement 2017 and Private Placement 2016 as stated in (a) to (g) above were fully utilised as proposed.

**11. ADVISERS**

M & A Securities has been appointed as the Principal Adviser for the Proposals and Placement Agent for the Proposed Private Placement.

Newfields has been appointed as the Financial Adviser for the Proposals on 28 April 2022. Newfield's scope of work as Financial Adviser includes the following:

- (a) advising our Group on the structure of the Proposals; and
- (b) assisting in the introduction and coordination with potential investors for the Placement Shares.

Newfields together with M & A Securities are also responsible to coordinate and manage the overall Proposals to ensure a smooth and timely implementation of the Proposals.

**12. DIRECTORS' STATEMENT AND RECOMMENDATION**

After having considered all aspects of the Proposals, including its rationale, the funding requirements of our Group and the proposed manner of utilisation of the proceeds of the Proposals, our Board is of the opinion that the Proposals are in the best interest of our Company and accordingly recommends that you vote **IN FAVOUR** of the resolution pertaining to the Proposals to be tabled at our forthcoming EGM.

**13. EGM**

Our EGM, the Notice of which is enclosed with this Circular, will be conducted on a fully virtual basis and entirely via Remote Participation and Electronic Voting via online meeting platform at TIIH Online website at <https://tiih.online> provided by Tricor Investor & Issuing House Services Sdn Bhd; broadcast live from 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, 12.30 p.m. or immediately after the conclusion or adjournment (as the case maybe) of the 31st Annual General Meeting of Bina Puri which will be held at the same venue and on the same day at 11.00 a.m., whichever is later, or any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution pertaining to the Proposals as described herein.

You are encouraged to attend, participate, speak (in the form of real time submission of typed texts) and vote remotely at our forthcoming EGM using the remote participation and electronic voting facilities. If you are unable to participate in the online EGM, you may appoint a proxy or proxies to participate and vote on your behalf. The Form of Proxy may be submitted by hand or by post to our Company's Share Registrar Office 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 48 hours before the time appointed for holding our EGM or any adjournment thereof, otherwise the Form of Proxy shall be treated as invalid. Alternatively, the Form of Proxy may also be electronically submitted via TIIH Online at <https://tiih.online>. Please refer to Administrative Guide for further information on electronic submission. The lodging of the Form of Proxy shall not preclude you from participating in the online EGM should you subsequently wish to do so.

#### **14. FURTHER INFORMATION**

You are advised to refer to the ensuing appendices set out in this Circular for further information.

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

**TAN SRI DATUK TEE HOCK SENG, JP**  
Group Managing Director

**Steps taken by our Company to improve its financial condition, and value creation and positive impact of the Proposals to our Company and our shareholders**

The COVID-19 pandemic and resultant MCO periods imposed by the Government in the past few financial years had resulted in disruption in the overall operating environment of our Group's operations. As a result, the progress of our Group's construction projects were delayed which resulted in a decline in revenue recognition, and the sluggish property market resulted in lower sales from its property development division. Furthermore, our Group had to continue incurring certain fixed costs (such as rental costs, staff costs and borrowing costs) which resulted in the weak financial performance of our Group in the past few financial years.

In order to obtain sufficient cash flow for our Group's operations, our Company undertook various fund-raising exercises in the past (such as the Private Placement 2021) in order to improve its cash flows and obtain sufficient working capital for its operations. Furthermore, our Company had consistently analysed and improved its operations in order to complete its property development and construction projects efficiently with the objective of reducing delays in completion to be able to undertake and complete more projects.

Our Company will continue to participate in tenders in relation to both public and private projects in the local market as well as overseas to replenish its order book. As at LPD, the outstanding order book stood at RM524.55 million, which is expected to provide earnings visibility for the next 1 to 2 years.

Our Company has also been exploring business opportunities and ventures in solar and gas power supply both locally and overseas, primarily in Sabah and Indonesia. This can be seen from the successful listing of our 51.0%-owned power subsidiary at the Indonesia Stock Exchange in 2017. Our Company will continuously explore new markets to expand its revenue and client base in order to minimise any impact brought on by the COVID-19 pandemic as well as the weak economic conditions experienced worldwide.

