

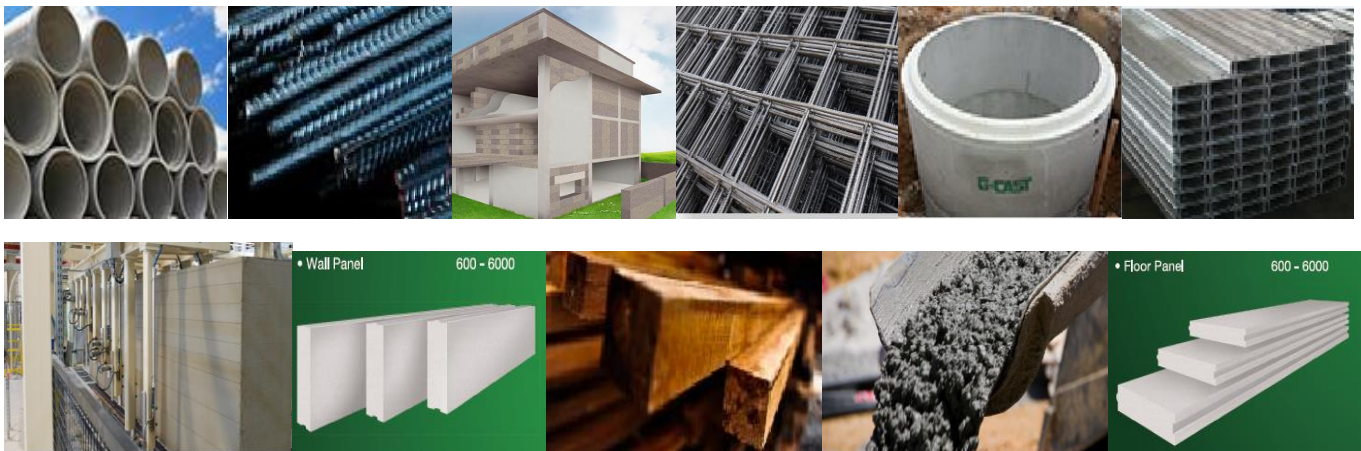
INTERIM FINANCIAL REPORT THIRD QUARTER ENDED 30TH SEPTEMBER 2016

CHIN HIN GROUP BERHAD

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(Incorporated in Malaysia under the Companies Act, 1965)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016**
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	30 September 2016 RM'000	30 September 2015 RM'000	30 September 2016 RM'000	30 September 2015 RM'000
Revenue	241,807	276,189	794,831	910,886
Cost of sales	(219,318)	(252,231)	(720,249)	(835,727)
Gross profit	22,489	23,958	74,582	75,159
Other operating income	3,652	2,305	7,349	4,007
Administrative expenses	(11,990)	(13,833)	(36,933)	(36,184)
Finance costs	(3,790)	(5,230)	(12,772)	(15,317)
Profit before taxation (before listing expenses)	10,361	7,200	32,226	27,665
Listing expenses	-	-	(2,920)	-
Profit before taxation (after listing expenses)	10,361	7,200	29,306	27,665
Taxation	(2,221)	(2,585)	(7,434)	(7,701)
Profit after taxation	8,140	4,615	21,872	19,964
Other comprehensive income	-	-	-	-
Exchange translation differences	-	-	-	-
Realisation of revaluation reserve	-	-	-	-
Total comprehensive income for the financial period	8,140	4,615	21,872	19,964
PROFIT AFTER TAX ATTRIBUTABLE TO:				
-Owners of the Company	8,140	4,615	21,872	19,964
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Owners of the Company	8,140	4,615	21,872	19,964
Weighted average no. of ordinary shares ('000)	474,289	442,690	474,289	442,690
Earnings per share attributable to owners of the Company (sen):				
- Basic	1.72	1.04	4.61	4.51
- Diluted	1.61	0.91	4.32	3.95

Notes:

- (1) *The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial report.*
- (2) *Basic earnings per share for the quarter and financial period is calculated based on the net profit divided by the weighted average number of ordinary shares for the quarter and financial period respectively.*
- (3) *The diluted net earnings per share is computed by dividing profit after taxation by the proposed enlarged number of ordinary shares of 505,888,000 shares subsequent to the listing.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016**
(The figures have not been audited)

