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BINA PURI HOLDINGS BHD.

(207184-X)

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

PART A

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

PART B

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

NOTICE of the Twenty-Eighth Annual General Meeting of the Company (with the subject Proposals duly incorporated as special business to the Agenda) to be held at Ground Floor, Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan on Thursday, 5 December 2019 at 11:00 a.m. together with the Form of Proxy therefore are enclosed in the Annual Report of the Company for the financial period ended 1 January 2018 to 30 June 2019 (18 months).

The Form of Proxy must be lodged at the Share Registrar's Office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not later than 48 hours before the time fixed for holding the Twenty-Eighth Annual General Meeting or any adjournment thereof.

Last day, date and time for lodging the Form of Proxy: Tuesday, 3 December 2019 at 11:00 a.m.
Day, date and time of the Twenty-Eighth Annual General Meeting: Thursday, 5 December 2019 at 11:00 a.m.

This Circular is dated 31 October 2019

DEFINITIONS

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

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

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

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

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PART A

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

BINA PURI HOLDINGS BHD.

(207184-X)

(Incorporated in Malaysia)

REGISTERED OFFICE

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

Date: 31 October 2019

BOARD OF DIRECTORS

Tan Sri Dato' Ir. Wong Foon Meng (Chairman / Independent Non-Executive Director)
Tan Sri Datuk Tee Hock Seng, JP (Group Managing Director)
Dr. Tony Tan Cheng Kiat (Founder Director)
Datuk Matthew Tee Kai Woon (Group Executive Director)
Ir. Ghazali Bin Bujang (Independent Non-Executive Director)
Mohd Najib Bin Abdul Aziz (Independent Non-Executive Director)
Dato' Leong Sir Ley (Non-Independent Non-Executive Director)
See Tai Soon (Alternate Director to Dato' Leong Sir Ley)

To: The Shareholders of Bina Puri Holdings Bhd.

Dear Sir/Madam

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

1. INTRODUCTION

At the Annual General Meeting of the Company held on 28 June 2018, the Board sought and obtained shareholders' approval for amongst others the Bina Puri Group to enter into Recurrent RPTs. The authority that was procured, which may be renewed annually, will expire at the earliest of the following events:

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

On 10 April 2019, the Company has changed its financial year from 31 December to 30 June. The financial period under review made up from 1 January 2018 to 30 June 2019 (18 months). An extension of time up till 31 December 2019 to hold AGM for the year 2019 pursuant to Section 340 of the Act was approved by the Companies Commission of Malaysia on 19 April 2019.

On 25 October 2019, the Company announced its intention to seek the approval of shareholders at the forthcoming AGM for the Proposal, which is essentially made up of the renewal of the shareholders' mandate for substantially all the Recurrent RPTs approved at the immediately preceding AGM on 28 June 2018 with the Related Parties whose particulars appear in paragraph 2.4.

The purpose of this Circular is to provide shareholders with information on the Proposal and to seek your approval for the Ordinary Resolution pertaining thereto, which will be tabled at the forthcoming AGM of the Company as an item of special business in the Agenda. The notice of our forthcoming AGM and the Form of Proxy are enclosed in the 2018-2019 Annual Report.

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

2. DETAILS OF THE PROPOSAL

2.1 The Listing Requirements and Duration

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

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

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

whichever is the earliest.

2.2 Additional Requirements

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

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

- (ii) the percentage ratio of such Recurrent RPTs is 1% or more, whichever is the higher.
- (c) disclosure will be made in the annual report in accordance with Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the Recurrent RPTs made during the financial year, including amongst others, the type of Recurrent RPTs and the names of the Related Parties involved in each type of the Recurrent RPTs entered into and their relationships with the Company; and
- (d) in a meeting to obtain a renewal of the shareholders' mandate, interested Related Parties must not vote on the resolutions giving such mandate. Interested Directors and Major Shareholders must also ensure that persons connected with them abstain from voting on such resolutions.