The Proposals will enable our Company to raise funds without incurring additional interest expense, thereby minimising any potential cash outflow in respect of interest servicing costs and preserving our Company's cash flow.

As set out in Section 2.5, the proceeds to be raised from the Proposals are intended to be utilised mainly for the funding of our existing and future construction and property development projects and/or repayment of borrowings and outstanding trade payables.

Based on the prospects and outlook of the property market and construction industry in Malaysia as set out in Sections 4.2 and 4.3, the utilisation of proceeds to be raised from the Proposals are expected to contribute positively to the future earnings of our Group.

The proceeds to be raised from the Proposals will enable us to complete our existing property development and construction projects, so we can subsequently channel our manpower, machineries and cashflow towards new construction projects. The expected improvement in our operating cash flows from utilisation of the proceeds will also enable us to increase our land bank or launch new property development projects in the future, all of which is expected to contribute positively to the future prospects of our Group.

Notwithstanding the above, any improvement on our earnings from the utilisation of proceeds from the Proposals shall be diluted as a result of the increase in the number of Shares arising from the Proposals.

**Adequacy of the Proposals in addressing the financial requirements of our Company**

In the event only the Minimum Scenario is realised, we will continue our current conservative and cautious business management and operation strategy in order to preserve our cash flows to fund our operations and financing obligations. In the event we are able to raise excess funds above the Minimum Scenario, such funds will enable our Group to expedite our recovery based on the utilisation of proceeds as set out in Section 2.5, from which a stronger operational cash flow will also enable our Group to tender for new construction projects, launch new property development projects and reduce our gearing.

Premised on Section 8.2 above and after taking into consideration the utilisation of proceeds as set out in Section 2.5, the prospects and outlook of the property market and construction industry in Malaysia as set out in Sections 4.2 and 4.3 as well as the effects of the Proposals in Section 5, our Board is of the view that the Proposals are adequate to meet our Group's financial requirements at this juncture. Our Group will continuously assess its financial position and condition moving forward and address its financial requirements as and when required.

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**Historical financial information of our Group**

The summary of historical financial information of our Group for the last 4 FYE 30 June 2019 to 2022 together with the commentaries are as follows:

	<b>Audited</b>			
	<b>18-</b>	<b>12-</b>	<b>12-</b>	<b>12-</b>
	<b>months</b>	<b>months</b>	<b>months</b>	<b>months</b>
	<b>FYE 30</b>	<b>FYE 30</b>	<b>FYE 30</b>	<b>FYE 30</b>
	<b>June</b>	<b>June</b>	<b>June</b>	<b>June</b>
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	1,040,989	387,422	287,466	234,919
PBT/(LBT)	62,201	(27,096)	(62,427)	(71,929)
PAT/(LAT)	33,597	(39,800)	(63,722)	(80,485)
Total equity/NA	367,203	363,965	365,432	274,697
Number of shares ('000)	382,039	764,078	1,431,111	1,597,646
EPS/(LPS)				
-basic <sup>(1)</sup> (sen)	0.1	(9.4)	(6.8)	(4.8)
-diluted <sup>(2)</sup> (sen)	0.1	(9.4)	(6.7)	(4.8)
NA per share <sup>(3)</sup> (RM)	0.66	0.32	0.16	0.10
Current ratio <sup>(4)</sup> (times)	1.24	1.26	1.18	1.25
Gearing ratio <sup>(5)</sup> (times)	1.36	1.21	1.17	1.54
Total borrowings	501,028	440,662	426,146	424,292

**Notes:**

- (1) Computed based on the PAT/LAT attributable to owners of our Company divided by the weighted average number of ordinary shares in issue during the respective FYE.
- (2) Computed based on the PAT/LAT attributable to owners of our Company divided by the weighted average number of ordinary shares (adjusted for incremental shares from assumed conversion of ESIS Options, where applicable) in issue during the respective FYE.
- (3) Computed based on equity attributable to owners of our Company divided by the total number of ordinary shares in issue at the end of the respective FYE.
- (4) Computed based on current ratio divided by current liabilities at the end of the respective FYE.
- (5) Computed based on total bank borrowings divided by total equity at the end of the respective FYE.

