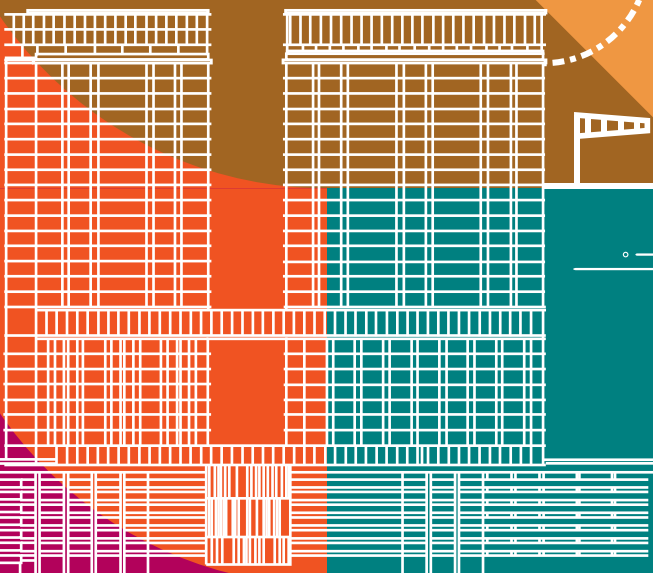
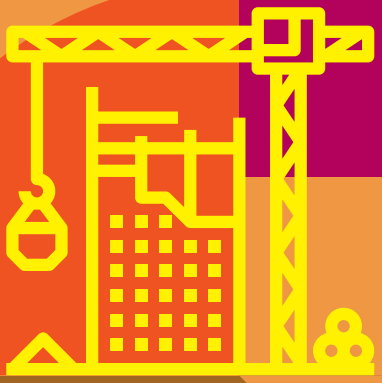




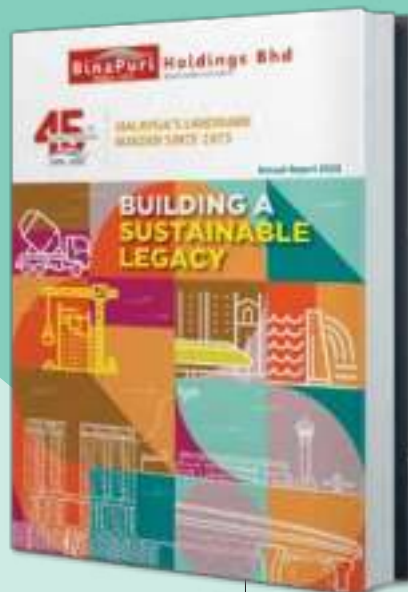
**MALAYSIA'S LANDMARK  
BUILDER SINCE 1975**

Annual Report 2020

# **BUILDING A SUSTAINABLE LEGACY**



# COVER RATIONALE



Our 2020 Annual Report aims to offer a comprehensive view of our performance in these areas during the year, with a cover design that affirms our tagline **Building A Sustainable Legacy**.

A graphical and illustration-driven approach which makes use of vibrant colours and icons to convey a captivating future of modernity as envisioned by Bina Puri.

Our growth trajectory is anchored in sound fundamentals. Our diligence, integrity and persistent focus on sound business practices provide a solid foundation for our continued delivery of value in the long term.



This Annual Report is available at

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

# Welcome to our 2020 Annual Report

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Enclosed **Proxy Form**



**swiss-belHOTEL**  
Kuantan • MALAYSIA

**Swiss-Belhotel**  
Kuantan, Malaysia



# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** THAT THE TWENTY-NINTH ANNUAL GENERAL MEETING OF BINA PURI HOLDINGS BHD. (COMPANY NO. 199001015515 (207184-X)) (“BINA PURI” OR “THE COMPANY”) WILL BE HELD AT GROUND FLOOR, WISMA BINA PURI, 88 JALAN BUKIT IDAMAN 8/1, BUKIT IDAMAN, SELAYANG, 68100 BATU CAVES, SELANGOR ON MONDAY, 7 DECEMBER 2020 AT 11.00 A.M. TO TRANSACT THE FOLLOWING BUSINESSES:

## ORDINARY BUSINESS

- |       |   |   |
|-------|---|---|
| 1.    | To receive the Audited Financial Statements for the year ended 30 June 2020 together with the Reports of Directors’ and Auditors’ thereon.  | <b>(Refer to Explanatory Note i)</b>                            |
| <hr/> |   |   |
| 2.    | To re-elect the following directors who retire pursuant to Clause 87 of the Company’s Constitution:   |   |
|       | a) Tan Sri Datuk Tee Hock Seng, JP  | <b>Ordinary Resolution 1</b>                                    |
|       | b) Dr. Tan Cheng Kiat   | <b>Ordinary Resolution 2</b>                                    |
| <hr/> |   |   |
| 3.    | To approve the payment of Directors’ fees of up to an amount of RM300,000 for the period from 8 December 2020 until the next Annual General Meeting.  | <b>Ordinary Resolution 3</b>                                    |
| <hr/> |   |   |
| 4.    | To consider, and if thought fit, to pass the following resolution:<br><br>“THAT Messrs UHY be appointed as Auditors of the Company in place of the retiring Auditors, Messrs. RSL PLT and to hold office until the conclusion of the next Annual General Meeting at a fee to be determined by the Directors at a later date.” | <b>Ordinary Resolution 4<br/>(Refer to Explanatory Note iv)</b> |

## SPECIAL BUSINESS

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

- |    |  |                              |
|----|--|------------------------------|
| 5. | <b>PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS</b><br><br>“THAT, subject to the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”), the Company and/or its subsidiary companies be and are hereby authorised to enter into recurrent related party transactions of a revenue or trading nature set out in paragraph 2.4 of the Circular to Shareholders of the Company dated 30 October 2020 which are necessary for their day-to-day operations with: |                              |
|    | (a) Sea Travel and Tours Sdn. Bhd.   | <b>Ordinary Resolution 5</b> |
|    | (b) Kumpulan Melaka Bhd.   | <b>Ordinary Resolution 6</b> |
|    | (c) Ideal Heights Properties Sdn. Bhd.   | <b>Ordinary Resolution 7</b> |
|    | (d) Dimara Holdings Sdn. Bhd.  | <b>Ordinary Resolution 8</b> |

## Notice of Annual General Meeting

(cont'd)

Subject further to the following:

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

---

6. **AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 75 AND SECTION 76 OF THE COMPANIES ACT 2016** **Ordinary Resolution 9**

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

## Notice of Annual General Meeting

(cont'd)

**7. PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES (“PROPOSED RENEWAL OF SHARE BUY-BACK”)** **Ordinary Resolution 10**

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

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

---

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

---

By Order of the Board

**TAN KOK AUN** (SSM PC No. 201908003805) (MACS 01564)

**NIP CHEE SIEN** (SSM PC No. 202008003954) (MAICSA 7066996)

Company Secretaries

Kuala Lumpur,  
30 October 2020

## Notice of Annual General Meeting

(cont'd)

### NOTES:

1. A Member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend and vote instead of him at a general meeting who shall represent all the shares held by such Member, and where a Member holding more than one thousand (1,000) ordinary shares may appoint more than one (1) proxy but not more than two (2) proxies 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) proxies, 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 completed and deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting (or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll). Individual shareholders can also have the option to submit the proxy appointment electronically via TIIH online at website <https://tjih.online> before the proxy form submission cut-off time as mentioned in the above. For further information on the electronic submission of proxy form, kindly refer to the Administrative Guide.
7. Only members whose names appear in the Record of Depositors as at 26 November 2020 shall be eligible to attend the Twenty-Ninth Annual General Meeting or appointed proxy(ies) to attend and vote on his behalf.
8. All the resolutions set out in this Notice of Twenty-Ninth Annual General Meeting shall be put to vote by poll.

### EXPLANATORY NOTES ON ORDINARY BUSINESS

- i. Agenda on Item 1 is meant for discussion only as the provision of Section 340 (1) (a) of the Companies Act 2016 does not require a formal approval of shareholders, and hence the matter will not be put forward for voting.
- ii. Ordinary Resolution 1 and 2 – Re-election of Directors  
Tan Sri Datuk Tee Hock Seng, JP and Dr. Tan Cheng Kiat are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at this Annual General Meeting.
- iii. Ordinary Resolution 3 - Directors' fees for the period from 8 December 2020 until next Annual General Meeting  
Section 230(1) of the Companies Act 2016 provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company shall be approved at a general meeting. This resolution is to facilitate payment of Directors' fees for the current financial year basis. In the event the proposed amount is insufficient, e.g. due to enlarged Board size, approval will be sought at the next Annual General Meeting for the shortfall.
- iv. Ordinary Resolution 4 - To appoint Messrs. UHY as auditor and to authorise the Directors to fix their remuneration  
The retiring Auditors Messrs. RSL PLT has indicated that they do not seek for re-election at the Twenty-Ninth Annual General Meeting. In this regard, Datuk Matthew Tee Kai Woon, a shareholder of the Company has nominated Messrs. UHY as Auditors of the Company pursuant to Section 271(4) of the Companies Act 2016. Messrs. UHY has given their consent to act as Auditors of the Company.  
[A copy of Notice of Nomination from Datuk Matthew Tee Kai Woon marked as "Appendix A" (page 210) attached in the Company's Annual Report 2020].  
[A copy of Consent Letter from Messrs. UHY marked as "Appendix B" (page 211) attached in the Company's Annual Report 2020].

### EXPLANATORY NOTES ON SPECIAL BUSINESS

- v. Ordinary Resolutions 5 to 8 – Proposed renewal of shareholders' mandate for recurrent related party transactions  
The ordinary resolutions 5, 6, 7 and 8 if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, particulars of which are set out in paragraph 2.4 of the Circular to Shareholders on recurrent related party transactions dated 30 October 2020, which is available for download at <http://www.binapuri.com.my>
- vi. Ordinary Resolution 9 - Authority to Allot Shares Pursuant to Section 75 and Section 76 of the Companies Act 2016  
The proposed Resolution 9 in item 6 is primarily to give flexibility to the Board of Directors to issue and allot shares at any time in their absolute discretion without convening a general meeting. The authorisation will, unless revoked or varied by the Company at a general meeting, expire at the next annual general meeting. This is a renewal of a general mandate in order to avoid any delay and cost involved in convening a general meeting, it is thus appropriate to seek members' approval.  
The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares funding current and/or future projects, working capital and/or acquisitions.