	30 September 2016 RM'000	(Audited) 31 December 2015 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	219,270	200,759
Investment properties	105,435	103,491
TOTAL NON-CURRENT ASSETS	324,705	304,250
CURRENT ASSETS		
Inventories	48,083	44,819
Trade receivables	280,131	302,568
Other receivables	29,364	16,578
Hire purchase receivables	6,375	710
Derivative financial assets	-	38
Current tax assets	948	156
Fixed deposits with licensed banks	5,072	11,315
Cash and bank balances	121,856	168,855
	491,829	545,039
Assets held for sale	3,663	3,663
TOTAL CURRENT ASSETS	495,492	548,702
TOTAL ASSETS	820,197	852,952
EQUITY AND LIABILITIES		
EQUITY		
Share capital	252,944	221,345
Share premium	7,656	-
Merger reserve	(153,192)	(153,192)
Foreign currency translation reserve	438	453
Revaluation reserve	8,768	8,768
Retained earnings	198,157	183,873
TOTAL EQUITY	314,771	261,247
CURRENT LIABILITIES		
Trade payables	141,658	146,497
Other payables	18,647	18,087
Amount owing to directors	10,713	10,909
Finance lease payables	8,180	9,702
Bank borrowings	281,508	318,218
Current tax liabilities	3,466	2,936
TOTAL CURRENT LIABILITIES	464,172	506,349

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2016 (Cont'd)

(The figures have not been audited)

	30 September 2016 RM'000	31 December 2015 RM'000
NON-CURRENT LIABILITIES		
Finance lease payables	4,519	10,415
Bank borrowings	32,133	70,684
Deferred tax liabilities	4,602	4,257
TOTAL NON-CURRENT LIABILITIES	41,254	85,356
TOTAL LIABILITIES	505,426	591,705
TOTAL EQUITY AND LIABILITIES	820,197	852,952
NET ASSET PER SHARE (sen)	62.22	59.01

Notes:

- (1) *The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Net asset per share for the current quarter and comparative financial period is calculated based on the total equity divided by the number of ordinary shares in issue for the quarter and comparative financial period.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016**
(The figures have not been audited)

	<----- Non-Distributable ----->					Distributable	
	Share Capital RM'000	Share Premium RM'000	Merger Reserve RM'000	Foreign Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
Balance as at 1 January 2016	221,345	-	(153,192)	453	8,768	183,873	261,247
Issue of shares	31,599	9,480	-	-	-	-	41,079
Share issuance expenses ^①	-	(1,824)	-	-	-	-	(1,824)
Total comprehensive income for the financial period	-	-	-	-	-	21,872	21,872
Foreign exchange translation	-	-	-	(15)	-	-	(15)
Dividend paid	-	-	-	-	-	(7,588)	(7,588)
Balance as at 30 September 2016	<u>252,944</u>	<u>7,656</u>	<u>(153,192)</u>	<u>438</u>	<u>8,768</u>	<u>198,157</u>	<u>314,771</u>
Balance as at 1 January 2015	221,345	-	(153,192)	45	8,768	153,652	230,618
Total comprehensive income for the financial period	-	-	-	-	-	19,964	19,964
Foreign exchange translation	-	-	-	572	-	-	572
Balance as at 30 September 2015	<u>221,345</u>	<u>-</u>	<u>(153,192)</u>	<u>617</u>	<u>8,768</u>	<u>173,616</u>	<u>251,154</u>

Notes:

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial report.

^① Share issue expenses for the issue of the new CHINHIN shares of approximately RM1.82million were written-off against the share premium account under Section 60 of the Companies Act, 1965.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016**
(The figures have not been audited)

	Cumulative quarter	
	30 September 2016 RM'000	30 September 2015 RM'000
Cash Flows From Operating Activities		
Profit before taxation	29,306	27,665
Adjustment for:		
Bad debts recovered	(79)	(1)
Depreciation of property, plant and equipment	12,413	10,714
Loss on derivative financial assets	38	5
Gain on disposal of property, plant and equipment	(1,542)	(15)
Gain on disposal of investment properties	(892)	-
Gain on disposal of assets held for sale	-	(365)
Impairment on trade receivables	492	2,163
Interest expense	12,772	15,317
Interest income	(550)	(432)
Inventory written off	6	18
Property, plant and equipment written off	13	-
Reversal of allowance for doubtful debts	(757)	(1,937)
Unrealised loss/(gain) on foreign exchange	232	(43)
Operating profit before working capital changes	51,452	53,089
Changes in working capital:		
Inventories	(3,270)	(1,227)
Trade receivables	22,781	(9,469)
Other receivables	(12,786)	(4,314)
Hire purchase receivables	(5,665)	445
Trade payables	(4,839)	(1,602)
Other payables	560	(1,699)
Amount due to directors	(196)	(14)
	(3,415)	(17,880)
Cash generated from operations	48,037	35,209
Interest paid	(12,772)	(15,317)
Interest received	550	432
Tax paid	(7,351)	(8,930)
Tax refund	-	157
	(19,573)	(23,658)
Net cash generated from operating activities	28,464	11,551