**Commentaries****FYE 30 June 2019 vs FYE 30 June 2020**

Our Group's revenue decreased by RM306.6 million or 44.2% for the FYE 30 June 2020 as compared to the prior year (FYE 30 June 2020: RM387.4 million, FYE 30 June 2019 interpolated to 12-months: RM694.0 million) mainly due to decrease in revenue contribution from the construction division. Revenue from the construction division decreased by RM170.3 million or 43.7% for the FYE 30 June 2020 as compared to the prior year (FYE 30 June 2020: RM219.3 million, FYE 30 June 2019 interpolated to 12-months: RM389.6 million) as a result of decline in the progress of construction projects due to the COVID-19 pandemic and imposition of MCO by the Government.

Our Group's PBT decreased by RM68.6 million or 165.3% for the FYE 30 June 2020 as compared to the prior year (FYE 30 June 2020: LBT of RM27.1 million, FYE 30 June 2019 interpolated to 12-months: PBT of RM41.5 million) mainly due to increase in loss contribution from the construction division. Loss contribution from the construction division increased by RM42.7 million or 134.4% for the FYE 30 June 2020 as compared to the prior year (FYE 30 June 2020: RM74.5 million, FYE 30 June 2019 interpolated to 12-months: RM31.8 million) primarily because our Group still had to incur fixed costs (eg. rental expenses, staff expenses and borrowing costs) while the progress of construction projects declined due to the MCO, which resulted in the increase in loss recognised.

In addition, our Group was also required to incur additional construction costs which were not budgeted for (eg. construction materials) for defect rectification works, additional overheads for extended contract period, additional costs required for variation order work as well as foreign exchange losses) amounting to approximately RM31.0 million for our projects (i.e. mainly for Part A for Package 22 at the Refinery and Petrochemical Integrated Development ("**RAPID**") Project, Pengerang, Johor, Ampang ("**AMG**") Line Extension Project ("**Pkg A**"), Kuala Lumpur, Malaysia, and Malaysian Embassy, Moscow, Russia) which further contributed to the loss recognised. As a result, our Group's EPS decreased from 0.1 sen per share in FYE 30 June 2019 to a LPS of 9.4 sen per share in FYE 30 June 2020.

**FYE 30 June 2020 vs FYE 30 June 2021**

Our Group's revenue decreased by RM99.9 million or 25.8% for the FYE 30 June 2021 as compared to the prior year (FYE 30 June 2021: RM287.5 million, FYE 30 June 2020: RM387.4 million) mainly due to decrease in revenue contribution from the construction division. Revenue from the construction division decreased by RM62.3 million or 28.4% for the FYE 30 June 2021 as compared to the prior year (FYE 30 June 2021: RM157.0 million, FYE 30 June 2020: RM219.3 million) as a result of the prolonged COVID-19 pandemic impact as well as the various MCO imposed by the Government. Hence, progress of construction projects continued to be disrupted thus causing the decline in revenue recognised.

Our Group's LBT increased by RM35.3 million or 130.3% for the FYE 30 June 2021 as compared to the prior year (FYE 30 June 2021: RM62.4 million, FYE 30 June 2020: RM27.1 million) mainly due to decrease in profit contribution from the property development division. Profit contribution from the property development division decreased by RM56.9 million or 95.8% for the FYE 30 June 2021 as compared to the prior year (FYE 30 June 2021: RM2.5 million, FYE 30 June 2020: RM59.4 million) primarily due to slower sales and additional time required to complete the property development projects due to the prolonged COVID-19 pandemic impact and the various MCO imposed by the Government. Furthermore, there was also a provision of impairment for goodwill recognised from acquisition of a subsidiary amounting to RM3 million which contributed to the decrease in profit contribution. Notwithstanding the increase in LBT, our Group's basic LPS improved from 9.4 sen per share in FYE 30 June 2020 to 6.8 sen per share in FYE 30 June 2021 due to the increase in weighted average number of ordinary shares in issue during the financial year.