## Notice of Annual General Meeting

(cont'd)

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

The proposed Resolution 10 in item 7 is to empower the Directors of the Company to purchase the Company's shares up to ten percent (10%) of the issued and paid-up share capital of the Company by utilising the funds allocated which shall not exceed the retained profits of the Company. Please refer to the Share Buy Back Statement dated 30 October 2020, which is available for download at <http://www.binapuri.com.my>

### IMPORTANT NOTICE:

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

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

# Statement Accompanying Notice of Annual General Meeting

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

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

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

- a) Tan Sri Datuk Tee Hock Seng, JP
- b) Dr. Tan Cheng Kiat

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

The profiles of Directors standing for re-election are set out on pages 12 and 13 of Annual Report 2020.

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

The details of attendance of directors at board meetings are stated on page 47 of Annual Report 2020.

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



Monday, 7 December 2020



11.00 a.m.

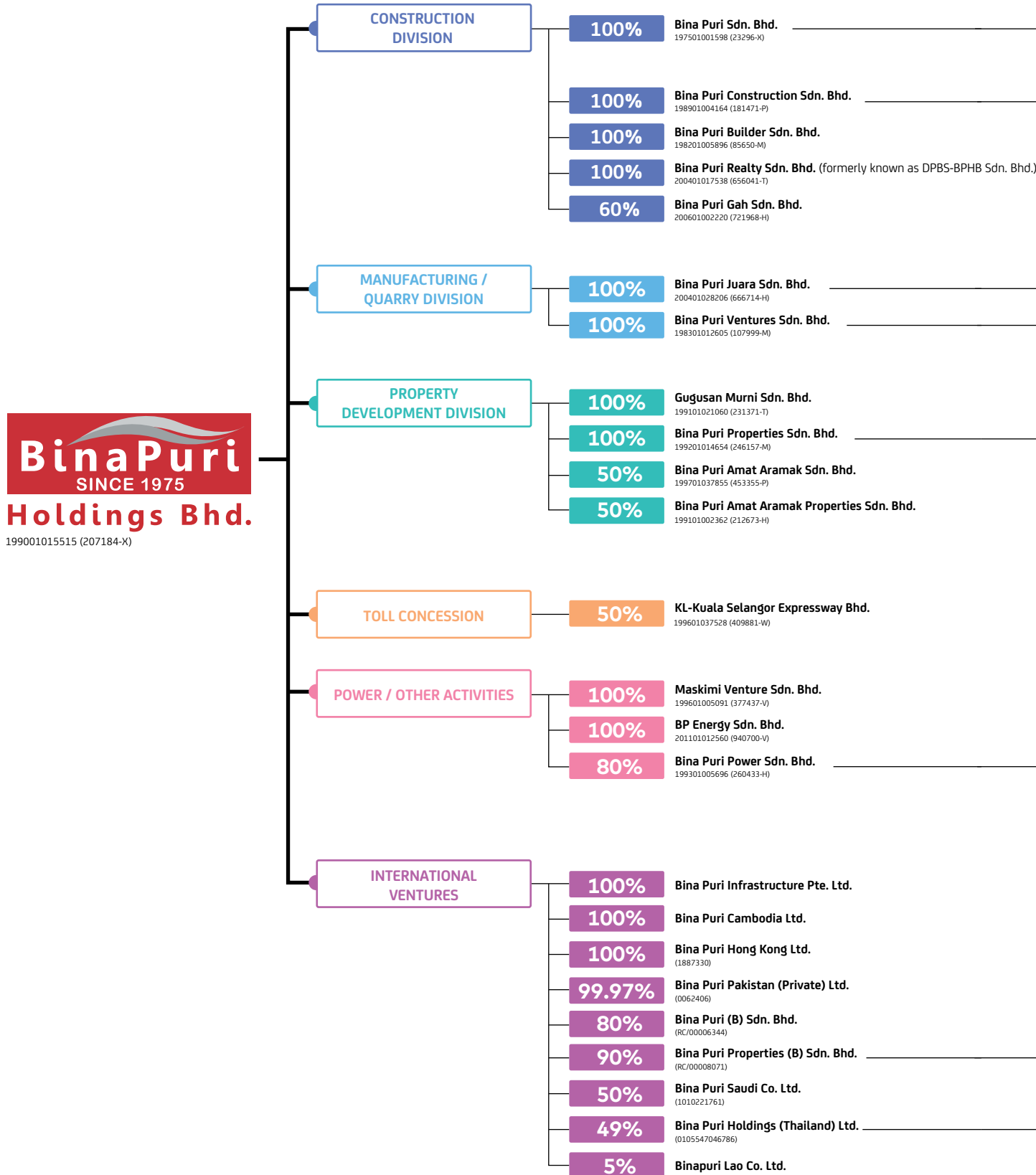


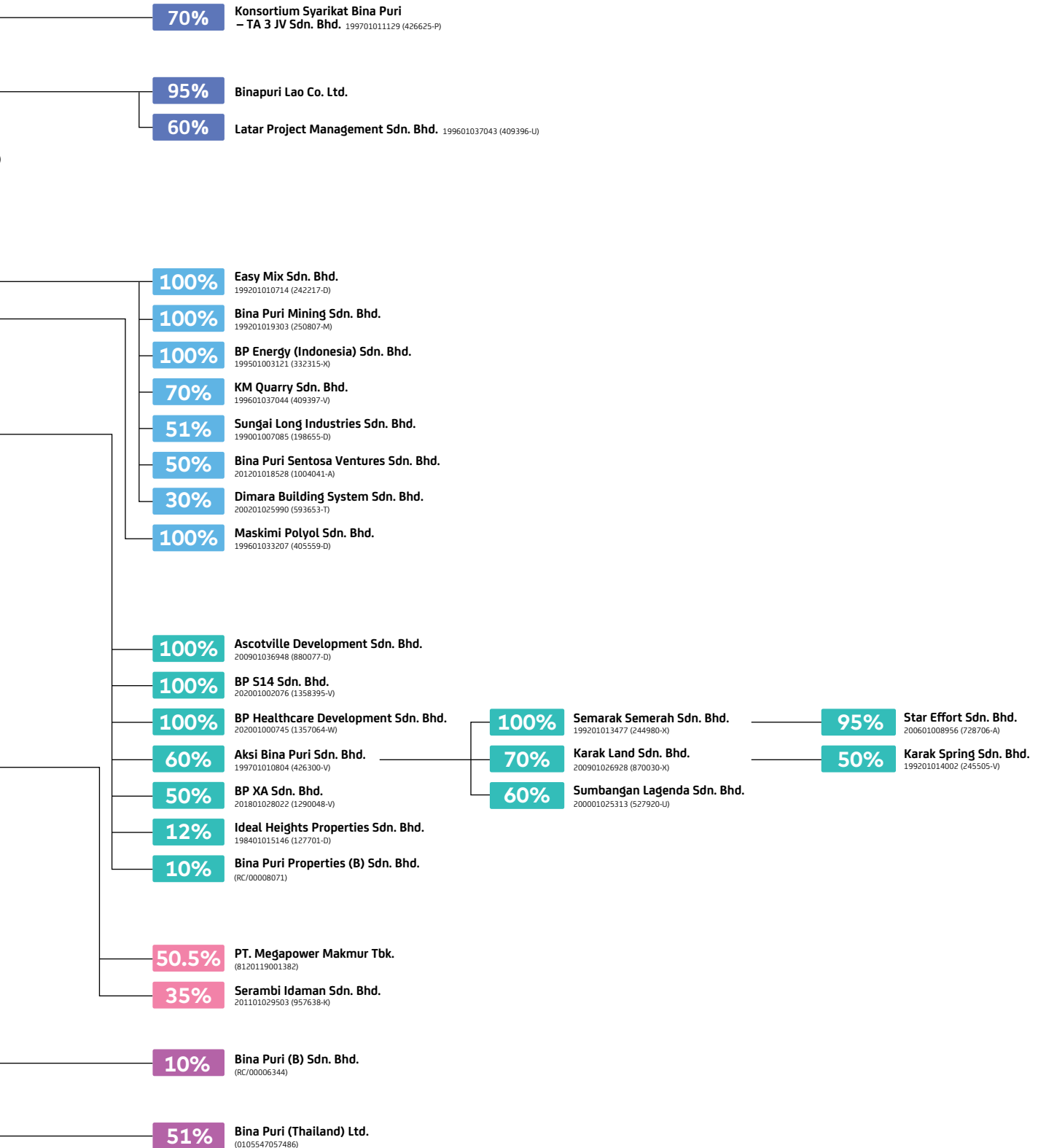
Ground Floor, Wisma Bina Puri  
88 Jalan Bukit Idaman 8/1  
Bukit Idaman  
68100 Selangor, Selangor

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

The Company has obtained the mandate for issue of shares from the shareholders at the last Annual General Meeting held on 5 December 2019 ("the Previous Mandate").

# Group Corporate Structure





# Corporate Information

## BOARD OF DIRECTORS

### TAN SRI DATO' WONG FOON MENG

Chairman/ Independent  
Non-Executive Director

### DR TONY TAN CHENG KIAT

Founder Director

### IR GHAZALI BIN BUJANG

Independent Non-Executive Director

### TAN SRI DATUK TEE HOCK SENG, JP

Group Managing Director

### DATUK MATTHEW TEE KAI WOON

Group Executive Director

### MOHD NAJIB BIN ABDUL AZIZ

Independent Non-Executive Director

## BOARD COMMITTEES

### GROUP EXECUTIVE COMMITTEE

#### TAN SRI DATUK TEE HOCK SENG, JP

Chairman

#### DR TONY TAN CHENG KIAT

Member

#### DATUK MATTHEW TEE KAI WOON

Member

### AUDIT COMMITTEE

#### IR GHAZALI BIN BUJANG

Chairman

#### TAN SRI DATO' WONG FOON MENG

Member

#### MOHD NAJIB BIN ABDUL AZIZ

Member

### NOMINATION COMMITTEE

#### TAN SRI DATO' WONG FOON MENG

Chairman

#### IR. GHAZALI BIN BUJANG

Member

#### MOHD NAJIB BIN ABDUL AZIZ

Member

### REMUNERATION COMMITTEE

#### TAN SRI DATO' WONG FOON MENG

Chairman

#### IR. GHAZALI BIN BUJANG

Member

#### MOHD NAJIB BIN ABDUL AZIZ

Member

#### TAN SRI DATUK TEE HOCK SENG, JP

Member

### GROUP COMPANY SECRETARIES

TAN KOK AUN (MACS 01564)  
NIP CHEE SIEN (MAICSA 7066996)

### REGISTERED OFFICE

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

**T** : +603 - 6136 3333

**F** : +603 - 6136 9999

**E** : corpcomm@binapuri.com.my

**W** : <http://www.binapuri.com.my>

### SHARE REGISTRAR

Tricor Investor & Issuing House  
Services Sdn. Bhd.  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3  
Bangsar South, No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

**T** : +603 - 2783 9299

**F** : +603 - 2783 9222

### AUDITORS

#### MESSRS. RSL PLT

Chartered Accountants  
151A Jalan Batu Tiga Lama  
Taman Rashna  
41300 Klang, Selangor

**T** : +603 - 3344 8668

**F** : +603 - 3341 8998

### PRINCIPLE BANKERS

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

### STOCK EXCHANGE LISTING

The Main Board of Bursa Malaysia  
Securities Berhad

Stock Name : **BPuri**

Stock Code : **5932**

Listing Date : **6 January 1995**

# Board of Directors



## TAN SRI DATO' WONG FOON MENG

Chairman/ Independent  
Non-Executive Director

Age : **66**  
Gender : **Male**  
Nationality : **Malaysian**

**TAN SRI DATO' WONG FOON MENG** was appointed as Chairman/ Non-Independent Non-Executive Director of the Company on 1 June 2010 and redesignated as Independent Non-Executive Director on 20 April 2013. He graduated in Mechanical Engineering from the University of Technology Malaysia in 1978.

