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BINA PURI'S VARIOUS ANNOUNCEMENTS DRAW SCRUTINY

Recent announcements by Main Market-listed construction and property development outfit Bina Puri Holdings Bhd suggested that it had not been making prompt announcements on material matters on at least five separate occasions.

According to the Bursa Malaysia Main Market Listing Requirements (Main Market LRs), a PLC must immediately disclose any "material information" to the public.

For the uninitiated, "material information" is reasonably expected to have a material effect on the price, value or market activity of a PLC's securities.

Very broadly, "material information" can take the form of any development that impacts a PLC's business direction or financial performance, i.e. acquisition/disposal of a business, legal disputes, key management personnel changes or essentially, any information that could influence an investor's decision-making process promptly.

Delay in making announcements

Excerpts of announcements on the five occasions are detailed below:

- 1. 26 November 2024:** Bina Puri revealed that its wholly-owned subsidiary Bina Puri Construction Sdn Bhd (BPCSB) had been served with a winding-up petition on 11 November 2024 - two weeks before the announcement - by Toshiba Elevator (M) Sdn Bhd via its lawyer Messrs. Simrenjeet, Tay & Co¹.

The petition was initiated to wind up Bina Puri Construction due to default payment under a notice of demand issued by the Petitioner for the amount of RM974,724.74.

As of the date of the announcement, Bina Puri said they were **"seeking legal advice on the matter"**. It did not explain the reason for the delay in making the announcement.

Bina Puri said there will be no immediate material financial and operational impact and no expected loss to the Group arising from the Petition as the petition amount is 1.1% of the Group's net assets.

- 2. 26 November 2024 -** It announced that its indirect wholly-owned subsidiary Bina Puri Mining Sdn Bhd (BPMSB) had also 15 days earlier, on 11 November 2024, been served

¹https://www.bursamalaysia.com/market_information/announcements/company_announcement/announcement_details?ann_id=3503218

with a winding-up petition by Golden Hiapfatt Quarry & Premix (Sarawak) Sdn Bhd via its lawyer Messrs. Lee Kok Heng & Co².

The petition was intended to wind up BPMSB on the basis of default payment pursuant to a judgment dated 9 February 2022 at the Kuching Sessions Court amounting to RM95,216.48 (including accrued late payment interest rate of 5%).

Bina Puri acknowledged the delay in announcing the winding-up petition. It said the Board believed that making any announcement regarding the petition **“would be premature as the group remains in discussions with the Petitioner to resolve the matter amicably”**.

- 3. 27 January 2025:** Bina Puri clarified its lawsuit with Wisma Majujaya Sdn Bhd (Majujaya or the Plaintiff) after *The Edge* financial daily had on the same day published an article entitled *“Bina Puri, its Director Tee Hock Seng Face RM28.1m Suit for Purportedly Failing to Pay Up Full Sum in JVA”*³.

Bina Puri said the Company, its wholly-owned subsidiary Bina Puri Properties Sdn Bhd (BPPSB) and Bina Puri’s director Tan Sri Datuk Tee Hock Seng (collectively the Defendants) had received a Writ and Statement of Claim dated 16 May 2024 from the solicitors of the Plaintiff.

The filing of the case is based on the Plaintiff’s contention that the Defendants had failed to fulfil its obligation to pay the Plaintiff the sum of RM28.17 million that is allegedly due and payable under the Joint Venture Agreement (JVA) dated 23 November 2017.

At that point, Bina Puri claimed that the case is not expected to have any significant financial and operational impact on BPPSB or the Company for FY2025. Furthermore, the Board opined that **“Bina Puri has a fair and reasonable chance of success against the Plaintiff’s claim”**.

- 4. 4 February 2025:** Referring to the lawsuit Majujaya v Bina Puri, Bina Puri attributed its delay in making an announcement on the lawsuit to it **“being actively engaging with the relevant parties to formulate a resolution to the lawsuit”**.⁴

In the announcement, Bina Puri also updated the public that the Court had granted summary judgment against the Company and BPPSB on 3 February 2025. Accordingly, Bina Puri and the other defendants are ordered to pay the judgment sum of RM28.17 million, with 8% interest, within 14 days of the date of summary

²https://www.bursamalaysia.com/market_information/announcements/company_announcement/announcement_details?ann_id=3503217

³https://www.bursamalaysia.com/market_information/announcements/company_announcement/announcement_details?ann_id=3519843

⁴https://www.bursamalaysia.com/market_information/announcements/company_announcement/announcement_details?ann_id=3521259

judgment delivered. Accordingly, the Company had directed its solicitors to file an appeal and a stay of the judgment.

- 5. 4 February 2025:** Separately, Bina Puri announced that it had on 29 November 2024 – slightly more than two months earlier – was served with a winding-up petition dated 25 November 2024 by Export-Import Bank of Malaysia Bhd (EXIM Bank) via the latter's advocates & solicitors, Messrs. Amin Karlos⁵.