2.3 The Group's Principal Activities

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

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

2.4 The Related Parties And Their Relationships With The Company

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

- (a) Sea Travel and Tours Sdn. Bhd. (Company No. 31069-H) ("STT"), a company incorporated on 10.1.1977 and engaged in the tours and travel business in which a family member of YBhg. Tan Sri Datuk Tee Hock Seng, JP, Director and Major Shareholder of Bina Puri, holds 20% equity interest;
- (b) Kumpulan Melaka Bhd. (Company No. 334871-H) ("KMB"), a company incorporated on 25.2.1995 and engaged in the business of investment holding, property development and sand concession, which holds 30% equity interest in the Company's subsidiary KMQ;
- (c) Ideal Heights Properties Sdn Bhd. (Company No. 127701-D) ("IHPSB"), a company incorporated on 17.12.1985 and engaged in property development in which Directors, YBhg. Tan Sri Datuk Tee Hock Seng, JP, Dr. Tony Tan Cheng Kiat, Datuk Matthew Tee Kai Woon and persons connected with them, Mr. Tay Hock Lee and YBhg. Datuk Henry Tee Hock Hin, collectively hold 51% equity interest.
- (d) Dimara Holdings Sdn. Bhd. (Company No. 349254-P) ("DHSB"), a company incorporated on 03.07.1995 and engaged in investment holding and is a general contractor which specialised in civil and structural works in which Director (of the Company's subsidiary), Mr. Ang Kiam Chai holds approximately 61.66% equity interest.

2.5 The Nature Of Transactions Contemplated Under The Proposal

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

NATURE OF TRANSACTIONS UNDERTAKEN BY BINA PURI AND/OR ITS SUBSIDIARIES	TRANSACTIONING PARTIES*	% OWNED BY BINA PURI GROUP	ESTIMATED VALUE FROM THE DAY OF THE FORTHCOMING AGM UNTIL THE AGM IN THE YEAR 2020^ (BEING THE VALIDITY PERIOD OF THE MANDATE) (RM)	RELATED PARTIES
Purchase of air tickets (to facilitate air travel in the course of business eg. travel to project sites)	(a) Bina Puri	-	530,000	STT (para 2.4(a))
	(b) BPSB	100	1,200,000	
	(c) BPPSB	100	500,000	
	(d) SLISB	51	30,000	
	Subtotal 2,260,000			
Sale of quarry products	KMQ	70	Note 1	KMB (para 2.4(b))
Contract works (e.g. road paving)	KMQ	70	Note 2	KMB (para 2.4(b))
Project management services	(a) Bina Puri	-	Note 3	IHPSB (para 2.4(c))
	(b) BPPSB	100		
	(c) GMSB	100		
	(d) SESB	95		
Contract works (e.g. road paving)	(a) Bina Puri	-	Note 4	DHSB (para 2.4(d))
	(b) BPSB	100		

NOTES:

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

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

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

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

Note 3 There is an existing arrangement with IHPSB to provide project management services or other related services to Bina Puri, BPPSB, GMSB and SESB on a long term and recurrent basis. Due to the uncertainty of the number and size of projects which IHPSB is envisaged to provide project management services, Bina Puri, BPPSB, GMSB and SESB are unable to ascribe an estimated value for the year.

Note 4 Bina Puri and BPSB are proposing to subcontract road paving works or other contract works procured from time to time to DHSB on a negotiated margin basis. Due to the uncertainty of the number and size of projects which Bina Puri and BPSB may be able to procure and subcontract to DHSB, Bina Puri and BPSB are unable to ascribe an estimated value for the year.

2.6 The Methods And Procedures By Which Transaction Prices Are Determined

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

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

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

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

2.7 Existing Mandate On Recurrent RPTs

Set out below is the actual value transacted of each Recurrent RPT from the date on which the existing mandate was obtained on 28 June 2018 up to 30 September 2019, being the latest practicable date before the printing of this Circular, together with its estimated value as disclosed in the Circular to Shareholders dated 31 October 2019.

NATURE OF TRANSACTIONS UNDERTAKEN BY BINA PURI AND/OR ITS SUBSIDIARIES	RELATED PARTIES	TRANSACTIONING PARTIES*	% OWNED BY BINA PURI GROUP	ESTIMATED VALUE AS DISCLOSED IN THE CIRCULAR TO SHAREHOLDERS DATED 30.04.2018 [^] (RM)	ACTUAL VALUE TRANSACTED FROM 28.06.2018 TO 30.09.2019 (RM)
Purchase of air tickets (to facilitate air travel in the course of business e.g. travel to project sites)	STT (para 2.4(a))	(a) Bina Puri	-	500,000	87,988.00
		(b) BPSB	100	1,200,000	292,999.00
		(c) BPPSB	100	500,000	8,047.00
		(d) EMSB	100	30,000	-
		(e) SLISB	51	30,000	-
					Subtotal 2,260,000
Sale of quarry products	KMB (para 2.4(b))	KMQ	70	Note 1	-
Contract works (e.g. road paving)	KMB (para 2.4(b))	KMQ	70	Note 2	-
Project management services	IHPSB (para 2.4(c))	(a) Bina Puri (b) BPPSB (c) GMSB (d) SESB	- 100 100 95	Note 3	51,200.00
Contract works (e.g. road paving)	DHSB (para 2.4(e))	(a) Bina Puri (b) BPSB	- 100	Note 4	2,572,094.36 -