He spent his early career in Government service where he held various positions at technical and administrative level. He had a distinguished career during his 13 years' service and had been attending various technical trainings, conferences and management courses at international level among others in Thailand, Philippines, Japan, France, Yugoslavia and USA. He had also been accorded the Excellence Service Award by the Ministry of Science, Technology and Environment in 1982. His last position held was as the Regional Director of Department of Environment for Terengganu and Kelantan before he left the service to be in the private practice in 1991.

He was elected as a State Assemblyman in Terengganu in 1995 and subsequently appointed as a member of the State Executive Council (EXCO). He was appointed as Senator and elected as Deputy

President of the Senate of Parliament of Malaysia in 2004. He was then elected as the President of the Senate from July 2009 until April 2010. During his tenure with the Parliament, he had fostered close bilateral relationships with the Governments and Parliaments of countries in Asia, Africa, Europe as well as South America.

Tan Sri Dato' Wong Foon Meng's extensive experience in the public sector, executive and legislative experience at state and federal level, as well as corporate experience in the later years has enabled him to lead and share his experience with the Board.

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

## Board of Directors

(cont'd)



### TAN SRI DATUK TEE HOCK SENG, JP

Group Managing Director

Age : **71**

Gender : **Male**

Nationality : **Malaysian**

**TAN SRI DATUK TEE HOCK SENG, JP** was appointed to the Board on 5 November 1990 and was subsequently appointed as the Group Managing Director on 22 November 1994.

He is an experienced entrepreneur with more than 45 years business acumen in trading, construction and development. He is responsible for the day-to-day operations of the Group.

#### Current Portfolios:

- Board of Trustee of Perdana Leadership Foundation
- EXCO member of Malaysia South-South Association
- Director of Malaysian South-South Corporation Bhd
- Honorary Chairman of The Chinese Chamber of Commerce & Industry of KL & Selangor
- Honorary Chairman of the Malaysia Quarries Association
- Executive Advisor of Selangor & Federal Territory Builder Association
- Honorary Chairman of The International Fellowship of Eng Choon Associates
- Life Honorable President of The Federation of Hokkien Association of Malaysia
- Advisor of The Associated Eng Choon Societies of Malaysia
- Honorary Chairman of The Federation of Xing Yang Associations of Malaysia
- Vice President of Tung Shin Hospital
- Director of the Chinese Maternity Hospital (CMH)
- Board of Trustee cum Exco Member of Selangor King George V Silver Jubilee Fund
- Chairman, Board of Governors of SMJK Confucian, SRJK(C) Tsun Jin and SRJK (C) Onpong II, KL
- Honorary Chairman of the Young Malaysians Movement and The Federation of Malaysian Clans & Guilds Association

#### Past Portfolios:

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

#### Notable Achievements/Awards:

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

Except for recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries and for which he is deemed to be interested as disclosed on page 203 of the Annual Report, there are no other business arrangements with the Company in which he has personal interests.

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

## Board of Directors

(cont'd)



### DR TONY TAN CHENG KIAT

Founder Director

Age : **72**  
 Gender : **Male**  
 Nationality : **Malaysian**

**DR TONY TAN CHENG KIAT** founded Bina Puri Sdn. Bhd. in 1975 and has been the Executive Chairman since its inception. He was appointed to the Board of the Company on 5 November 1990. He is responsible for the growth and ongoing development of the company's business.

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

Except for recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries and for which he is deemed

to be interested as disclosed on page 203 of the Annual Report, there are no other business arrangements with the Company in which he has personal interests.

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

## Board of Directors

(cont'd)



### DATUK MATTHEW TEE KAI WOON

Group Executive Director

Age : **45**  
Gender : **Male**  
Nationality : **Malaysian**

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

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

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

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

#### Current Portfolios:

- Immediate Past President of Master Builders Association of Malaysia (MBAM) from 2016-2020
- Board of Advisory of Construction Labour Exchange Centre Berhad (CLAB)
- Honorary Treasurer General of Malaysian Steel Structural Association (MSSA) since 2011
- Board Member of Malaysian Industry-

Government Group for High Technology (MIGHT) and Chairman of Board Audit Committee

#### Past Portfolios:

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

#### Notable Achievements/Awards:

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

Except for recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of the Company and its subsidiaries and for which he is deemed to be interested as disclosed on page 203 of the Annual Report, there are no other business arrangements with the Company in which he has personal interests.



## Board of Directors

(cont'd)



### IR GHAZALI BIN BUJANG

Independent Non-Executive Director

Age : **69**  
 Gender : **Male**  
 Nationality : **Malaysian**

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

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

He has vast experience in planning, engineering and management of infrastructure and development works. He also has a broad and balanced knowledge

with respect to issues on economic and finance, technical and environmental relevant to development and infrastructure projects.

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

## Board of Directors

(cont'd)



### MOHD NAJIB BIN ABDUL AZIZ

Independent Non-Executive  
Director

Age : **47**  
Gender : **Male**  
Nationality : **Malaysian**

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

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

He was the Assistant Manager of Global Corporate Finance in Arthur Andersen & Co. and had held the position of Senior Consultant with the Corporate Recovery Division of KPMG for three years in Perth,

Western Australia. He is also a director of several private limited companies.

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

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

# Key Senior Management



## WE HER CHING

Group Chief Operating Officer,  
Contracts and Administration

Age : **60**  
 Gender : **Male**  
 Nationality : **Malaysian**

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

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

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

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

## Key Senior Management

(cont'd)

### LEE TONG LEONG

Chief Operating Officer,  
Property Division

-----

Age : **62**  
 Gender : **Male**  
 Nationality : **Malaysian**



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

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

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

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

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

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



**Ampang Line Light Rail Transit (LRT)  
Extension, Kuala Lumpur, Malaysia**






**RIMBUN**  
SUITES AND RESIDENCES  
BRUNEI

**Rimbun Suites and Residences, Brunei Darussalam**



**Awards**



TRIPADVISOR HOTELS

9.8

10.0

# Chairman's Statement



**TO OUR DEAR SHAREHOLDERS,  
ON BEHALF OF THE BOARD  
OF DIRECTORS OF BINA PURI  
HOLDINGS BHD, I PRESENT  
TO YOU THE ANNUAL REPORT  
AND AUDITED FINANCIAL  
STATEMENTS FOR THE  
FINANCIAL PERIOD ENDED  
JUNE 30, 2020.**



---

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



## Chairman's Statement

(cont'd)

The 12 months under review saw epoch-making events that unfolded and tested the Group's resilience which brought out the best in the Group's management team in ensuring the company remains lean and strong. We witnessed a change in the Federal Government leadership in February 2020 and, almost happening in tandem, an outbreak of Covid-19 pandemic that sapped the strength out of the economy.

2019 second half was already marked by a slow economy which sputtered along and barely picked up after the year-end festive seasons. Shortly after, the Covid-19 pandemic hit; the country was under lockdown in March. Except for essential services, all businesses shuttered and the economy contracted to a record new low.

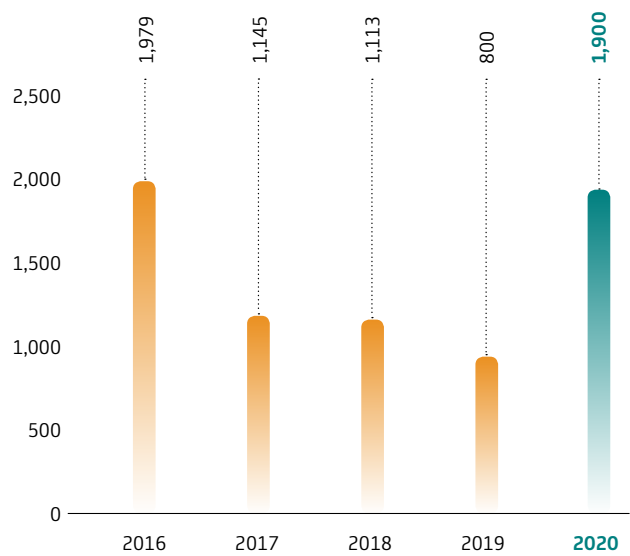
Bank Negara Malaysia reported a 17.1% contraction in Malaysia's GDP in Q2 2020, the worst since the Asian Financial Crisis in 1998 when the growth shrunk to 11%. The hardest hit sector was construction which contracted by 44.5%. Mining and quarrying dropped by 20%, followed by manufacturing (18%) and services at (16.2%). Agriculture, the sole sector to post growth, registered a 1.0% output increase.

None escaped the impact of Covid-19 on our embattled economy; and, if infection rate spiked without any prospect of developing a vaccine in the horizon, the economy would suffer and more people would be out of jobs.

In spite of these impacts, there are encouraging developments that point to a positive outlook; while the economy has been contracting, the rate of decline has tapered off to a single digit in the month of June that seemed to indicate that the decline will soon run its course.

### Unbuilt Book Order from 2016-2020 (Sept)

(RM' Mil)



Throughout the 12 months, Bina Puri has exercised financial prudence and tightening operating costs while executing an action plan to overcome disruptions caused by a weakening economy.

I wish to reiterate that precautionary and austerity measures have been put in place since last year and tight control over expenditure has been stringently implemented. With these control measures, I am confident, the Group's management team will be able to continue to steer our ship on an even keel.



LKIM Fishery Complex, Kuching, Sarawak



# Chairman's Statement

(cont'd)

## SEGMENTAL BUSINESS OVERVIEW

THE GROUP RECORDED REVENUE OF RM420.7 MILLION AND A PROFIT BEFORE TAX OF RM10.4 MILLION FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020. THE LOW PROFIT CONTRIBUTION WAS ATTRIBUTABLE TO LOWER PERFORMANCE FROM ALL OPERATING SEGMENTS DUE TO DISRUPTION OF OPERATING ENVIRONMENT AS A RESULT OF COVID-19 PANDEMIC.