EXIM Bank has initiated the petition to wind up Bina Puri on the basis of default payment under a notice of demand for the amount of US\$4.89 million and RM17,253.47. Bina Puri said **the delay in announcing the Petition was due to ongoing negotiations on the disputed sum.**

- 6. 6 February 2025:** This is pertaining to Bina Puri having defaulted in the payment to EXIM Bank for a US\$7.645 million US dollar-denominated loan with an initial interest rate of 4% since March 2024 pending finalisation of the restructuring of the said loan⁶.

As the Group is in discussion with EXIM Bank to restructure the loan sum, it has temporarily ceased the repayment pending the finalisation of the loan restructuring plan. It claimed it had been delayed in announcing the default in payment as ***“the Board believed that making any announcement regarding the default in payment would be premature”***.

Winding up petitions, lawsuit and default in payment

A review of the announcements above suggests that Bina Puri has not been making timely disclosures on three winding-up petitions, a lawsuit and a default in payment.

The Company's disclosures consistently cited ongoing discussions, negotiations, and procedural resolutions as reasons for delaying announcements. However, these explanations do not align with the clear requirements of the Main Market LRs.

We find these justifications unconvincing, particularly in the case of the RM28.1 million lawsuit with Majujaya. Why Bina Puri withheld details of the lawsuit from the public since receiving the Writ and Statement of Claim on 20 May 2024, representing an eight-month delay in disclosure, remains unclear.

The reason for the extended delay remains unclear and is best known to the Board. However, the circumstances create the impression that Bina Puri only disclosed the lawsuit under external pressure after it was reported in the press.

⁵https://www.bursamalaysia.com/market_information/announcements/company_announcement/announcement_details?ann_id=3521260

⁶https://www.bursamalaysia.com/market_information/announcements/company_announcement/announcement_details?ann_id=3521694

Likewise, Bina Puri has not been forthcoming about three winding-up petitions filed against the Company and its subsidiaries. Under Paragraph 9.19(19) of the Main Market LRs, a PLC must make an immediate announcement of winding-up petition against itself, its subsidiaries, or major associated companies irrespective of whether⁷:

- The winding-up has a financial or operational impact on the listed issuer;
- The listed issuer is contesting the winding-up petition or forms the view that there is no merit to the winding-up petition; or
- The listed issuer is in negotiation with the petitioner to arrive at a settlement arrangement.

Lastly, a PLC must immediately announce to the stock exchange any default in payment of either interest, principal sums, or both, in respect of any credit facility or debt securities by the PLC, or any of its subsidiaries or associated companies, irrespective of whether a demand has been made, where: -

- the total amount outstanding of the defaulted credit facility or debt securities, either singly or collectively, is 5% or more of the net assets of the listed issuer based on the latest published or announced financial statements; or
- the default in payment is reasonably expected to have a material effect on the price, value or market activity of any of the listed issuer's securities or the decision of the listed issuer's securities holder or investor in determining his choice of action.

As of 30 June 2024, Bina Puri's net assets amount to RM87.22 million. Meanwhile, the amount demanded by EXIM Bank under the petition dated 25 November 2024 amounted to US\$4.895 million, or equivalent to RM21.646 million based on a conversion rate of US\$: RM4.422.

Timeliness, transparency and accountability

It is uncertain whether Bina Puri has breached the Main Market LRs as this is a matter best determined through regulatory investigation. However, in today's technology-driven world, where information is increasingly accessible, timeliness and transparency in corporate disclosures are more critical than ever.

⁷ Pages 9-6 and 9-7, Questions and Answers in relation to Bursa Malaysia Securities Berhad Main Market Listing Requirements (as at 31 December 2024), accessed via https://www.bursamalaysia.com/sites/5d809dcf39fba22790cad230/assets/67738df0cd34aaedf427dc6b/QA_MainChap9_SRF_NewIssue_ESOS_31Dec2024_.pdf

Recall that the stock exchange recently reprimanded and fined Waja Konsortium Berhad⁸, IQZAN Holdings Berhad⁹ (de-listed on 30 July 2024) and their seven directors for various breaches, of which some are related to failures to make immediate announcements of financial condition and the transfer of sale shares of a wholly-owned subsidiary to two purchasers.

The two directors of Waja Konsortium were imposed a fine of RM100,000 each, while the five directors of IQZAN were imposed total fines ranging from RM300,000 to RM375,000.

Again, MSWG wishes to reiterate that PLCs and their directors must uphold the principles of full, fair, and timely public disclosure of any material information to enable investors to make informed investment decisions is of paramount importance in ensuring an orderly and fair market.