NOTES:

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

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

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

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

Note 3 There is an existing arrangement with IHPSB to provide project management services or other related services to Bina Puri, BPPSB, GMSB and SESB on a long term and recurrent basis. Due to the uncertainty of the number and size of projects which IHPSB is envisaged to provide project management services, Bina Puri, BPPSB, GMSB and SESB are unable to ascribe an estimated value for the year.

Note 4 Bina Puri and BPSB are proposing to subcontract road paving works or other contract works procured from time to time to DHSB on a negotiated margin basis. Due to the uncertainty of the number and size of projects which Bina Puri and BPSB may be able to procure and subcontract to DHSB, Bina Puri and BPSB are unable to ascribe an estimated value for the year.

3. AUDIT COMMITTEE STATEMENT

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

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

4. RATIONALE

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

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

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

5. FINANCIAL EFFECTS

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

6. APPROVAL REQUIRED

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

7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

The interests, direct or indirect of the interested Related Parties (being the Director, Major Shareholders and/or persons connected with a Director or Major Shareholder) in the Proposal and their respective shareholdings in the Company as at 30 September 2019, are summarised as follows:

	NO. OF ORDINARY SHARES IN THE COMPANY				
	DIRECT	%	INDIRECT	%	NOTES
YBhg. Tan Sri Datuk Tee Hock Seng, JP	18,739,778*	4.91	4,998,925**	1.31	(1)
Kumpulan Melaka Bhd.	-	-	-	-	(2)
Dr Tony Tan Cheng Kiat	9,668,902*	2.53	-	-	(3)
Datuk Matthew Tee Kai Woon	4,598,925	1.20	19,139,778***	5.01	(4)
Mr. Tay Hock Lee*	1,807,707	0.47	-	-	(5)
YBhg. Datuk Henry Tee Hock Hin*	5,594,668	1.46	-	-	(6)
Mr. Ang Kiam Chai	-	-	-	-	(7)

* YBhg. Datuk Henry Tee Hock Hin and Mr. Tay Hock Lee resigned as Director of the Company on 28 June 2018 and 31 July 2018 respectively.

NOTES:

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

* includes beneficial interest held through nominee company.

** indirect interest - 400,000 Shares held by Tee Hock Seng Holdings Sdn. Bhd. and 4,598,925 Shares held by Tan Sri Datuk Tee Hock Seng, JP's son, Datuk Matthew Tee Kai Woon.

*** indirect interest - 18,739,778 Shares held by Datuk Matthew Tee Kai Woon's father, Tan Sri Datuk Tee Hock Seng, JP and 400,000 Shares held by Tee Hock Seng Holdings Sdn. Bhd.

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

The Proposal will be put forth in 4 Ordinary Resolutions at the forthcoming AGM. The interested Directors, YBhg. Tan Sri Datuk Tee Hock Seng, JP, Dr Tony Tan Cheng Kiat, Datuk Matthew Tee Kai Woon and Mr. Ang Kiam Chai, interested Major Shareholders (YBhg. Tan Sri Datuk Tee Hock Seng, JP and KMB) and/or persons connected with them will abstain from voting in respect of their respective direct or indirect shareholdings in the Company on the relevant Ordinary Resolutions to approve the Proposal.

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

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

8. AMOUNTS DUE AND OWING BY RELATED PARTIES

There is no amount due and owing to the Bina Puri Group by its related parties under the Recurrent RPTs which exceeded the credit term for the financial period ended 1 January 2018 to 30 June 2019 (18 months).