**FYE 30 June 2021 vs FYE 30 June 2022**

Our Group's revenue decreased by RM52.5 million or 18.3% for the FYE 30 June 2022 as compared to the prior year (FYE 30 June 2022: RM234.9 million, FYE 30 June 2021: RM287.5 million) mainly due to decrease in revenue contribution from the construction division. Revenue from the construction division decreased by RM116.1 million or 73.9% for the FYE 30 June 2022 as compared to the prior year (FYE 30 June 2022: RM40.9 million, FYE 30 June 2021: RM157.0 million) mainly attributable to the lower revenue contribution from the upgrading works for Pan Borneo Highway in Sarawak, Malaysia due to slower progress during the year, and the continued slow progress of other on-going construction projects as a result of the overall disruption in global supply chains.

Our Group's LBT increased by RM9.5 million or 15.2% for the FYE 30 June 2022 as compared to the prior period (FYE 30 June 2022: RM71.9 million, FYE 30 June 2021: RM62.4 million) mainly due to loss contribution from the construction division. The construction division contributed RM33.3 million to our Group's LBT for the FYE 30 June 2022 (FYE 30 June 2021: RM49.7 million) primarily arising from increase in costs due to time extension, rising construction costs from surge in building materials prices and higher labour costs due to increase in minimum wages. Our Group's basic LPS improved from 6.8 sen per share in FYE 30 June 2021 to 4.8 sen per share in FYE 30 June 2022 mainly due to the increase in weighted average number of ordinary shares in issue during the financial period.

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## 1. DIRECTORS' RESPONSIBILITY STATEMENT

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

## 2. CONSENTS AND DECLARATIONS

### 2.1 M & A Securities

#### Consents

M & A Securities, being the Principal Adviser has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

#### Conflict of interests

M & A Securities has given their confirmations that no conflict of interest exist or is likely to exist in relation to their roles as the Principal Adviser and Placement Agent for the Proposals.

### 2.2 Newfields

#### Consent

Newfields, being the Financial Adviser for the Proposals has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereon in the form and context in which they appear in this Circular.

#### Conflict of interest

Newfields confirms that there is no conflict of interest that exists or is likely to exist in its capacity as Financial Adviser to Proposals in relation to the Proposals.

## 3. MATERIAL LITIGATION CLAIMS AND ARBITRATION

As at LPD, save as disclosed below, to the best knowledge of our Board, neither our Company nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board has no knowledge of any proceedings pending or threatened against us and its subsidiaries or of any facts likely to give rise to any proceeding which may materially and adversely affect the financial position or business of our Group:

- (a) Bina Puri Pakistan (Private) Limited, our 99.97%-owned subsidiary ("**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 RM572.67 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:

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

(i) and (ii) 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 (approximately RM18,694,210.19) with interest of PKR224,681.00 (approximately RM4,808.17) per day from 21 July 2020 until full settlement.

On 29 October 2020, BPPL has filed in the enforcement/recovery of award application to the Court. BPPL's solicitor has filed a Certificate of Urgency to the Pakistan Court and as at LPD, the Court had fixed the hearing date on 14 November 2022.

(Based on BNM's exchange rate of PKR1:RM0.0214 as at LPD)

- (b) Conaire Engineering Sdn. Bhd. – L.L.C ("**Conaire**") v (1) Bina Puri and (2) Pembinaan SPK Sdn Bhd ("**SPK**") (collectively referred as "**SPK – BPHB JV**")

SPK-BPHB JV is an unincorporated joint venture between SPK and Bina Puri (on a 70:30 proportion basis). An agreement was entered into between Conaire and 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 RM26.66 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 Bina Puri's notice of motion to amend the notice of appeal. On 3 February 2021, the Court of Appeal dismissed Bina Puri's appeal and varied the High Court judgement.