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016 (Cont'd)**
(The figures have not been audited)

	Cumulative Quarter	
	30 September 2016 RM'000	30 September 2015 RM'000
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(31,763)	(17,196)
Purchase of investment properties	(2,627)	(7,595)
Proceeds from disposal of investment properties	1,575	-
Proceeds from disposal of assets held for sales	-	12,496
Proceeds from disposal of property, plant and equipment	2,368	365
Net cash used in investing activities	<u>(30,447)</u>	<u>(11,930)</u>
Cash Flows From Financing Activities		
Drawdown of bank borrowings	748	61,057
Dividend paid	(7,588)	-
Net changes on bankers' acceptance, trust receipt and revolving credits	(37,566)	(28,508)
Release in fixed deposits pledged	6,243	18,755
Repayment of finance lease payables	(7,418)	(6,706)
Repayment of bank borrowings	(38,452)	(7,492)
Payment of listing expenses	(1,824)	-
Proceeds from issue of share capital	41,079	-
Net cash (used in)/generated from financing activities	<u>(44,778)</u>	<u>37,106</u>
Net (decrease)/increase in cash and cash equivalents	(46,761)	36,727
Cash and cash equivalents at the beginning of the financial period	165,883	112,060
Effect of exchange translation differences on cash and cash equivalents	(248)	11
Cash and cash equivalents at the end of the financial period	<u>118,874</u>	<u>148,798</u>
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	121,856	153,877
Bank overdraft	(2,982)	(5,079)
Fixed deposits with licensed banks	5,072	11,222
	<u>123,946</u>	<u>160,020</u>
Less: Fixed deposits pledged to licensed banks	(5,072)	(11,222)
	<u>118,874</u>	<u>148,798</u>

Notes:

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial report.

Chin Hin Group Berhad was listed on the Main Market of the Bursa Malaysia Securities Berhad on 8 March 2016.

NOTES TO THE INTERIM FINANCIAL REPORT- THIRD QUARTER ENDED 30 SEPTEMBER 2016

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2016

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") No. 134- Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements ("Listing Requirements").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial report.

The accounting policies adopted in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2015. The Group has also adopted those standards, amendments and interpretations that have become effective 1 January 2016 and such adoptions do not have material impact on the financial position and performance of the Group.

The Group has not applied the following standards, amendments and interpretations under MFRS framework that have been issued by the Malaysia Accounting Standards Board as they have yet to be effective for the Group.

	Effective dates for financial period beginning on and after
MFRSs AND IC Interpretations (Including The Consequential Amendments)	
MFRS 2– Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
MFRS 9 – Financial Instruments (IFRS 9 are issued by IASB in July 2014)	1 January 2018
MFRS 10 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128) Effective Date of Amendments to MFRS 10 and MFRS 128	Deferred
MFRS 15 – Revenue from Contracts with Customers	1 January 2018
MFRS 15 – Clarifications to MFRS 15	1 January 2018
MFRS 16 – Leases	1 January 2019
MFRS 107 – Disclosure Initiative (Amendments to MFRS 107)	1 January 2017
MFRS 112 – Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to MFRS 112)	1 January 2017
MFRS 128 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128) Effective Date of Amendments to MFRS 10 and MFRS 128	Deferred

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A2. Auditors' report of preceding annual audited financial statements

The auditors' report on the preceding year's audited financial statements of the Company and of the Group was not subject to any qualification.

A3. Seasonal or cyclical factors

The businesses of the Group were not affected by seasonal or cyclical factors during the current financial quarter and financial period-to-date.

A4. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial period-to-date.

A5. Material changes in estimates

There were no material changes in estimates used in reporting the current financial quarter and financial period-to-date as compared to the financial statements of the Group for the financial year ended 31 December 2015.

A6. Debt and equity securities

There were no other issuances, cancellation, repurchase resale and repayment of debt and equity securities for the current financial quarter and financial period-to-date.