9. DIRECTORS' RECOMMENDATION

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

10. ANNUAL GENERAL MEETING

The Twenty-Eighth AGM of the Company (with the Proposal duly incorporated as special business in the Agenda) to be held at Ground Floor, Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan on Thursday, 5 December 2019 at 11:00 a.m. together with the Form of Proxy therefore are enclosed in the Annual Report of the Company for the financial period ended 1 January 2018 to 30 June 2019 (18 months).

If you are unable to attend and vote in person at the AGM, you are requested to complete, execute and return the Form of Proxy in accordance with the instructions printed therein as soon as possible and in any event, so as to arrive at the Share Registrar's Office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time set for the AGM and any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person should you subsequently wish to do so.

11. FURTHER INFORMATION

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

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

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

PART B

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

DEFINITIONS

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

Act	:	The Companies Act 2016, including all amendments made from time to time and any re-enactment thereof
AGM	:	Annual General Meeting
Audit Committee	:	The duly constituted audit committee of the Company
Bina Puri or Company	:	Bina Puri Holdings Bhd.
Bina Puri Group or Group	:	Bina Puri and its subsidiaries (as defined in Section 4 of the Act)
Board	:	Board of Directors of the Company
Bursa Securities	:	Bursa Malaysia Securities Berhad
Director	:	A person as defined in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of the Company or any other company which is its subsidiary or holding company or a chief executive officer of the Company, its subsidiary or holding company
Listing Requirements	:	The Main Market Listing Requirements of the Bursa Securities including any amendment thereto that may be made from time to time
LPD	:	30 September 2019, being the latest practicable date prior to the printing of this Circular.
Major Shareholder	:	<p>A person who has (which includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon) an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is:-</p> <p>(a) 10% or more of the total number of voting shares in the Company; or</p> <p>(b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.</p> <p>For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act.</p>
NA	:	Net Assets
Proposal	:	Proposed renewal of shareholders’ mandate for share buy-back for Bina Puri Holdings Bhd.
Related Party(ies)	:	A Director, Major Shareholder and/or person connected with such Director or Major Shareholder
RM and Sen	:	Ringgit Malaysia and Sen respectively

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PART B

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

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BINA PURI HOLDINGS BHD.

(207184-X)

(Incorporated in Malaysia)

REGISTERED OFFICE

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

Date: 31 October 2019

BOARD OF DIRECTORS

Tan Sri Dato' Ir. Wong Foon Meng (Chairman / Independent Non-Executive Director)

Tan Sri Datuk Tee Hock Seng, JP (Group Managing Director)

Dr. Tony Tan Cheng Kiat (Founder Director)

Datuk Matthew Tee Kai Woon (Group Executive Director)

Ir. Ghazali Bin Bujang (Independent Non-Executive Director)

Mohd Najib Bin Abdul Aziz (Independent Non-Executive Director)

Dato' Leong Sir Ley (Non-Independent Non-Executive Director)

See Tai Soon (Alternate Director to Dato' Leong Sir Ley)

To: The Shareholders of Bina Puri Holdings Bhd.

Dear Sir/Madam

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

1. INTRODUCTION

On 28 June 2018, the Company had obtained approval from the shareholders of the Company to purchase its own shares up to ten percent (10%) of the total number of issued shares of the Company. The said authority will lapse at the conclusion of this forthcoming Annual General Meeting ("AGM").

On 10 April 2019, the Company has changed its financial year from 31 December to 30 June. The financial period under review made up from 1 January 2018 to 30 June 2019 (18 months). An extension of time up till 31 December 2019 to hold AGM for the year 2019 pursuant to Section 340 of the Act was approved by the Companies Commission of Malaysia on 19 April 2019.

On 25 October 2019, the Company announced its intention to seek the approval of shareholders at the forthcoming AGM for the proposed Renewal of Share Buy-Back.

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

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

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

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

As at 30 September 2019, the Company has:

- (i) 382,039,550 issued shares; and
- (ii) Up to 57,305,900 Share Issuance Scheme (“SIS”) Option which may be granted pursuant to the maximum allowable amount under the SIS.

Hence the maximum number of shares which may be purchased by the Company will be ten percent (10%) of the issued and paid-up ordinary shares of the Company or 43,934,545 shares based on the position as at 30 September 2019.

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

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

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

The Board proposes to allocate an amount of up to the retained profits of the Company for the purchase of its own shares subject to the compliance with Section 127 of the Companies Act 2016 (“Act”) and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase. Based on the latest audited financial statements of Bina Puri for the period ended 1 January 2018 to 30 June 2019 (18 months), the retained profits amounted to approximately RM42.1 million.