Bina Puri has filed application for leave to appeal in Federal Court on 19 February 2021 and on 5 October 2021, SPK and Bina Puri had obtained the leave to appeal. On 2 September 2022, SPK and Bina Puri had submitted leave questions granted by the Federal Court and the Federal Court has fixed 13 December 2022 as the continued hearing date for Conaire to submit its oral submissions and reply to SPK and Bina Puri's oral submissions.

(Based on BNM's exchange rate of AED1:RM1.2868 as at LPD)

- (c) Bina Puri Mining Sdn Bhd, our indirect wholly-owned subsidiary ("**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, the Court of Appeal dismissed BPM's appeal. BPM subsequently filed an application for leave of appeal at the Federal Court however the said leave application has been dismissed by the Federal Court.

On 8 February 2022, BB Quarry put in an application to the Court for the trial to be limited to the following issues:

- (i) Whether their right to resume possession of the quarry site was subject to lawful termination of the said agreement via the letter dated 12 May 2015;
- (ii) Whether BPM wrongfully withheld possession of the quarry site from 18 May 2015 to 23 February 2016;
- (iii) Whether BB Quarry is entitled to compensation for the wrongful possession of the Quarry by BPM;
- (iv) Whether BB Quarry's loss and damage suffered in the sum of RM1,410,000.00.

During the trial on 14 October 2022, BPM had enquired a witness on the signatories of the weighbridge chits in respect of the operations at the quarry. The witness confirmed that the witness was one of the signatories of the weighbridge chits. As there are a number of weighbridge chits involved, BB Quarry would require time to separate said chits. The Court has then set the next trial dates for 14 December 2022 to 16 December 2022.

- (d) Ideal Heights Development Sdn Bhd, our indirect 70%-owned subsidiary ("**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 RM404,632.01 as well as general damages, interest, and costs.

In Jurujati defense, there has been no overpayment and alleges that IHD owes a sum of RM380,438.66 for outstanding fees to Jurujati instead. Jurujati has counterclaimed against IHD for the alleged amount owing of RM380,438.66.

In addition to the above, 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 and 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.

Currently, both parties are in the midst of complying with the court's directions on pre-trial documents. The trial dates have been fixed on 18 November 2022 and 13 December 2022 to 15 December 2022.

(e) RHB Bank Berhad ("**RHB**") v Bina Puri

A suit was filed by RHB against Bina Puri 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 entered into between NHA, Bina Puri (Thailand) Ltd, our associate company ("**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 (approximately RM40,218,781.19) into the Thai Court.

Taking into account of the aforesaid payments, RHB now claims against Bina Puri for the balance, i.e., interest and other expenses in total of Thai Baht 93,535,467.66 (approximately RM11,645,165.72) 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 (approximately RM11,645,165.72) against Bina Puri, however, it was dismissed by the High Court.

RHB then appealed against the High Court' decision in dismissing the summary judgment application which was further dismissed by the Court of Appeal on 13 September 2022.

Further to the dismissal of the appeal, the High Court has fixed for trials on 1 August 2023 to 4 August 2023 and 7 August 2023 to 9 August 2023.

(Based on BNM's exchange rate of THB1:RM0.1245 as at LPD)

(f) Lakehill Resort Development Sdn Bhd ("**LRDSB**") v (1) Bina Puri Properties Sdn Bhd, our wholly-owned subsidiary ("**BPPSB**") and (2) Bina Puri

Lakehill had filed a writ of summons and statement of claim on 28 September 2021 against BPPSB and Bina Puri in respect of a sum amounting to 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 do not agree with the said claim and have entered appearance.

The Court instructed LRDSB to file any interlocutory applications by 25 February 2022. Both Parties are in negotiation.

LRDSB had filed an application for a summary judgment and striking out of BPPSB and Bina Puri's counterclaims and the Court has fixed hearing for LRDSB's application on 6 January 2023.