The construction division recorded revenue of RM219.3 million and incurred losses of RM39.2 million due to unbudgeted costs.

The property division recorded revenue of RM152.2 million and profit before tax of RM55.1 million for the financial year ended 30 June 2020. This was mainly contributed from the sales of development properties comprising The Opus at Jalan Tallala in Kuala Lumpur, Jesselton View and One Jesselton projects in Kota Kinabalu, The Valley @ Bentong in Pahang and Puri Residences in Masai, Johor.

In addition, rental income from Main Place Mall in USJ, Subang and Rimbun Suites and Residences in Brunei also contributed positively to the performance of the property division.

**PROPERTY DIVISION**



**PROFIT BEFORE TAX**  
**RM 55.1**  
 Million

For the Financial Year Ended 30 June 2020



*One Jesselton, Kota Kinabalu*



*The Valley @ Bentong, Pahang*



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



The power supply division recorded revenue of RM11.4 million from the supply of electricity power to PT Perusahaan Listrik Negara (State Electricity Company owned by Indonesia Government) and PLTM Bantaeng and incurred losses of RM4.7 million. The performance of this division was affected by currency movement due to weakening of Ringgit Malaysia against the US Dollar and lower power generated for PT Perusahaan Listrik Negara and PLTM Bantaeng.

In the midst of tackling the daily business challenges, the Group is always guided by its objective of seeking out opportunities to promote sustainability. The Group has embarked on two sustainability ventures through the KL-Kuala Selangor Expressway (LATAR) division.

LATAR invested in solar energy generation by installing solar panels along the LATAR to reduce energy cost. The solar energy generated in future will meet LATAR's usage requirement and, in the event of any excess of supply, LATAR will earn revenue from exporting the excess to TNB's utility grid. LATAR will have the ability in "hedging" or offset part of the risk of any adverse electricity price movements over 21 years whilst at the same time can showcase its initiative leading by example in promoting green energy highways.

The second green undertaking is the planting of more than 5,000 trees on the land reserves along the road shoulders of its expressway to reduce carbon footprint as well as to monetize from harvesting the 'eco-trees' for the local paper and pulp industry.

**LATAR EXPRESSWAY GREEN INITIATIVE**



Planting more than  
**5,000**  
trees



Aerial view of LATAR Expressway

## AUTHORISATION FOR ISSUE

### THE INTERIM FINANCIAL STATEMENTS WERE AUTHORISED FOR ISSUE BY THE BOARD OF DIRECTORS IN ACCORDANCE WITH RESOLUTION OF THE DIRECTORS.

The Company had successfully issued 382,039,550 new Bina Puri Shares with gross proceeds of RM34.384 million on the Main Market of Bursa Securities on 30 December 2019.

## ACHIEVEMENTS AND AWARDS

### IMBUED WITHIN THE GROUP CORPORATE DNA IS THE IMPORTANCE PLACED ON QUALITY AND EXCELLENCE IN THE SERVICES WE PROVIDE AND THE PRODUCTS WE BUILD. THIS ATTRIBUTE HAS PRODUCED RESULTS THAT ARE INSPIRING AS WE FULFIL OUR MISSION TO BECOME A LANDMARK BUILDER.

Even though the Group has had to operate with lean resources, we are proud to announce several achievements and awards the Group's subsidiaries have been recognised with.

Bina Puri's hospitality division, Rimbun Suites and Residences at Bandar Seri Begawan, Brunei Darussalam has won three international awards for its excellent services and customers' satisfaction.

The three awards are:

1. The International Five Stars Hotel Award 2019-2020 (By The International Hotel Award) on 7 December 2019
2. Exceptional 10.0 Rating by Hotel.com, and
3. Traveller Review Awards 2020 with 9.8 rating by Booking.com

Another outstanding achievement the Group has won showcases its aspiration to reach for the sky. The Group has achieved the record of constructing the tallest buildings in three states; namely Perak, Sabah and Pahang.

In Pahang, the Group completed the construction of the tallest 27-storey Swiss-Belhotel Kuantan offering 366 rooms and suites at the Kuantan Waterfront Resort City.

In Sabah, the Group constructed the Chief Minister's Office tower at the Sabah State Administration Centre, Kota Kinabalu. It cost RM576.9 mil and was completed in March 2017. The complex comprises of 1 block of 30-storey office tower which is the tallest in the state and 2 blocks of 9-storey buildings.

In Perak, the Group constructed the Haven Hotel and Residences, which comprised three blocks of 25-storey condominium. It was completed in December 2013 at a contract value of RM82.3mil.

Our own Group Managing Director, Tan Sri Datuk Tee Hock Seng, JP has himself personified the strive for excellence he embraced. He was conferred Honorary Builder Award by Master Builders Association Malaysia (MBAM) on Aug 16, 2019, at the 65<sup>th</sup> MBAM anniversary dinner ceremony in recognition of his exemplary support, participation and meritorious contribution to the development of MBAM and his promotion of a productive and an efficient construction industry in Malaysia. He walked the talk as the saying goes.

He is currently the Honorary Builder of MBAM, and held the positions of Vice-President and Treasurer-General of MBAM previously.

## ACKNOWLEDGMENT

On behalf of the Board of Directors, I would like to express our deepest appreciation and gratitude to our capable and reliable management team and staff, for their continuous dedication, commitment and support.

I would also wish to record our sincere appreciation to our financiers, business partners, and relevant approving authorities, for their understanding and continuous support and cooperation.

To all our valued shareholders, thank you once again for your confidence in us. Rest be assured that the Board and management are constantly monitoring our financial health and exercising prudence in the best interest of investors and shareholders.

Bina Puri has matured as an established Group of Companies existing for 45 years without a single year failing to turn a profit, this in itself is a milestone that we are proud of.

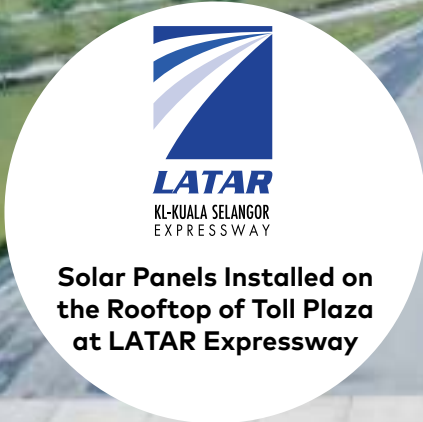
As we wait patiently for better days to come, please do not forget to protect yourself by observing the new normal that means complying with the Health Ministry's SOP that includes wearing a face mask at work, doing temperature check and practising hand sanitisation before entering premises, and keeping social distancing.

Stay safe.

## TAN SRI DATO' WONG FOON MENG

PSM, DPMT, JSM

Chairman, Bina Puri Holdings Bhd



**Solar Panels Installed on  
the Rooftop of Toll Plaza  
at LATAR Expressway**



# Group Managing Director's Message and Management Discussion & Analysis



THE GROUP HAS EMERGED LEANER AND STRONGER AS A VIABLE DIVERSIFIED BUSINESS CORPORATION. THE FIGHT IS ON AND WE, THE MANAGEMENT TEAM AND STAFF, HAVE TO DRAW ON OUR BEST TO FACE OFF MORE CHALLENGES AS THE FULL BRUNT OF THE PANDEMIC BEARS DOWN ON US.



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**Tan Sri Datuk Tee Hock Seng, JP**  
Group Managing Director



## Group Managing Director's Message and Management Discussion & Analysis

(cont'd)

### OVERVIEW

The Group has withstood one of its toughest challenge yet in its 45 years of existence during the 12 months under review.

The business environment was not only tough but also painfully slow and it has not shown any sign of abating in its decline. Internal and external factors worked almost in cohorts to deal a hurtful blow on the economy.

In the first half year under review, Malaysians woke up to a political tsunami that led to a sudden change of Government overnight. There were a lot of uncertainties gripping the country. Less than a week later, the menace of the Covid-19 pandemic swept in; prompting most countries to enforce lockdown. Similarly, the Government invoked the Movement Control Order that shuttered almost all businesses.

The direct damage has been confirmed by Bank Negara Malaysia in its second quarter 2020 report; the country saw the sharpest 17.1% contraction in its GDP. The signs are that the current global recession caused by the Covid-19 pandemic has yet to show its ugliest face.

I am hopeful that things can only get better. The Group has emerged leaner and stronger as a viable diversified business corporation. The fight is on and we, the management team and staff, have to draw on our best to face off more challenges as the full brunt of the pandemic bears down on us.

### REVIEW OF PERFORMANCE

The Group recorded revenue of RM420.7 million and a profit before tax of RM10.4 million for the financial year ended 30 June 2020. The low profit contribution was attributable to lower performance from all operating segments due to disruption of operating environment as a result of Covid-19 pandemic.

### CONSTRUCTION DIVISION

The construction division recorded revenue of RM219.3 million and incurred losses of RM39.2 million due to unbudgeted costs.

The construction sector had contracted by 44.5% in the second quarter of this year but the percentage point drop had tapered off to a single digit in June which may indicate that it can rebound faster and higher in the coming months.



Opus Kuala Lumpur

### PROPERTY DIVISION

The property division recorded revenue of RM152.2 million and profit before tax of RM55.1 million for the financial year ended 30 June 2020. This was mainly contributed by the sales of development properties comprising The Opus at Jalan Tallala in Kuala Lumpur, Jesselton View and One Jesselton projects in Kota Kinabalu, The Valley @ Bentong in Pahang and Puri Residences in Masai, Johor.

In addition, rental income from Main Place Mall in USJ, Subang, and Rimbun Suites and Residences in Brunei also contributed positively to the performance of the property division.

The Opus Kuala Lumpur received its Certificate of Completion & Compliance in June last year. It comprises two blocks of 32-storey condominium covering 1.38 acres at the prime location in the city of Kuala Lumpur with a total of 357 residential units.

Our associate development at Kuantan Waterfront Resort City delivered the Phase 1 comprising of the Swiss-Belhotel and Imperium Residence. The rest of the phases will be developed soon.

