



## **Press Release**

For Immediate Distribution

### **BINTAI KINDEN PRESSURES MELAKA GOVERNMENT ON UNIMEL PROJECT PAYMENTS**

*Company appealing to Prime Minister to seek redress on issue as payments owed totalling RM49.8 million by Melaka government jeopardises upkeep of UNIMEL campus accommodation*

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**PETALING JAYA, 29 MARCH 2023** – **Bintai Kinden Corporation Berhad** ("Bintai Kinden" or the "Company"; Bursa: BINTAI, 6998), a mechanical and electrical ("M&E") engineering services specialist, which has been classified as an affected listed issuer pursuant to Para 2.1(f) of Practice Note 17 ("PN17") of the listing requirements of the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), is pressuring the Melaka government for not taking action to address payments owed the Company from the Universiti Melaka ("UNIMEL") project resulting in the default of an RM109.0 million Islamic financing facility.

The PN17 classification came after MBSB Bank Berhad ("MBSB") issued a notice of termination dated 29 March 2023 to Bintai Kinden as the corporate guarantor and its wholly-owned subsidiary, Optimal Property Management Sdn Bhd ("OPM"), as the borrower in respect of RM109.0 million in Islamic banking facilities in which the Company and/or OPM has defaulted on.



Azri Azerai, Executive Director of Bintai Kinden ([Link](#))

**En. Azri Azerai, Executive Director of Bintai Kinden** said, "We are being victimised into PN17 status because the Melaka government has not seen fit despite a series of meetings to take action to address the RM49.8 million owed to OPM by Kolej Teknologi Islam Melaka Berhad ("KTIMB") for the construction of the UNIMEL student campus accommodation."

KTIMB is the operator of UNIMEL, which had awarded a contract via a concession agreement to OPM in early 2016 valued at RM121.0 million to construct student accommodation for the campus. The 25-year concession agreement comprised three years of construction and 22 years of maintenance services in which KTIMB is obliged to pay OPM for the upkeep of the campus accommodation. OPM had taken a 17-year tenure Islamic financing facility of RM109.0 million with MBSB to part-finance the UNIMEL campus accommodation project, which was completed in 2019.

"We have also sent various reminders to KTIMB as well as Melaka Chief Minister Incorporated ("CMI Melaka") on the matter. Let us be clear that despite non-payment or irregular payments by the parties, Bintai Kinden has been honouring its debt to MBSB and has paid RM18.6 million from March 2021 to December 2022 towards the financing facility despite collecting only RM3.7 million from KTIMB."

"Bintai Kinden would like to appeal to the Prime Minister to seek redress on this issue for the sake of the UNIMEL students, as we have been trying our best to maintain the campus accommodation. CMI Melaka is obliged to

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top-up any shortfall in the payments as part of the financing facility agreement with MBSB but the top-ups have been inadequate while KTIMB, which was required as part of the concession agreement to pledge land or properties with a market value of not less than RM42.5 million to safeguard Bintai Kinden's credit risk, has not done so."

Pursuant to the PN17 classification, Bintai Kinden is required to announce within three months of today's announcement on whether the regularisation plan will result in a significant change in its business direction or policy and, within 12 months of today's announcement, to submit a regularisation plan to the Securities Commission ("SC") if the plan will result in a significant change in the business direction or policy of the Company and to complete the implementation of the plan within such timeframe as prescribed by the SC or, submit a regularisation plan to Bursa Securities if the plan will not result in a significant change in the business direction or policy as well as complete the implementation of the plan within such timeframe as prescribed.

Bintai Kinden reassures stakeholders that its other businesses such as the Mechanical & Engineering and Oil & Gas are running as usual. The Company has total unbilled orderbook to RM142.95million.

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#### **ABOUT BINTAI KINDEN CORPORATION BERHAD**

Bintai Kinden Corporation Berhad ("Bintai Kinden" or the "Company") is a multidisciplinary building and industrial service engineering outfit founded in 1973. The Company has designed, installed and commissioned systems that include the full range of engineering services for commercial buildings to industrial complexes. Headquartered in Malaysia, Bintai Kinden has worked on projects in Southeast Asia, China and the Gulf region of the Middle East.

For more information, visit [bintai.com.my](http://bintai.com.my).

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**Issued By:** Swan Consultancy Sdn. Bhd. on behalf of Bintai Kinden Corporation Berhad

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