**4. MATERIAL COMMITMENT**

As at LPD, save as disclosed below, our Board is not aware of any material capital commitment, incurred or known to be incurred by our Group, which upon becoming due or enforceable, may have a material impact on the financial position or business of our Group:

<b>Material capital commitments</b>	<b>Amount (RM'000)</b>
<u>Approved and contracted for</u>	
- Property, plant and equipment	15,300

**5. CONTINGENT LIABILITIES**

As at LPD, our Board is not aware of any contingent liabilities, incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial position or business of our Group.

**6. DOCUMENTS AVAILABLE FOR INSPECTION**

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

- (i) our Constitution;
- (ii) audited consolidated financial statements of Bina Puri for FYE 2019 to 2022;
- (iii) letters of consent and declarations as referred to in Section 2 of this Appendix;
- (iv) Undertakings by our Undertaking Shareholders;
- (v) the draft Deed Poll B;
- (vi) the pro forma consolidated statement of financial position as at 30 June 2022 together with the auditors' letter; and
- (vii) relevant cause paper in respect of the material litigation as referred to in Section 3 of this Appendix.



**BINA PURI HOLDINGS BHD**  
(Registration No.: 199001015515 (207184-X))  
(Incorporated in Malaysia)

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting ("**EGM**") of Bina Puri Holdings Bhd ("**Bina Puri**" or the "**Company**") will be conducted on a fully virtual basis and entirely via Remote Participation and Electronic Voting via online meeting platform at TIIH Online website at <https://tiih.online> provided by Tricor Investor & Issuing House Services Sdn Bhd; broadcast live from 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, 12.30 p.m. or immediately after the conclusion or adjournment (as the case maybe) of the 31st Annual General Meeting of Bina Puri which will be held at the same venue and on the same day at 11.00 a.m., whichever is later, or at any adjournment thereof, for the purpose of considering and, if thought fit, to pass the following resolutions, with or without modifications:

### **ORDINARY RESOLUTION I**

**PROPOSED PRIVATE PLACEMENT OF UP TO 479,293,900 NEW ORDINARY SHARES IN BINA PURI ("BINA PURI SHARE(S) OR SHARE(S)") ("PLACEMENT SHARE(S)"), REPRESENTING UP TO 30% OF THE EXISTING NUMBER OF ISSUED BINA PURI SHARES, TO INDEPENDENT INVESTOR(S) TO BE IDENTIFIED ("PROPOSED PRIVATE PLACEMENT")**

**"THAT** subject to and conditional upon the approvals of all relevant authorities and persons (if any), approval be and is hereby given to the Company to allot and issue by way of private placement of up to 479,293,900 Placement Shares, representing approximately up to 30% of its total number of issued ordinary shares, to independent investor(s) to be identified, at an issue price for each tranche to be determined and fixed by the Board of Directors ("**Directors**"), which shall be determined later after all the relevant approvals have been obtained. In any event, the issue price shall not be at a discount of more than 20% from the 5-day volume weighted average market price of the Bina Puri Shares ("**5D-VWAMP**") up to and including the last trading day immediately preceding the price fixing date;

**THAT** the Placement Shares shall upon allotment and issuance, rank equally in all respects with the existing Bina Puri Shares, save and except that the Placement Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Placement Shares;

**THAT** the proceeds from the Proposed Private Placement will be utilised for such purposes as set out in Section 2.5 of the Circular dated 17 November 2022 ("**Circular**") and the Directors be authorised with full power to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Directors may deem fit, necessary or expedient, subject to (where applicable) the approval of the relevant authorities;

**THAT** the Directors of the Company be and are hereby authorised to do all such acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements that are necessary to give full effect to the Proposed Private Placement with full powers to assent to any conditions, modifications, variations and/or amendments deemed necessary or expedient in the best interest of the Company and/or as may be required by the relevant authorities and to take all steps and actions they consider necessary or as may be required to implement, finalise, give full effect to and complete the Proposed Private Placement;

**THAT** this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein and shall continue to be in full force and effect until the Placement Shares to be issued pursuant to or in connection with the Proposed Private Placement have been duly allotted and issued in accordance with the terms of the Proposed Private Placement;

**AND THAT** the approval by the shareholders of the Company in relation to the Proposed Private Placement constitutes a waiver of any statutory pre-emptive rights accorded to the shareholders of the Company by virtue of Section 85 of the Companies Act, 2016 and Clause 55 of the Constitution."