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A7. Segmental information

The Group's operating activities were derived from five (5) main business segments, namely the following:-

	Unaudited Cumulative quarter 30 Sep 2016 RM'000	Unaudited Cumulative quarter 30 Sep 2015 RM'000
Revenue		
Distribution of building material and logistics services	482,403	606,924
Ready-mixed concrete	107,898	123,836
Manufacturing of autoclaved aerate concrete ("AAC") and precast concrete	93,518	68,201
Manufacturing of steel mesh and metal roofing systems	107,713	108,517
Other activities	3,299	3,408
	<u>794,831</u>	<u>910,886</u>
Profit before taxation		
Distribution of building material and logistics services	10,268	10,449
Ready-mixed concrete	6,029	5,027
Manufacturing of autoclaved aerate concrete ("AAC") and precast concrete	9,737	6,493
Manufacturing of steel mesh and metal roofing systems	2,893	2,288
Other activities	3,299	3,408
	<u>32,226</u>	<u>27,665</u>
Listing expenses	(2,920)	-
	<u>29,306</u>	<u>27,665</u>

No other segmental information such as segment assets and liabilities are presented as the Group is principally engaged in one industry that is the building material industry.

A8. Dividend paid

A single-tier first interim ordinary dividend of approximately 3% per ordinary share of RM0.50 totalling to RM7,588,320 in respect of the financial year ended 31 December 2016 was paid on 15 July 2016.

A9. Valuation of property, plant and equipment

The Group has not carried out any valuation on its property, plant and equipment in the current financial quarter and financial period-to-date.

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A10. Capital commitments

The capital commitments of the Group were as follows:-

	Unaudited 30 September 2016 RM'000	Audited 31 December 2015 RM'000
Authorised and contracted for:		
-acquisition of property, plant and equipment	61,735	289

A11. Changes in the composition of the Group

There were no material changes in the composition of the Group for the current financial quarter.

A12. Contingent liabilities and contingent assets

There were no contingent assets as at the date of this interim financial report. Contingent liabilities of the Group were as follows:-

	Unaudited 30 September 2016 RM'000	Audited 31 December 2015 RM'000
Unsecured		
Corporate guarantees given to the licensed banks for credit facility granted to related companies	393,757	176,863

A13. Material events subsequent to the end of the quarter

There were no other material events subsequent to the end of current quarter and financial period-to-date that have not been reflected in this interim financial report.

A14. Related party transactions

Our Group's transactions with companies in which our directors or substantial shareholders have interest in for the current quarter ended 30 September 2016 were as follows:-

	Unaudited RM'000
Transaction with companies in which the Directors or substantial shareholders have financial interest:	
-Transportation services	13,206
-Sales of goods	1,929
-Purchase of goods	10,336
-Rental received/receivables	2,527
-Rental paid/payables	140
-Insurance and road tax received	613
-Hotel accommodation paid	8

These transactions have been entered into in the normal course of business.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**B1. Review of performance****Comparison with Corresponding results of Last Quarter**

The Group overall revenue decreased by approximately RM 34.38 million or 12.45% from RM276.19 million in the preceding year corresponding period to RM241.81 million in the current quarter of 2016. The decrease was mainly due to the lower revenue contribution from our distribution of building material and ready-mixed concrete. However the decrease was off-set by the increase in revenue from manufacturing of AAC and precast concrete products driven by strong market demand and order books. The decrease in revenues from the distribution of building material and ready-mixed concrete were due to further softening of housing construction activities in the third quarter.

For the current financial quarter under review, the Group's overall gross profit decreased by RM1.47 million or 6.13% from RM23.96 million in the corresponding quarter of 2015 to RM22.49 million in the current quarter of 2016 in tandem with the decrease in turnover. However the gross profit margin has increased from 8.67% in the third quarter of 2015 to 9.30% in the third quarter of 2016. The increase in the Group gross profit margin was mainly contributed by stronger contribution from the manufacturing sector, better product mix in the distribution of building material and ready-mixed concrete segment.

Despite a marginal drop in the gross profit, the Group recorded a higher profit before tax of RM10.36 million in the current financial quarter as compared to RM7.2 million in the corresponding quarter of 2015 due to overall reduction in the operating expenses.

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B2. Comparison with immediate preceding quarter's results

CURRENT QUARTER vs. PRECEDING QUARTER

	30 September 2016	30 June 2016
	RM'000	RM'000
Revenue	241,807	268,640
Profit Before Taxation	10,361	11,686

The Group's revenue for the current quarter ended 30 September 2016 has decreased by RM26.83 million or 9.99% to RM241.81 million as compared to RM268.64 million in the preceding financial quarter ended 30 June 2016.