[END]

⁸ Bursa Malaysia Securities Publicly Reprimands and/or Fines Waja Konsortium Berhad and Two (2) Directors, accessed via https://www.bursamalaysia.com/sites/5bb54be15f36ca0af339077a/content_entry5c11a9db758f8d31544574c6/67af09eee6414a4e41f9daf3/files/140225_MEDIA_NOTIFICATION_BURSA_MALAYSIA_SECURITIES_PUBLICLY_REPRIMANDS_AND_OR_FINES_WAJA_KONSORTIUM_BERHAD_AND_TWO_2_DIRECTORS.pdf?1739524877

⁹ Bursa Malaysia Securities Publicly Reprimands and/or Fines Iqzan Holding Berhad And Five (5) Directors, accessed via https://www.bursamalaysia.com/sites/5bb54be15f36ca0af339077a/content_entry5c11a9db758f8d31544574c6/67af0ac8e6414a4e2cf9db5e/files/140225_MEDIA_NOTIFICATION_BURSA_MALAYSIA_SECURITIES_PUBLICLY_REPRIMANDS_AND_OR_FINES_IQZAN_HOLDING_BERHAD_AND_FIVE_5_DIRECTORS.pdf?1739524872

MSWG HIGHLIGHTS

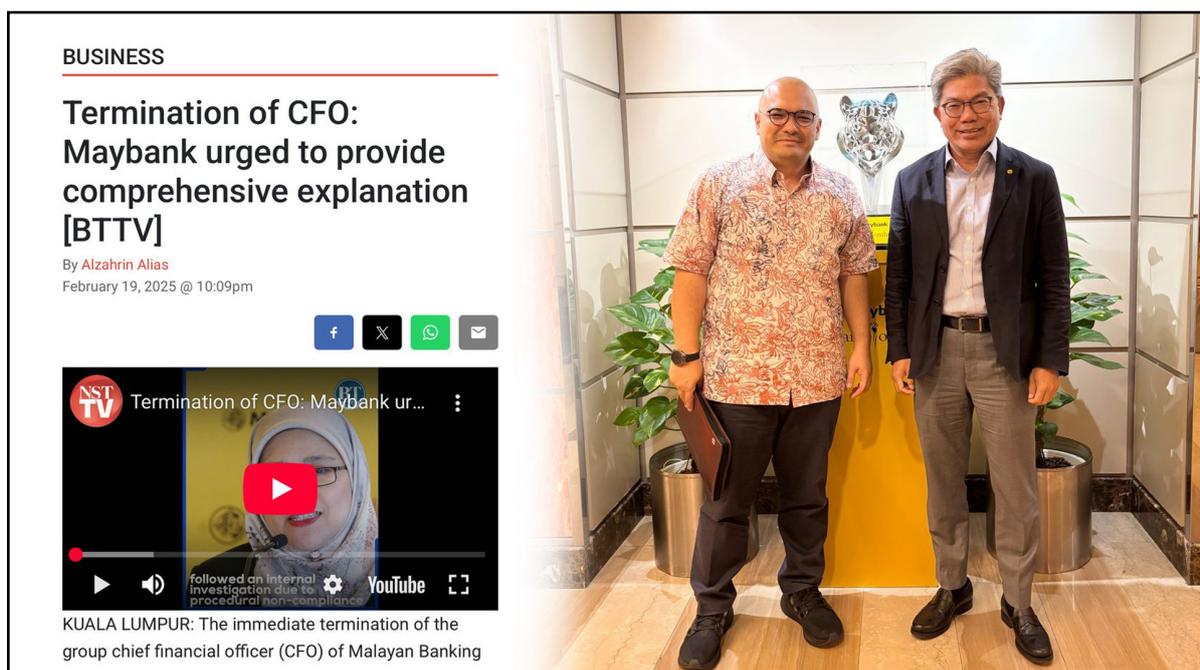
Ensuring Transparency and Good Governance: MSWG's Engagement with Maybank

Last week, MSWG raised concerns regarding the termination of Malayan Banking Berhad's (Maybank) former Chief Financial Officer, Puan Khalijah Ismail, and urged the Bank to provide greater transparency to address speculation (Read our comments here: <https://www.nst.com.my/business/2025/02/1177453/termination-cfo-maybank-urged-provide-comprehensive-explanation-bttv>)

In response, MSWG's CEO, Dr. Ismet Yusoff, met with Maybank's Group President and CEO, Dato' Khairussaleh Ramli, to seek further clarification on the matter.

Maybank assured MSWG that the termination followed an internal inquiry conducted following the Bank's governance framework and due process. The inquiry was related to non-compliance with internal requirements, and Puan Khalijah was given the opportunity to present her case. The Bank also confirmed that there was no falsification of accounts, no financial loss incurred, and that this was an isolated incident, not triggered by any external law enforcement agency.