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

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

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

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

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

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

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

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

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

While the purchased shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in any distribution and otherwise are suspended. The treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

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

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

As at 30 September 2019, the public shareholding spread of the Company based on the total number of issued shares of 382,039,550 Bina Puri Shares was 62.09%. The Board will endeavour to ensure that the Company complies with the public shareholding spread requirements and shall not buy back the Company's own shares if the purchase would result in the public shareholding spread requirements not being met.

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

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

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

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

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

4. ADVANTAGES AND DISADVANTAGES

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

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

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

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

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

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

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

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

5.1 Share Capital

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

	MINIMUM SCENARIO	MAXIMUM SCENARIO
	NO. OF SHARES	NO. OF SHARES
Total number of issued shares*	382,039,550	382,039,550
Assuming full exercise of the SIS Options**		57,305,900
	382,039,550	439,345,450
Maximum number of purchased shares are cancelled pursuant to the Proposed Renewal of Share Buy-Back	(38,203,955)	(43,934,545)
Upon completion of the Proposed Renewal of Share Buy-Back	343,835,595	395,410,905

NOTES:

* As at 30 September 2019

** As at 30 September 2019, Bina Puri has 57,305,900 SIS Options granted but not exercised

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

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

5.2 Substantial Shareholders' and Directors' Shareholdings

The proforma effects of the Proposed Renewal of Share Buy-Back on the shareholdings of the Directors and substantial shareholders of the Company are set out below based on the Register of Substantial Shareholders and Register of Directors as at 30 September 2019:-

(i) Minimum Scenario

	AS AT 30 SEPTEMBER 2019			AFTER THE PROPOSED RENEWAL OF SHARE BUY-BACK [^]				
	DIRECT NO. OF SHARES	%	INDIRECT NO. OF SHARES	%	DIRECT NO. OF SHARES	%	INDIRECT NO. OF SHARES	%
Substantial shareholders								
Jentera Jati Sdn. Bhd.	20,388,000*	5.34	-	-	20,388,000*	5.93	-	-
Tan Sri Datuk Tee Hock Seng, JP	18,739,778*	4.91	4,998,925**	1.31	18,739,778*	5.45	4,998,925**	1.45
Directors								
Tan Sri Dato' Ir Wong Foon Meng	-	-	-	-	-	-	-	-
Tan Sri Datuk Tee Hock Seng, JP	18,739,778*	4.91	4,998,925**	1.31	18,739,778*	5.45	4,998,925**	1.45
Dr Tony Tan Cheng Kiat	9,668,902*	2.53	-	-	9,668,902*	2.81	-	-
Datuk Matthew Tee Kai Woon	4,598,925	1.20	19,139,778***	5.01	4,598,925	1.34	19,139,778***	5.57
Ir. Ghazali Bin Bujang	-	-	-	-	-	-	-	-
Mohd Najib Bin Abdul Aziz	-	-	-	-	-	-	-	-
Dato' Leong Sir Ley	-	-	-	-	-	-	-	-
See Tai Soon	-	-	-	-	-	-	-	-

NOTES:

* including shares held through nominee company.

** indirect interest - 400,000 Shares held by Tee Hock Seng Holdings Sdn. Bhd. and 4,598,925 Shares held by Tan Sri Datuk Tee Hock Seng, JP's son, Datuk Matthew Tee Kai Woon.

*** indirect interest - 18,739,778 Shares held by Datuk Matthew Tee Kai Woon's father, Tan Sri Datuk Tee Hock Seng, JP and 400,000 Shares held by Tee Hock Seng Holdings Sdn. Bhd.