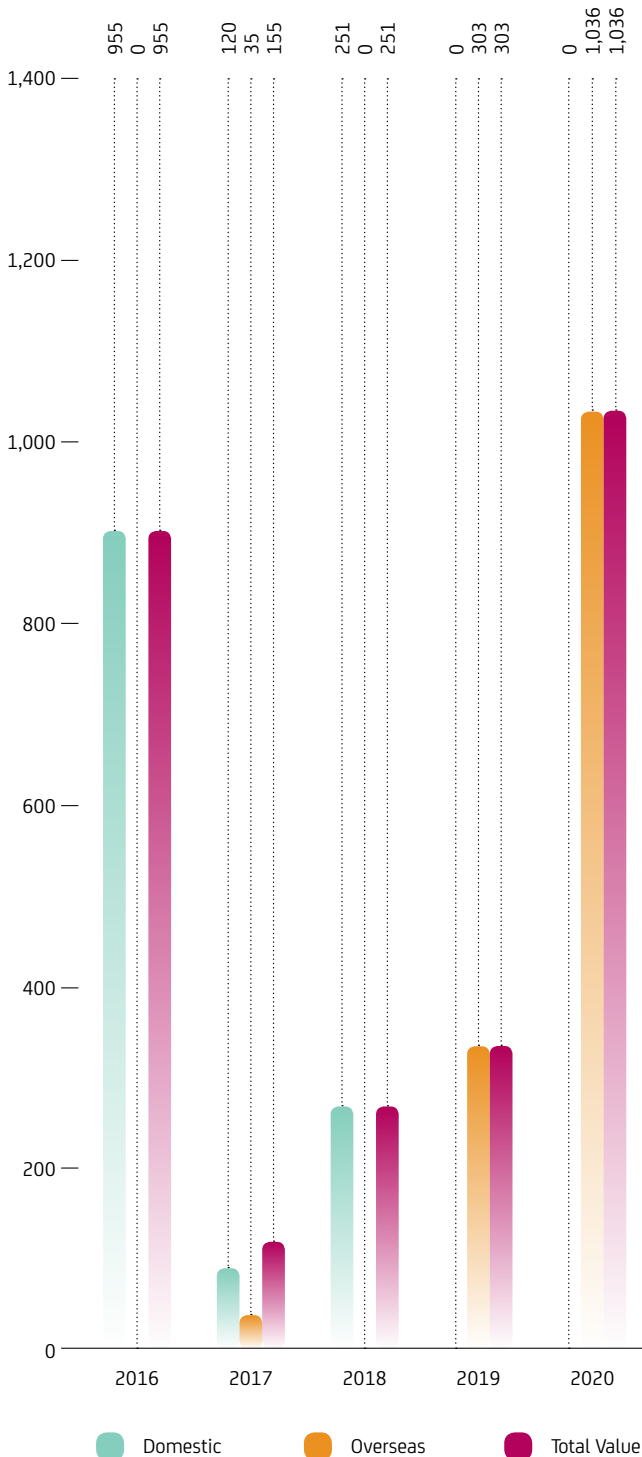
The Valley @ Bentong is a freehold 1,600-acre development for farms and homesteads where owners can enjoy a rustic lifestyle and the popular 'Musang King' durians are being grown there. It is a premier guarded locality that is an hour's drive from Kuala Lumpur.

# Group Managing Director's Message and Management Discussion & Analysis

(cont'd)

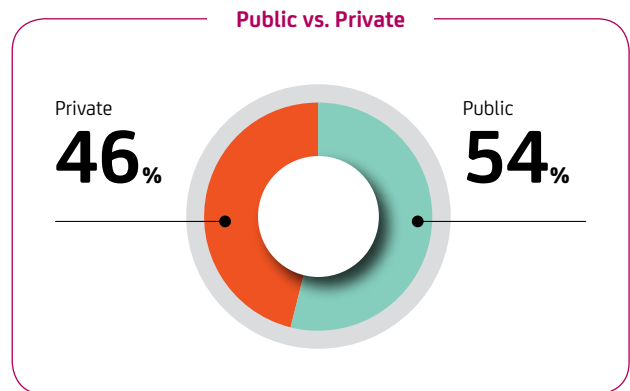
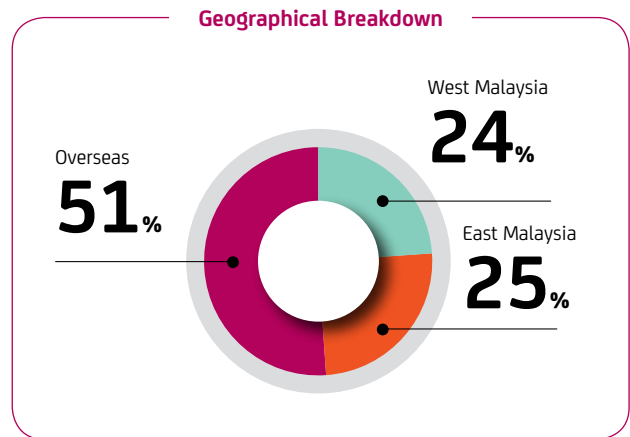
## Annual Projects Secured from 2016-2020 (Sept)

(RM' Mil)



## Project Secured from 2016 to 2020 (Sept)

Total Value : RM2.7 Billion

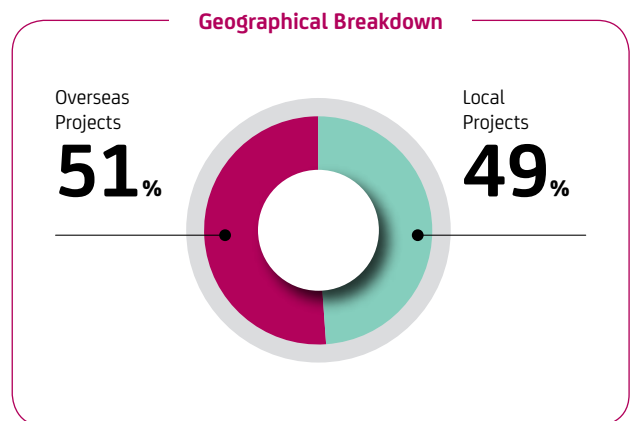


## The Group's Current Ongoing Projects

(as at Sept 2020)

Total Value : RM2.34 Billion

Balance of Works : RM1.90 Billion (81%)



## Group Managing Director's Message and Management Discussion & Analysis

(cont'd)

NO	PROJECT	GDV (RM Mil)
1.	<b>PETRIE VILLA, JOHOR BAHRU, JOHOR</b> Development of 23 units of 4-storey pool villas and 1 unit of clubhouse on Lot 6463, Jalan Tengku Petrie, Johor Bahru	81.30
2.	<b>ONE JESSELTON CONDOMINIUM, KOTA KINABALU</b> Development of 125 units of 11-Storey Condominium in Kepayan, Kota Kinabalu, Sabah	118.40
3.	<b>8 AVENUE, KOTA KINABALU, SABAH</b> Development of 306 units of 30-Storey service suites with 2-Storey Commercial Retails and 6-Storey Carparks	271.73
4.	<b>1PURI COMMERCIAL CENTRE</b> Development of 28 units of 4 & 5 Storey Shoplots	28.69
5.	<b>THE VALLEY @ BENTONG</b> Development of Homestead Land and Durian Plantation	383.70
6.	<b>PURI RESIDENCES</b> Development of 384 units of 20'x 60' Double Storey Link House at Lakehill Resort City, Pasir Gudang, Johor Darul Takzim	229.50
7.	<b>CHERAS PERTAMA</b> Proposed 318 units Condominium	387.31
<b>TOTAL</b>		<b>1,500.63</b>

### QUARRY DIVISION

Our quarry operations under KM Quarry Sdn. Bhd. have entered into the 21<sup>st</sup> year of its 30-year concession that will expire in 2029. KM Quarry Sdn. Bhd. is owned by our subsidiary Bina Puri Juara Sdn. Bhd. holding 70% equity and Kumpulan Melaka Berhad, the remaining 30%.

As the construction sector recovers in the coming quarters, the demand for quarry aggregates and stones will surely increase.

### POWER SUPPLY DIVISION

The power supply division recorded revenue of RM11.4 million from the supply of electricity power to PT Perusahaan Listrik Negara (State Electricity Company owned by Indonesia Government) and PLTM Bantaeng and incurred losses of RM4.7 million.

The performance of this division was mainly attributed to currency loss due to the weakening of Ringgit Malaysia against the US Dollar and low power generated for PT Perusahaan Listrik Negara and PLTM Bantaeng.

### HOSPITALITY DIVISION

Our hospitality division also faced a tough time during the pandemic. Barely a month after its opening in February, the Swiss-Belhotel Kuantan has to shut its door. Presently, room occupancy has picked up with restrictions lifted under the Recovery Movement Control Order (RMCO).

Swiss-Belhotel Kuantan is a new four-star 366-room hotel in the Kuantan Waterfront Resort City and enjoys high occupancy as domestic travellers took a break from being confined within their homes in the past four months.

Similarly, The Rimbun Suites and Residences in Brunei has fared better during the recovery state of the pandemic that has appeared to be under control now though RMCO has been extended to Dec 31 this year.

After its recent rebranding, Rimbun Suites and Residences offer 72 three-room luxurious apartments within a four-acre compound equipped with modern facilities like jogging track, outdoor swimming pool, gym and garden.



## Group Managing Director's Message and Management Discussion & Analysis

(cont'd)

### RECURRING REVENUE

The rental income from Main Place Mall in USJ, Subang, has contributed positively to the performance of the retail division. Due to the current Covid-19 pandemic and being a responsible Main Place Mall operator, rental rebates have been granted to tenants of the Mall.

Footfall has returned and the neighbourhood mall is faring well with larger crowds of customers over the weekends.

### HIGHWAY CONCESSION DIVISION

In our quest to diversify and to monetise from our land bank, the Group has embarked on a solar energy venture by installing solar panels along the KL-Kuala Selangor Expressway (LATAR) to reduce energy bills under an arrangement with Tenaga Nasional Berhad.

When completed, the solar energy generated will be sufficient for self-consumption and any excess of supply will be exported to TNB's utility grid and LATAR will be paid on a "one-on-one" offset basis. The accrued credit shall be allowed to roll over for a maximum of 24 months.

With this venture, LATAR will have the ability in "hedging" or offset part of the risk of any adverse electricity price movements over 21 years under a fixed Solar PPA Tariff and at the same time LATAR can show it can lead by example in promoting the concept of a 'green energy' highways.

The solar panels mounted on useable rooftop and on designated land area will have a combined capacity of 413.60kWp.

### PROSPECTS

The business environment is expected to be challenging due to the Covid-19 pandemic and the Group is taking precautionary measures to prevent the spread of the coronavirus in its operations.

The Group is involved in various businesses, including construction, property development, and quarry and power generation. In the past few years, construction and property development have been the main focus of the Group.

The Group's construction division is involved in several projects domestically and overseas. The current value of the order book in progress is approximately RM1.9 billion. The Group has been constantly looking for opportunities to increase its order book through participating in tenders both locally and overseas.