## **ORDINARY RESOLUTION II**

**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,656,944,633 NEW BINA PURI SHARES ("RIGHTS SHARES") TOGETHER WITH UP TO 331,388,927 FREE DETACHABLE WARRANTS ("WARRANTS B") ON THE BASIS OF 2 RIGHTS SHARES FOR EVERY 3 EXISTING BINA PURI SHARES HELD TOGETHER WITH 1 WARRANT B FOR EVERY 5 RIGHTS SHARE SUBSCRIBED ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE WITH WARRANTS")**

**"THAT** subject further to all the approvals from relevant authorities being obtained where necessary, approval be and is hereby given for Bina Puri to undertake the Proposed Rights Issue with Warrants as follows:

- (i) to allot and issue by way of renounceable rights issue of up to 1,656,944,633 Rights Shares together with up to 331,388,927 free Warrants on the basis of 2 Rights Share for every 3 Bina Puri Shares held on the Entitlement Date together with 1 Warrant B based on the salient terms of which are set out in Section 2.2.3 of the Circular and upon the terms and conditions of the deed poll to be executed by Bina Puri ("**Deed Poll B**"), for every 5 Rights Share subscribed by the entitled shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date;
- (ii) to allot and issue up to 331,388,927 new Bina Puri Shares arising from the exercise of Warrants B during the tenure of the Warrants B; and to allot and issue such further new Bina Puri Shares as may be required or permitted to be issued pursuant to the exercise of the Additional Warrants A (as defined below) and such adjustments in accordance with the provisions of the Deed Poll A; and
- (iii) to allot and issue such number of additional Warrants A as may be required or permitted to be issued as a result of any adjustment under the provisions of the Deed Poll A ("**Additional Warrants A**") and to adjust from time to time the exercise price of the Warrants A as a consequence of the adjustments under the Deed Poll A and/or to affect such modifications, variations and/or amendments as may be imposed, required or permitted by Bursa Securities and any other relevant authorities or parties (if required);

**THAT** any Rights Shares which are not taken up or validly taken up shall be made available for excess applications to the entitled shareholders and/ or their renouncee(s) who have applied for the excess Rights Shares, and are intended to be allocated on a fair and equitable basis;

**THAT** the final issue price of the Rights Shares and the exercise price of the Warrants B shall be at a relevant discount and/or premium to the market price of Bina Puri Shares which is deemed attractive to shareholders based on the historical trading price of Bina Puri Shares, the 5D-VWAMP of Bina Puri Shares and/or the theoretical ex-rights price of Bina Puri Shares prior to the price fixing date to be determined;

**THAT** the Directors be and are hereby authorised to allocate the excess Rights Shares in a fair and equitable manner on a basis to be determined by the Directors in their absolute discretion;

**THAT** the Directors be and are hereby authorised to deal with all or any of the fractional entitlement of the Rights Shares and Warrants B arising from the Proposed Rights Issue with Warrants, which are not validly taken up or which are not allotted for any reason whatsoever, in such manner as the Directors may in their absolute discretion deem fit and in the best interest of the Company;

**THAT** all the Rights Shares and the new Bina Puri Shares to be issued pursuant to the exercise of the Warrants B (including Additional Warrants A and additional ESIS Options as may be required or permitted to be issued as a result of any adjustment under the provisions of the by-laws ("**Additional ESIS Options**"), if any), shall upon issue and allotment, rank equally in all respects with the then existing Bina Puri Shares except for any entitlements, the entitlement date of which is before the date of allotment of the Rights Shares and the new Bina Puri Shares to be issued pursuant to the exercise of the Warrants B (including Additional Warrants A and Additional ESIS Options, if any) (as the case may be);