MSWG appreciates Maybank's prompt engagement and its reaffirmation of strong governance practices. Transparency in such matters is critical to maintaining shareholder and public trust, and MSWG continues to advocate for clear and timely disclosures to uphold market confidence.



MSWG AGM/EGM WEEKLY WATCH

The following are the AGMs/EGMs of companies on the Minority Shareholders Watch Group's (MSWG) watch list for this week.

The summary of points of interest is highlighted here, while the details of the questions to the companies can be obtained via MSWG's website at www.mswg.org.my.

QUICK-TAKE

Date & Time	Company	Quick-take
05.03.25 (Wed) 09.30 am	Notion VTEC Berhad (AGM)	<p>The Group's revenue increased by 41% to RM488.0 million (FYE2023: RM345.3 million). The main growth comes from the EMS segment as well as the HDD segment which has its tailwind of both AI and data centre growth.</p> <p>Consequently, the Group returned to black in FY2024 with a net profit of RM42.9 million, against a net loss of RM45.0 million in FYE 2023.</p>

POINTS OF INTEREST

Company	Points/Issues to Be Raised
Notion VTec Berhad (AGM)	<p>The Hard Disk Drive (HDD) segment and Electronic Manufacturing Services (EMS) segment experienced significant revenue growth of 69% and 79%, respectively, with revenue increasing to RM133.3 million and RM189.9 million. The growth was primarily driven by the tailwind of both AI and data centre growth. (Pages 9 & 10 of AR2024)</p> <p>In light of recent U.S. restrictions on AI-related chips, which may in turn slow data centre expansion, what is the Board's view on the potential impact of these developments on the demand for the Group's HDD and EMS products?</p>



13 MARCH 2025 | THURSDAY
8:30 AM - 4:00 PM
AICB CENTRE OF EXCELLENCE, KL



Registration Fee
RM1,800

Early Bird
 (before 28 February 2025)
RM1,600

Group of 2
 or more
RM1,600

All prices are subject to any applicable government tax.

All MSWG subscribers enjoy special rate for registration.
 Please contact us for more details.



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Navigating the National Sustainability Reporting Framework & Latest Bursa Listing Requirements

Programme Overview

In September 2024, the Securities Commission Malaysia announced implementation of the National Sustainability Reporting Framework (NSRF). It mandates IFRS Sustainability Disclosure Standards (ISSB Standards) for listed and large non-listed companies. The framework aims to enhance transparency, accountability and business resilience, aligning the nation's sustainability goals. In December 2024, Bursa Malaysia announced corresponding amendments to the Listing Requirements. Compliance will be phased, starting in 2025 for large Main Market PLCs, extending to others by 2027.

Part 1 | 8.30 am - 10.00 am

Developments in the International Sustainability Reporting Landscape

- Commonly adopted sustainability reporting frameworks
- How the ISSB was formed and global adoption trends
- Adoption timelines for Malaysia – NSRF and Bursa Listing Requirements
- Design and applicability of the standards:
 - IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information
 - IFRS S2 – Climate-related Disclosures
- Future developments in the pipeline

Part 3 | 1.00 pm - 2.30 pm

IFRS S2 – Climate-Related Disclosures

- **TCFD 101 as a foundation for IFRS S2**
 - Climate Risks: Physical and Transition Risks
- **IFRS S2 – Core content**
 - Governance, Strategy, Risk Management, Metrics and Targets

Part 2 | 10.30 am - 12.00 pm

IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information

- Conceptual foundations
 - Materiality
 - Reporting Entity
- How to shortlist financially material sustainability matters
- Sources of Guidance (SASB, GRI, ESRS)
- Statement of Compliance
- Treatment of Errors

Part 4 | 2.45 pm - 4.00 pm

Transitioning to an ISSB Report and other key considerations:

- Reliefs – Proportionality and scalability mechanisms
 - Without undue cost or effort
 - Consideration of skills, capabilities and resources
- What would an ISSB Report look like versus the current sustainability report formats
- Assurance of Sustainability Reports



Trainer's Profile San Mei Kim

Mei Kim is a sustainability trainer. Prior to this, she was the former Sustainability Lead, Corporate Governance and Sustainability with the Regulation function at Bursa Malaysia. She co-led the development of key sustainability-related initiatives for the Malaysian capital market. This includes putting in place enhancements to Bursa Malaysia's Sustainability Reporting Framework (consisting of the listing requirements, sustainability reporting guides and related toolkits) as well as capacity building initiatives for public listed companies.

She is a GRI Certified Sustainability Professional and holds a Master in Sustainable Development Management from the Jeffrey Sachs Centre (Sunway University). She is also a member of the Association of Chartered Certified Accountants (ACCA), Association of Certified Fraud Examiners (ACFE) and the Malaysian Institute of Accountants (MIA).

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