The Group's property development division has several ongoing projects in Johor, Pahang, Sabah and Sarawak with an estimated GDV of RM1.5 billion.



Puri Residences at Masai, Johor

One of the projects is Puri Residences, a 21.41-acre residential development comprising 384 units of double-storey houses located in Masai, Johor, with an estimated GDV of RM229.5 million. Puri Residences was launched in the second quarter of 2018.

Another project, The Valley @ Bentong is a 1,600-acre agricultural-based development comprising farms and homesteads located in Karak, Pahang, with an estimated total GDV of RM383 million. The first and second phases were launched in 2017 with an estimated GDV of RM157.0 million.

The Group is currently planning for more launches in 2020. Based on the current sales achieved for the property development division, the unbilled sales amounts to RM89 million. The Group is looking into participating in an integrated resort development project in Pahang through a corporate exercise.

The pandemic outbreak is expected to affect the performance of the rental and hospitality segment due to travel restrictions. The Group has continuously adopted an aggressive marketing strategy to ensure occupancies are optimised.

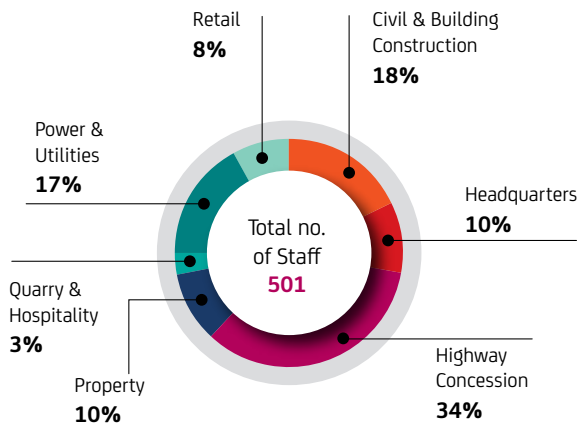
The Group is exploring business ventures in solar and gas power supply both locally and overseas especially in Indonesia.

The Group will strive to explore new markets to broaden its revenue and clientele base and expects to perform satisfactorily in 2020.

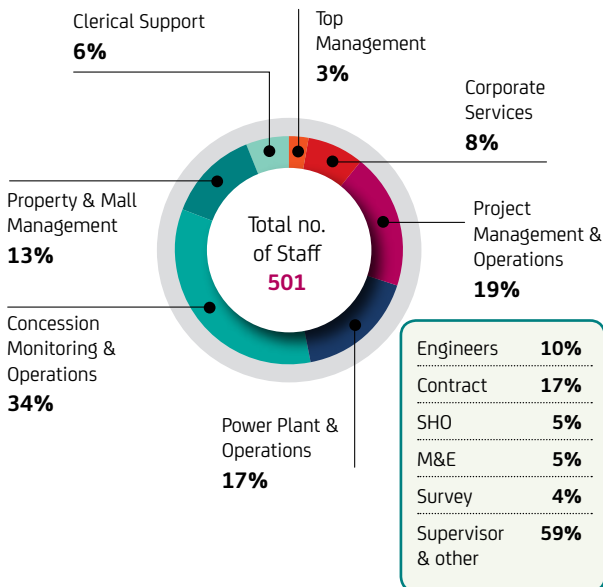
## Group Managing Director's Message and Management Discussion & Analysis

(cont'd)

### STAFF BY DIVISION



### STAFF BY JOB TYPES



### DIVIDEND

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

### APPRECIATION

The Group is thankful for the unfailing devotion, commitment and loyalty of all its staff and the management who have given their best in this trying time.

Our staff's conviction in adopting good work ethics including complying with the Health Ministry's Standard Operation Procedure (SOP) has helped to uphold the Group's integrity and reputation.

As a landmark builder, we have kept our promise to deliver outstanding projects which are recognized as the industry's standard and helped us to win green and sustainable awards, both locally and internationally.

In August last year, I was conferred the industry's top award, the Honorary Builder Award by Master Builders Association Malaysia (MBAM).

I wish to express my gratitude for the support from the Board of Directors, shareholders, clients, financiers, suppliers, business partners and all the relevant authorities for your continuous patience, steadfastness and your belief in Bina Puri.

Having overcome the challenges during the period under review, the Group is tougher and stronger as it strives to uphold its reputation as Malaysia's landmark builder.

Moving forward, as the Malaysian economy gradually reopens while the Covid-19's Recovery Movement Control Order has been extended until Dec 31, this year, let me remind ourselves of the need to adhere to the Health Ministry's SOP by wearing face mask at work, having temperature check taken and washing hands while keeping social distancing.

Stay healthy and stay safe.

### TAN SRI DATUK TEE HOCK SENG

PSM, PGDK, ASDK, JP

Group Managing Director

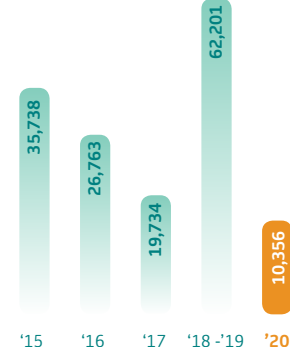
# Group Financial Highlights

	2015 RM'000	2016 RM'000	2017 RM'000	2018 - 2019 RM'000	2020 RM'000
Revenue	1,227,939	1,050,297	1,097,330	1,040,989	<b>420,728</b>
Profit before taxation	35,738	26,763	19,734	62,201	<b>10,356</b>
(Loss)/ Profit attributable to the shareholders of the Company	3,373	1,070	3,099	462	<b>(19,015)</b>
Dividend Paid (Net)	4,346	-	-	-	-
Issued share capital	115,319	121,437	136,705	157,821	<b>180,857</b>
Shareholders' equity	216,479	222,992	239,809	253,540	<b>270,660</b>
Total assets employed	1,788,708	1,694,695	1,682,726	1,497,193	<b>1,280,827</b>
Net( loss) /earnings per share ( sen )	1.60	0.45	1.19	0.14	<b>(3.32)</b>
Net assets per share (RM)	0.94	0.92	0.90	0.66	<b>0.35</b>
Share price (RM)					
- High	0.65	0.50	0.49	0.37	<b>0.25</b>
- Low	0.33	0.36	0.33	0.17	<b>0.03</b>

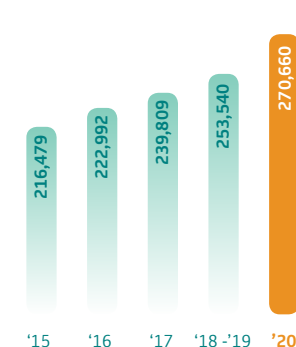
**Revenue**  
(RM'000)



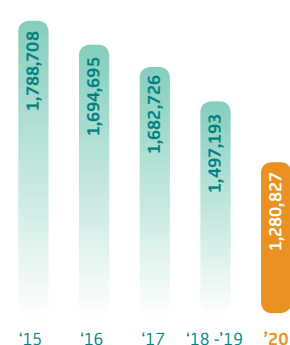
**Profit Before Taxation**  
(RM'000)



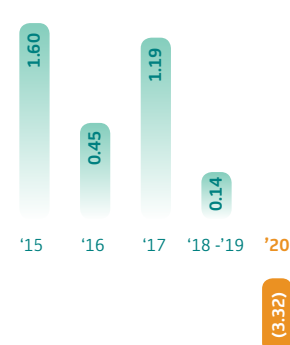
**Shareholders' Equity**  
(RM'000)



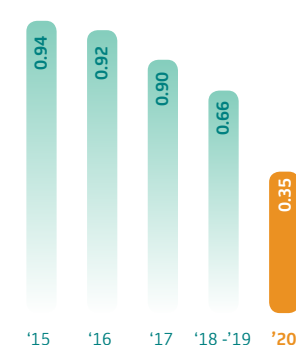
**Total assets employed**  
(RM'000)



**Net( loss) /earnings per share**  
(Sen)



**Net Assets Per Share**  
(RM)



# Calendar of Events



## 1 January 2019



OSP Puni Indah Residences was rebranded to Rimbun Suites and Residences. Located at Jalan Ong Sum Ping, Bandar Seri Begawan in Brunei Darussalam, the rebranding exercise brings a higher hospitality standard to its roomy 3,100 sq. ft. units that enshrine the essence of the luxury, comfort and carefree convenience. Hence, it is able to cater for higher demand of short-term guests by offering daily rates to its luxury and modern apartment units.

## 13 June 2019

Star Effort Sdn. Bhd., a unit of Bina Puri Holdings Bhd, successfully completed the Opus Kuala Lumpur with the certificate of Compliance & Completion (CCC).

Opus Kuala Lumpur is strategically located opposite PNB 118, which is set to be the tallest tower in Malaysia.

It is another prestigious property development by Bina Puri equipped with modern amenities which include sky lounge, sky garden, herbal garden, swimming pool, wading pool, Jacuzzi, BBQ deck, gym, rock climbing area, 24-hour security, indoor and outdoor CCTV, children playground, and covered car park.



## 16 August 2019



Bina Puri Holdings Bhd's Group Managing Director, Tan Sri Datuk Tee Hock Seng, JP was conferred the Honorary Builder Award by the Master Builders Association Malaysia (MBAM) in recognition of his exemplary support, participation, and meritorious contribution towards the development of MBAM and the promotion of a productive and efficient construction industry in Malaysia. The conferment of the award was in conjunction with the 65<sup>th</sup> anniversary of the association.

## Calendar of Events

(cont'd)



### 22 October 2019

An Extraordinary General Meeting (EGM) was held at Bina Puri Selayang Headquarters. A total of 485 shareholders and proxies representing 85,479,348 unit of shares attended the meeting.

The EGM witnessed that 99% of the present shareholders voted in favour of the proposed resolution of the renounceable rights issue of up to 439,345,450 new ordinary shares in Bina Puri together with free detachable warrants.

The EGM was chaired by YBhg Tan Sri Dato' Wong Foon Meng, Chairman of Bina Puri Holdings Bhd.

### 5 December 2019

Bina Puri Holdings Bhd held its 28<sup>th</sup> Annual General Meeting (AGM) at Selayang Headquarters. A total of 609 shareholders attended the meeting, chaired by YBhg. Tan Sri Dato' Wong Foon Meng.

The Board of Directors attended the meeting were YBhg Tan Sri Datuk Tee Hock Seng JP, Dr Tony Tan Cheng Kiat, YBhg Datuk Matthew Tee, Ir Ghazali Bujang, Mr Mohd Najib Bin Abd Aziz and Mr Tyson See.