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

(ii) Maximum Scenario

	AS AT 30 SEPTEMBER 2019				(I) ASSUMING FULL EXERCISE OF THE SIS OPTIONS#				(II) AFTER (I) AND THE PROPOSED RENEWAL OF SHARE BUY-BACK^			
	DIRECT NO. OF SHARES	%	INDIRECT NO. OF SHARES	%	DIRECT NO. OF SHARES	%	INDIRECT NO. OF SHARES	%	DIRECT NO. OF SHARES	%	INDIRECT NO. OF SHARES	%
	Substantial shareholders											
Jentera Jati Sdn. Bhd.	20,388,000*	5.34	-	-	20,388,000	4.64	-	-	20,388,000*	5.16	-	-
Tan Sri Datuk Tee Hock Seng, JP	18,739,778*	4.91	4,998,925**	1.31	18,739,778**	4.27	4,998,925**	1.14	18,739,778*	4.74	4,998,925**	1.26
Directors												
Tan Sri Dato' Ir Wong Foon Meng	-	-	-	-	-	-	-	-	-	-	-	-
Tan Sri Datuk Tee Hock Seng, JP	18,739,778*	4.91	4,998,925**	1.31	18,739,778**	4.27	4,998,925**	1.14	18,739,778*	4.74	4,998,925**	1.26
Dr Tony Tan Cheng Kiat	9,668,902*	2.53	-	-	9,668,902*	2.20	-	-	9,668,902*	2.45	-	-
Datuk Matthew Tee Kai Woon	4,598,925	1.20	19,139,778***	5.01	4,598,925	1.05	19,139,778***	4.36	4,598,925	1.16	19,139,778***	4.84
Ir. Ghazali Bin Bujang	-	-	-	-	-	-	-	-	-	-	-	-
Mohd Najib Bin Abdul Aziz	-	-	-	-	-	-	-	-	-	-	-	-
Dato' Leong Sir Ley	-	-	-	-	-	-	-	-	-	-	-	-
See Tai Soon	-	-	-	-	-	-	-	-	-	-	-	-

NOTES:

* including shares held through nominee company.

** indirect interest - 400,000 Shares held by Tee Hock Seng Holdings Sdn. Bhd. and 4,598,925 Shares held by Tan Sri Datuk Tee Hock Seng, JP's son, Datuk Matthew Tee Kai Woon.

*** indirect interest - 18,739,778 Shares held by Datuk Matthew Tee Kai Woon's father, Tan Sri Datuk Tee Hock Seng, JP and 400,000 Shares held by Tee Hock Seng Holdings Sdn. Bhd.

Assuming 57,305,900 SIS options were granted and exercised under the Company.

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

5.3 Net Assets

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

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

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

5.4 Earnings

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

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

5.5 Working capital

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

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

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

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

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

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

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

The Company has not made any purchase of its own Shares or resale of treasury shares since it obtained the shareholders' approval at the Twenty-Seventh AGM held on 28 June 2018.

8. APPROVAL REQUIRED

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

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

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

10. DIRECTORS' RECOMMENDATION

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

11. ANNUAL GENERAL MEETING

The Twenty-Eighth AGM of the Company (with the Proposal duly incorporated as special business in the Agenda) to be held at Ground Floor, Wisma Bina Puri, 88, Jalan Bukit Idaman 8/1, Bukit Idaman, 68100 Selayang, Selangor Darul Ehsan on Thursday, 5 December 2019 at 11:00 a.m. together with the Form of Proxy therefore are enclosed in the Annual Report of the Company for the financial period ended 1 January 2018 to 30 June 2019 (18 months).

If you are unable to attend and vote in person at the AGM, you are requested to complete, execute and return the Form of Proxy in accordance with the instructions printed therein as soon as possible and in any event, so as to arrive at the Share Registrar's Office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time set for the AGM and any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person should you subsequently wish to do so.

12. FURTHER INFORMATION

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

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

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

APPENDIX I

FURTHER INFORMATION

1. **DIRECTORS' RESPONSIBILITY STATEMENT**

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

2. **MATERIAL LITIGATION**

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

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

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

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

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

The hearing for the arbitration proceedings has been concluded and parties are in the midst of submitting post-hearing submissions.

Based on the documents available, UEM-BPSB JV's solicitors are of the view that there is a good chance of defending this claim.

(ii) **In the matter of an arbitration between Bina Puri Pakistan Private Limited ("Bina Puri Pakistan") v National Highway Authority of Pakistan ("NHA")**

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

Bina Puri Pakistan commenced the arbitral proceedings on 21 October 2013 claiming for a sum of PKR26,760,300,964 (approximately RM715 million) for loss and damage including loss of profit, interest, cost and expenses. NHA contended on 9 December 2013 that the termination is lawful. The arbitration has been concluded.