**THAT** the proceeds from the Proposed Rights Issue with Warrants will be utilised for such purposes as set out in Section 2.5 of the Circular and the Directors be authorised with full power to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Directors may deem fit, necessary or expedient, subject to (where applicable) the approval of the relevant authorities;

**THAT** the Directors be and are hereby authorised to enter into and execute the Deed Poll B constituting the Warrants B and to do all acts, deeds and things as they may deem fit and expedient in order to implement, finalise and give effect to the Deed Poll B;

**THAT** the Directors be and are hereby authorised with full power to make any modifications, variations and/or amendments in any manner as may be in the best interest of the Company or as may be required by the relevant authority/authorities to give effect to the Proposed Rights Issue with Warrants, and to take all such steps as they may deem necessary or expedient in the best interest of the Company to implement, finalise and give full effect to the Proposed Rights Issue with Warrants;

**AND THAT** this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue to be in full force and effect until the Rights Shares and the new Bina Puri Shares arising from the exercise of the Warrants B (including Additional Warrants A and Additional ESIS Options, if any) during the tenure of the Warrants B to be issued pursuant to or in connection with the Proposed Rights Issue with Warrants have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue with Warrants".

**BY ORDER OF THE BOARD**

**NIP CHEE SIEN (SSM PC No. 202008003954) (MAICSA 7066996)**  
**TAN KOK AUN (SSM PC No. 201908003805) (MACS 01564)**

**Company Secretaries**

Kuala Lumpur  
17 November 2022



**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 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 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.*
7. *Only members whose names appear in the Record of Depositors as at 28 November 2022 shall be eligible to attend the Extraordinary General Meeting or appointed proxy(ies) to attend and vote on his behalf.*
8. *All the resolutions set out in this Notice of Extraordinary General Meeting shall be put to vote by poll.*

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**BINA PURI HOLDINGS BHD**

(Registration No.: 199001015515 (207184-X))  
(Incorporated in Malaysia)

**PROXY FORM**

I/We (Full Name in Block Letters & IC No./ Company No.) .....

of (Address).....

being a member of BINA PURI HOLDINGS BHD, hereby appoint (Full Name in Block Letters & IC No.) .....

of (Address).....

and (Full Name in Block Letters & IC No.).....

of (Address).....

or failing whom, the CHAIRMAN OF THE MEETING as my / our proxy to vote for me / us on my / our behalf at the Extraordinary General Meeting of the Company to be conducted on a fully virtual basis and entirely via Remote Participation and Electronic Voting via online meeting platform at TIIH Online website at <https://tiih.online> provided by Tricor Investor & Issuing House Services Sdn Bhd; broadcast live from 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 12.30 p.m. or immediately after the conclusion or adjournment (as the case maybe) of the 31st Annual General Meeting of Bina Puri which will be held at the same venue and on the same day at 11.00 a.m., whichever is later, or any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolution, with or without modifications:-

RESOLUTION	AGENDA	FOR	AGAINST
Ordinary Resolution 1	Proposed Private Placement		
Ordinary Resolution 2	Proposed Rights Issue with Warrants		

Please indicate an "X" in the space provided below on how you wish your votes to be casted. If no specific instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

First Proxy	%
Second Proxy	%
Total	100%

No. of Shares Held	
CDS Accounts No.	

Dated this ..... day of ....., 2022

.....  
Signature of Member(s)/Common Seal

**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 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 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.
7. Only members whose names appear in the Record of Depositors as at 28 November 2022 shall be eligible to attend the Extraordinary General Meeting or appointed proxy(ies) to attend and vote on his behalf.
8. All the resolutions set out in this Notice of Extraordinary General Meeting shall be put to vote by poll.



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AFFIX  
STAMP

**SHARE REGISTRAR,  
BINA PURI HOLDINGS BHD (199001015515 (207184-X))**

Tricor Investor and 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  
Malaysia

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