### 7 December 2019

Bina Puri's hospitality division, Rimbun Suites and Residences at Bandar Seri Begawan, Brunei Darussalam was proud to be awarded the International Five Stars Hotel Award 2019-2020, Exceptional 10.0 Rating by Hotel.com and Traveller Review Awards 2020 with 9.8 rating by Booking.com. These prestigious international awards recognise Rimbun's high quality standards in providing the best staycation experience to its guests at its rooky and modern units.



## Calendar of Events

(cont'd)



### 19 February 2020

The Imperium Residence at Kuantan, Pahang received the Certificate of Completion and Compliance (CCC). Imperium Residence is developed by Ideal Height Development Sdn. Bhd., a subsidiary of Ideal Height Properties Sdn. Bhd. which is an associate of Bina Puri Group of Companies.

The property, with contract value of RM131 million, consists of 2 blocks of 28 storeys, is the tallest building in Pahang. One block is managed by Swiss-Belhotel International, while another block is for residential purposes.

### 2 July 2020

KL-Kuala Selangor Expressway (LATAR) contributed cartons of mineral water to the frontliners at Klinik Kesihatan Ijok, Klinik Kesihatan Bestari Jaya, Klinik Kesihatan Kuala Selangor and Police IPD Kuala Selangor.



### 28 August 2020

LATAR contributed face masks and hand sanitizers to students and teachers at SK Batu Arang and SMK Tuanku Abdul Rahman, Batu Arang, Selangor.

# Sustainability Statement

As a Group of Companies that is already 45 years in existence, Bina Puri Holdings Bhd has over the years matured into a mini-conglomerate which knows how to exercise its corporate social responsibility differently that sets it apart from others; it is by taking on the role of a champion of sustainable development.

The Group draws inspiration from the United Nations' sanctioned Social Development Goals to form part of its vision. The values of these goals have become infused into its corporate DNA to heed the call for action to work with all parties to promote the agenda of climate change.

During the 12 months under review, the Group continues to shoulder its fair share of CSR even though the Group is faced with a challenging year, where a slowing economy and political uncertainties have a direct impact on business. The second half of the year in review was much tougher that demanded the full attention of the Group's management team to think out of the box to safeguard its business operations.

Yet, in this trying time, the Group has invested in ventures that have far-reaching benefits for the environment.

The first was utilising vacant spaces along reserve land alongside road shoulders and usable rooftops throughout the length of KL-Kuala Selangor Expressway (LATAR) to generate solar energy.

LATAR responded to the call by the Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC), which introduced Solar Photovoltaic (PV) initiatives, to encourage Malaysia's Renewable Energy (RE) uptake.

The improved Net Energy Metering (NEM) system will allow excess solar PV generated energy to be exported back to the electricity grid on a "one-on-one" offset basis and for participating entities to enjoy the benefits of hedging against price increases over a period of 21 years.

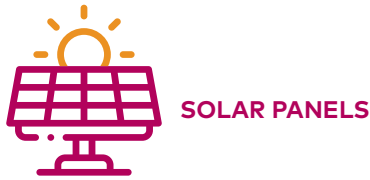
This venture taps solar energy for Lатар's own consumption that saves on its energy cost while exporting excess energy generated to earn credits which it has to use over 24 months.



Solar Photovoltaic installation on the rooftop of one of LATAR toll plazas

## Sustainability Statement

(cont'd)



Could generate

**1,851,053** kWh

equivalent to LATAR's average annual electricity consumption of 2,212,606 kWh

The useable rooftops were installed with Solar Photovoltaic (PV) Systems at various locations at LATAR which include Kompleks Operasi, Kundang East toll plaza, Kundang West toll plaza, and Templer toll plaza.

The system has also been mounted on three other vacant grounds next to LATAR's building complex. Based on simulation, the solar panels could generate 1,851,053 kWh of energy which is almost equivalent to LATAR's average annual electricity consumption of 2,212,606 kWh.

This venture showcased the benefits derived from tapping solar energy as a viable alternative energy source. LATAR's success speaks volume of the initiative to lead by example in promoting the concept of green energy highways.

LATAR also donated two units of Patrol Cars to the Royal Malaysian Police for enforcing road safety along the expressway. This will ensure road users will have immediate and quick assistance from the police on emergency calls.

As a gesture of appreciation, LATAR also paid a courtesy visit to a nearby school, Sekolah Kebangsaan Puncak Alam, in conjunction with Teachers' Day Celebration, and presented a cake and goodie bags to the teachers.

The second initiative is the redevelopment of disused oil palm plantations in Karak into an agriculture-based property development called The Valley @ Bentong, which selling point is back to nature.

This is a 1,600-acre swathe of freehold land that owners can turn into farms or orchards and homesteads, that is also a short hour-ride from Kuala Lumpur, the capital of Malaysia. The hilly terrain is good for planting durians, especially the Musang King variety, a favourite among locals.

The Valley promotes permaculture and aquaponics farming system to its existing and prospective owners. The purpose is to encourage the owners to start activities on their own land to lead a self-sustainable lifestyle.

At the corporate level, the Group has continued on the tradition to provide assistance to bright students who are children of its staff



LATAR contribute two units of patrol car to Royal Malaysian Police



Teachers' Day celebration at Sekolah Kebangsaan Puncak Alam



## Sustainability Statement

(cont'd)



'BACK TO NATURE', The Valley @ Bentong, Pahang

who excelled in their studies by granting them with education incentives. This year, a total of RM15,000 in cash incentives was distributed out to 24 excellent students including two STPM students, 10 SPM students, five PT3 students and six UPSR students.

Considering that the Covid-19 pandemic has caused nationwide lockdown and work stoppage during the whole of the second half of the year under review, the Group is satisfied that it was able to carry out CSR activities on sustainable development that benefited the local community and safeguarded the environment.

As business gradually re-opens, the Group has to play catch-up and hit the ground running to ensure that as its normal operations resume earnestly it would not forget to extend a helping hand to protect the environment and be a local champion of sustainability to the local communities we serve.



Bina Puri rewarded 24 bright students who scored As' in their 2019 examinations.

# Audit Committee Report

## A. COMPOSITION, COMPLIANCE AND ATTENDANCE

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

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

## B. TERMS OF REFERENCE

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

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

## C. MEETINGS

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

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

The authorised officers and a representative of the external auditors may attend meetings at the invitation of the Committee. Other Board members shall also have the right of attendance upon the invitation of the Committee. If necessary, the Committee shall meet with the external auditors without executive Board members present.

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

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

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

## Audit Committee Report

(cont'd)

Any such resolution may consist of several documents in like form, each signed by one (1) or more members.

### D. SUMMARY OF ACTIVITIES

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

#### 1. Financial Reporting

- Reviewed the quarterly financial results, announcement, annual report and audited financial statements of the Company and the Group for financial year ended 30 June 2020 prior to recommending to the Board for consideration and approval;
- The review also involved discussion with Management and the external auditors to ensure they were drawn up in accordance with the applicable accounting standards approved by Malaysian Accounting Standards Board (“MASB”) and other legal requirements; and
- The quarterly financial statements for the period from 1 July 2019 to 30 June 2020 (four quarters), which were prepared in compliance with the Malaysian Financial Reporting Standard (“MFRS”) 134 Interim Financial Reporting, International Accounting Standards 34 Interim Financial Reporting and paragraph 9.22, including Part A, Appendix 9B of the MMLR, were reviewed at the AC meetings on 23 August 2019, 16 October 2019, 21 November 2019, 24 February 2020 and 11 June 2020 respectively.

#### 2. Internal Audit

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

#### 3. External Audit

- Reviewed the external auditors’ report on the final audit report for the financial year ended 30 June 2020 and Statement of Risk Management and Internal Control (“SORMIC”) in October 2020 before recommending to the Board for approval;
- Reviewed the Internal Control Memorandum, together with Management’s response to the findings of the external auditor;
- Reviewed the 2020 external auditors’ audit plan for Bina Puri Group, encompassing the nature and scope for the year’s audit and engagement strategy in 2020 prior to its implementation;
- Reviewed the terms of engagement of the external auditors for the 2020 statutory audit and SORMIC, upon confirmation of its independence and objectivity, prior to tabling for the Board’s approval. The engagement of the external auditors for the Group was supervised and processed under the Group’s umbrella to streamline their terms of engagement;
- Reviewed and approved the non-audit services provided by the external auditors while ensuring there was no impairment of independence or objectivity. This includes monitoring the fee of the total non-audit work carried out by the external auditors so as not to jeopardise the external auditors’ independent status. In the financial year ended 30 June 2020, the Company did not engage the external auditors for any non-audit projects.

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

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

## Audit Committee Report

(cont'd)

The external auditors also provide an annual confirmation of their independence in accordance with the terms of all professional and regulatory requirements, including the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants. The engagement and concurring partners responsible for the Group audit are rotated at least every five (5) financial years.

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

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

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

#### 4. Others

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

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

#### E. INTERNAL AUDIT FUNCTION

The Company has outsourced the internal audit function to NGL Tricor Governance Sdn. Bhd. ("NGL Tricor"). The cost incurred for the internal audit function in respect of the financial year ended 30 June 2020 was RM39,376\*.

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

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

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

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

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

- Compliance with legislation, regulations, policies and procedures;
- Economy and efficiency of operations;
- Safeguarding of assets;

\* includes OPE & Government tax

## Audit Committee Report

(cont'd)

- Reliability and integrity of financial and operational information; and
- Achievement of operational objectives.

For the financial period under review, NGL Tricor has direct access to the Audit Committee. In order for the function to carry out its responsibilities, it shall have full access to all records, properties and personnel of the Group.

During the financial year ended 30 June 2020, NGL Tricor carried out the following activities:

- a) Prepared the annual internal audit plan for the approval of the Audit Committee.
- b) Issued audit reports to the Committee and management identifying control weaknesses and issues as well as highlighting recommendations for improvements.
- c) Acted on suggestions made by Committee and/or senior management on concerns over operations or controls and significant issues pertinent to the Company or the Group.

- d) The internal audit undertaken by NGL Tricor for the financial period from 1 July 2019 to 30 June 2020 included the following:

- i. Internal Control Review ("ICR") Report on Project Cost Management of Bina Puri Sdn. Bhd.
- ii. ICR Report on Project Tendering of Bina Puri Sdn. Bhd.

All findings and recommendations arising from the ICRs for financial year ended 30 June 2020 were tabled to the Audit Committee and the reviews were conducted based on an internal audit plan approved by the Audit Committee.

### F. REVIEW OF THE AUDIT COMMITTEE

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

# Corporate Governance Overview Statement

## INTRODUCTION

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

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

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

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

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

## BOARD LEADERSHIP AND EFFECTIVENESS

### OVERVIEW

#### The Board

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

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

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

- Formulating and reviewing strategic plan for the Group quarterly;  
The Board reviews and approves the annual corporate plan for the Group which includes overall corporate strategy, operational plan and the budget. These plans include

consideration on the environmental condition, changes to rules and regulations, and incorporate environmental and social responsibility strategies which underpin the sustainability of the business.