One of the 2 arbitrators passed an award on 13 January 2018 for PKR25,650,745,200 (approximately RM685 million) in favour of Bina Puri Pakistan whilst another arbitrator was of the view that Bina Puri Pakistan is entitled to termination payments to be computed by joint auditors. As the arbitrators of the arbitral proceedings differed in their decisions, a jointly appointed umpire shall determine the dispute and deliver the final decision. However, due to health problems of the appointed umpire, Bina Puri Pakistan filed an application at the High Court of Sindh for a new umpire to be appointed. On 27 September 2018, the High Court of Sindh referred the matter for decision by a new umpire, Mr Justice (R) Nasir-ul-Mulk.

On 27 March 2019, Mr Justice (R) Nasir-ul-Mulk allowed Bina Puri Pakistan's claims against NHA as follows:

- (a) a declaration that the termination notice issued by NHA was unlawful repudiation and therefore anticipatory breach of the Concession Agreement; and
- (b) Bina Puri Pakistan shall be entitled for the actual pre-development cost and actual development costs to be determined by a joint auditor in accordance with the award.

("Adjudication Award")

On 6 April 2019, the Adjudication Award was filed in High Court of Sindh at Karachi to be enforced and made a rule of court. On 1 October 2019, the Registrar directed the matter back to the High Court of Sindh at Karachi for further orders for the enforcement of the Adjudication Award in view that NHA has failed to appear or file any objections despite being served with the notice of the proceedings.

(iii) Conaire Engineering Sdn Bhd – L.L.C (“Conaire”) v Pembinaan SPK Sdn Bhd (“SPK”) and Bina Puri Holdings Bhd

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

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

On 14 February 2019, SPK and the Company filed an appeal at the Court of Appeal on the High Court Judgement (“Appeal”). On 22 February 2019, SPK and the Company applied to stay the High Court Judgement pending the disposal of the Appeal (“Stay of Execution Application”). On 17 April 2019, the High Court of Kuala Lumpur allowed the Stay of Execution Application. On 12 September 2019, the Court of Appeal has granted SPK and Bina Puri’s notice of motion to amend the notice of appeal.

The next case management of the Appeal is fixed on 20 November 2019.

The Company’s solicitors are of the view that there is a reasonable chance of success subject to the Court of Appeal agreeing to, amongst others, that the judgment obtained by Conaire at the Abu Dhabi Court on 17 March 2015 cannot be enforced in Malaysia under the Reciprocal Enforcement of Judgments Act 1958.

(iv) Bina Puri Mining Sdn Bhd (“BPM”) v Bukit Biru Quarry Sdn Bhd (“BB Quarry”)

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

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

On 21 January 2019, BPM has filed an appeal at the Court of Appeal. The hearing is fixed on 16 April 2020.

(v) In the matter of an arbitration between Bina Puri Construction Sdn Bhd (“BPCSB”) v Genbina Sdn Bhd (“Genbina”)

MRCB Engineering Sdn Bhd has awarded a contract to BPCSB to carry out a relocation of water and sewerage pipelines. BPCSB thereafter engaged Genbina as the sub-contractor for the works.

Genbina had initiated an adjudication proceeding against BPCSB on 23 May 2018 for the alleged outstanding payment of works. The adjudication was opposed by BPCSB by way of set-off for backcharges, overpayment, materials supplied by BPCSB on Genbina’s behalf and liquidated damages and accordingly the obligation on BPCSB to pay the alleged outstanding sum claimed has not arisen.

The adjudicator had on 13 November 2018 awarded the following to the parties:

- (i) allowed Genbina’s claim of RM5,874,396.83;
- (ii) allowed BPCSB to set off RM2,883,579.64; and
- (iii) found that Genbina is liable for the delay but was not able to quantify the liquidated damages to be awarded in favour of BPCSB.

(collectively referred to as the “Genbina Adjudication Decision”).

On 17 April 2019, BPCSB obtained leave from the High Court of Shah Alam to commence arbitration against Genbina for final determination of the Genbina Adjudication Decision and an application to stay the Genbina Adjudication Decision.

3. MATERIAL CONTRACTS

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

4. DOCUMENTS FOR INSPECTION

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

- (a) the Memorandum and Articles of Association of the Company;
- (b) the audited consolidated accounts of the Bina Puri Group for the past 2 financial years ended 31 December 2017 and 30 June 2019;
- (c) the relevant cause papers in respect of material litigation referred to in Paragraph 2 above.