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

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

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

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

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

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

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

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

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

## Corporate Governance Overview Statement

(cont'd)

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

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

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

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

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

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

### Practice 1.2 - Role of Chairman

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

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

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

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

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

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

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

### Practice 1.4 - Company Secretary

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

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

### Practice 1.5 - Information and Support for Directors

All Directors are provided with the meeting materials on a timely basis prior to the scheduled Board meetings. All Board papers, including those on complicated issues or specific matters and minutes of all Board Committee meetings, are distributed on a timely basis to ensure Directors are well informed and have the opportunity to seek additional information, and are able to obtain further clarification from the Company Secretary, should such a need arise.

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

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

## Corporate Governance Overview Statement

(cont'd)

### DIRECTORS' TRAINING PROGRAMME

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

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

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

DIRECTOR	TOPIC	DATE
Tan Sri Dato' Wong Foon Meng	<ul style="list-style-type: none"> <li>Anti-Bribery Management System Awareness Training</li> </ul>	6 July 2020
Tan Sri Datuk Tee Hock Seng, JP	<ul style="list-style-type: none"> <li>Anti-Bribery Management System Awareness Training</li> </ul>	6 July 2020
Dr Tony Tan Cheng Kiat	<ul style="list-style-type: none"> <li>Anti-Bribery Management System Awareness Training</li> </ul>	6 July 2020
Datuk Matthew Tee Kai Woon	<ul style="list-style-type: none"> <li>Anti Bribery and Anti Corruption Awareness Training</li> <li>Anti-Bribery Management System Awareness Training</li> </ul>	3 July 2020 6 July 2020
Ir Ghazali Bin Bujang	<ul style="list-style-type: none"> <li>Anti-Bribery Management System Awareness Training</li> </ul>	6 July 2020
Mohd Najib Bin Abdul Aziz	<ul style="list-style-type: none"> <li>Corporate Liability in Bribery Offences</li> </ul>	27 February 2020

### BOARD MEETINGS

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

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



## Corporate Governance Overview Statement

(cont'd)

### BOARD MEETINGS (cont'd)

For the financial year ended 30 June 2020, the Board met five (5) times. The Board meetings were held on 27 August 2019, 26 November 2019, 28 February 2020, 15 May 2020 and 18 June 2020.

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

NAME OF DIRECTOR	BOARD MEETINGS	AGM
Tan Sri Dato' Wong Foon Meng	5/5	1/1
Tan Sri Datuk Tee Hock Seng, JP	5/5	1/1
Dr Tony Tan Cheng Kiat	5/5	1/1
Datuk Matthew Tee Kai Woon	5/5	1/1
Ir Ghazali Bin Bujang	4/5	1/1
Mohd Najib Bin Abdul Aziz	5/5	1/1
Dato' Leong Sir Ley (or her Alternate, Mr See Tai Soon) (resigned on 17 June 2020)	3/4	1/1

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

### Practice 2.1 - Board Charter

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

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

### Practice 3.1 - Code of Conduct and Ethics

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

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

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

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

## Corporate Governance Overview Statement

(cont'd)

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

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

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

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

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

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

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

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

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

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

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

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

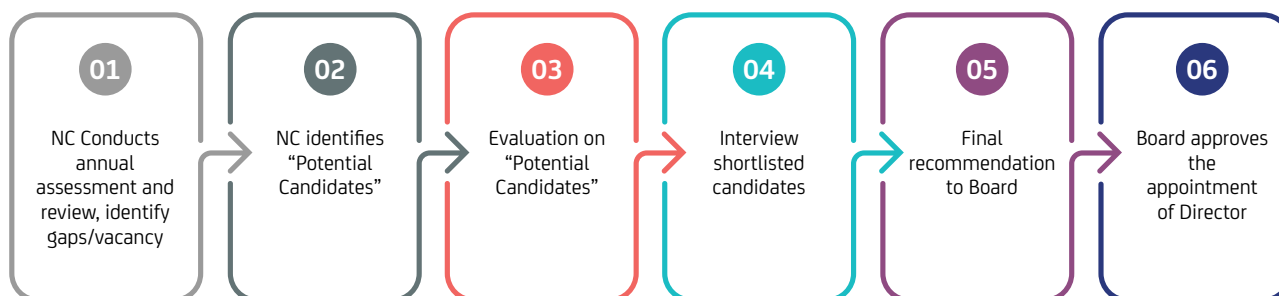
### Practice 4.6 - Appointment of Directors

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

## Corporate Governance Overview Statement

(cont'd)

The processes will be as follow:



### Boardroom Appointments

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

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

The Group's Boardroom appointment process is as follows:

### Boardroom Membership Criteria

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

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

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

## THE BOARD COMMITTEE

### Practice 4.7 - Nomination Committee

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

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

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

## Corporate Governance Overview Statement

(cont'd)

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

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

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

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

### Practice 5.1 - Evaluation for Board, Board Committees and Individual Directors

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

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

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

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

The Director Performance Evaluation Process is as follow:



The criteria used in the Director Assessment process:

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

## Corporate Governance Overview Statement

(cont'd)

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

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

### 1. Board Mix and Composition

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

### 2. Skills and Expertise

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

### 3. Dynamics and Functioning of the Board

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

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

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

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

The details of the vesting of options under the SIS are set out on page 68 under the Directors' Report of the Audited Financial Statements for the FY2020.

### Practice 6.2 - Remuneration Committee

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

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

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

## Corporate Governance Overview Statement

(cont'd)

### Practice 7.1 & 7.2 - Disclosure of Remuneration

The details of the remuneration of the Directors of the Company and the Group for the financial year ended 30 June 2020:

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

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

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

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

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

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

	RM200,000 – RM300,000
Senior Management	6

## Corporate Governance Overview Statement

(cont'd)

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

### EFFECTIVE AUDIT AND RISK MANAGEMENT

#### Practice 8.1 - Chairman of Audit Committee

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

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

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

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

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

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

#### Practice 8.4 - Independence of Audit Committee

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

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

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

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

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

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

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

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

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

## Corporate Governance Overview Statement

(cont'd)

The Statement of Risk Management and Internal Control is set out in page 57 the Annual Report outlines the principal risks and uncertainties associated with the Group's business. The Audit Committee monitors and reports on the Group's risk management systems, corporate reporting and internal control principles. The committee is also responsible for maintaining an appropriate relationship with its internal and external auditors which is set out on pages 40 to 43 of the Audit Committee Report.

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

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

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

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

## INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### Practice 11.1 - Communication with Stakeholders

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

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

### Practice 12.1 - Notice of General Meeting

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

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

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

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

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

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



## Corporate Governance Overview Statement

(cont'd)

### Compliance with the CG Code

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

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

### CG Report

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

### ADDITIONAL DISCLOSURE

#### (a) Share Buy-Back

There was no Share Buy-Back during the financial year ended 30 June 2020.

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

There were 97,833,500 options granted to the eligible employees and Directors of the Group during the financial year ended 30 June 2020.

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

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

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

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

## Corporate Governance Overview Statement

(cont'd)

### (e) Non-Audit Fees

The amount of non-audit fees paid to a company affiliated to the auditors' firm by the Company and its subsidiaries for the financial period ended 30 June 2020 was RM32,000.

### (f) Variation of Results

The results for the financial year ended 30 June 2020 do not differ by 10% or more from the unaudited results previously released. The Company has not released or announced any estimated profit, financial forecast or projection during the said financial year.

### (g) Profit Guarantee

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

### (h) Material Contracts

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

### (i) Revaluation Policy on Landed Properties

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

### (j) Private Placement

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

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

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

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

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

Date of offer	Exercise Price of option offered (RM)	Total number of Options offered
17 February 2020	0.076	97,833,500

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

# Statement on Risk Management and Internal Control

## INTRODUCTION

THE MALAYSIAN CODE OF CORPORATE GOVERNANCE 2017 (“THE CODE”) STIPULATES THAT THE BOARD OF DIRECTORS (“THE BOARD”) OF LISTED COMPANIES SHOULD MAINTAIN A SOUND RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROL SYSTEM TO SAFEGUARD SHAREHOLDERS’ INVESTMENTS AND THE GROUP’S ASSETS. PURSUANT TO PARAGRAPH 15.26(B) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) AND THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL: GUIDELINES FOR DIRECTORS OF LISTED ISSUERS (“GUIDELINES”), THE BOARD IS PLEASED TO PROVIDE THE FOLLOWING STATEMENT, WHICH OUTLINES THE MAIN FEATURES AND ADEQUACY OF THE GROUP’S RISK MANAGEMENT AND INTERNAL CONTROL FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020.

## BOARD’S RESPONSIBILITY

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

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

## KEY RISK MANAGEMENT AND INTERNAL CONTROL FEATURES

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

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

## Statement on Risk Management and Internal Control

(cont'd)

### Risk Management

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

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

The Group adopted the followings steps for its risk management:



## Statement on Risk Management and Internal Control


(cont'd)

Through quarterly Board meeting discussion and operational meeting among project team, the Group had identified major risk areas of concern and mitigating actions were undertaken within appropriate timeframes. The Group's significant risks identified for the financial year ended 30 June 2020 are outlined below:

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

## Statement on Risk Management and Internal Control

(cont'd)

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

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

#### Authority and Responsibility

##### i. Organisation Structure

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

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

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

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

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

#### Policies and Procedures

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

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

##### i. Board Policies

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

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

## Statement on Risk Management and Internal Control

(cont'd)

### ii. Operational Policies and Procedures

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

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

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

### Human Resource Management and Development

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

### Monitoring

#### i. Financial and Operational Review

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

#### ii. Budgetary Review

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

#### iii. Internal Audit Function

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

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

For the financial year ended 30 June 2020, NGLTGSB has completed two (2) internal control review according to the approved annual audit plan. The findings arising from the internal control reviews together with recommendations, management responses and proposed action plans were promptly reported to the Audit Committee. The audit plan is further explained in detail in the Audit Committee Report.

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

#### iv. Other Reviews

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

## Statement on Risk Management and Internal Control

(cont'd)

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

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

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

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

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

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

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

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

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

### CONCLUSION

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





**Sarawak State Assembly Hall,  
Kuching, Sarawak, Malaysia**





**The Haven Resort,  
Ipoh, Perak**



# Financial Statements

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## Statement of Directors' Responsibility

### in Relation to the Audited Financial Statements

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

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

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

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

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the financial year ended 30 June 2020 appropriate accounting policies were used and applied consistently, and adopted to include new and review Malaysian Financial Reporting Standards were applicable. The Directors are also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

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