The decrease in revenue were due to lower sales volume recorded at the distribution of building material, ready mixed concrete, steel mesh and metal roofing segments as a result of further softening of housing construction activities. The Group has also recorded a drop in the profit before tax of RM1.33 million or 11.34% from RM11.69 million in the preceding financial quarter ended 30 June 2016 to RM10.36 million for the current financial quarter ended 30 Sept 2016. Such decrease was in tandem with the drop in revenue.

B3. Prospects

The Group is optimistic to register encouraging financial results despite the challenging business environment.

Bidor plant housing additional 45,000 metric tonne capacity of precast concrete which will be operational by December 2016 is expected to contribute positively to our Group's earnings in the first quarter of 2017. Under the 11th Malaysia Plan and the recent announced Budget, the government aims to increase the efficiency and productivity of water and sewerage services by expanding and upgrading connected water and sewerage services particularly in the rural areas. The remaining five states namely Kedah, Kelantan, Pahang, Selangor and Terengganu are expected to migrate to the new licencing regime in line with the Water Services Industry Act (WSIA) during the 11th Malaysia Plan. Sewerage services, which are part of the WSIA, are yet to be integrated. With government continuous effort to stimulate economy growth, we are optimistic on precast concrete order replenishment going forward since we are involved in the Langat Centralised Sewage Treatment Plant (CSTP).

The new autoclave equipment installed at Serendah AAC plant with 60,000 m³/annum capacity is scheduled to be operational in the fourth quarter of 2016 to meet the current strong and rising order demand as a result of high adoption rate in the market. The production line of AAC is interchangeable between AAC block and wall panel. Its wall panel is currently well established in overseas market especially in Singapore. The Housing and Development Board of Singapore (HDB) has accepted Starken's wall panel for their government affordable housing project. The expansion of wall panel production is also in the pipeline. We plan to increase the production quantity of wall panel after setting up the plant in Johor to address demand from local market as well as neighbouring countries.

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B3. Prospects (Cont'd)

As for our distribution and other segments, we shall benefit from the Budget 2017's measures on the continued growth of property and construction sectors which cover areas like Perumahan Rakyat 1Malaysia (PR1MA), People's Housing Programme (PPR), People's Friendly Home (PMR) and MyBeautiful New Home initiatives. The forecast expansion in the construction industry will underpin the growth in the demand for building materials. Rolling out of these projects will directly or indirectly open doors for business opportunities of our manufacturing or distribution segments. Currently, we are involved in the affordable housing projects under PR1MA.

In May 2016, we were granted by the Sustainable Energy Development Authority of Malaysia an additional 1MW Feed-in Tariff certification which is expected to contribute positively to our Group recurring income from first quarter of 2017 onwards.

B4. Estimates/Forecast

The Group has not provided any revenue or profit guidance in any public documents.

B5. Taxation

The applicable income tax rate is 25% except for the Group's subsidiary company, PP Chin Hin Pte Ltd which is subject to the statutory rate of 17% based on Singapore's tax regime.

	Individual Quarter		Cumulative Quarter	
	Unaudited		Unaudited	
	30 September	30 September	30 September	30 September
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Income tax expense				
- Current financial period	2,171	3,463	7,085	8,084
- Underprovision in prior year	5	(1,143)	5	(1,142)
	<u>2,176</u>	<u>2,320</u>	<u>7,090</u>	<u>6,942</u>
Deferred tax				
- Current financial period	45	291	344	747
- Underprovision in prior year	-	(26)	-	12
Total tax expense	<u>2,221</u>	<u>2,585</u>	<u>7,434</u>	<u>7,701</u>

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B6. Status of corporate proposals and utilisation of proceeds**(i) Status of corporate proposal**

Saved as disclosed below, there were no other corporate proposals which had been announced by the Company and are pending for completion as of today :

- I. On 15 September 2016, Sage Evergreen Sdn. Bhd. an indirect wholly-owned subsidiary of the Company had entered into a Sale and Purchase Agreement with TKW Capital Sdn. Bhd. for the acquisition of a piece of freehold land located at Mukim of Kota Tinggi, Daerah Kota Tinggi, Johor for a total cash consideration of RM21,935,236.00 (“Proposed Acquisition”).

There was no material development pertaining to the above transaction and the Proposed Acquisition is expected to be completed by fourth quarter of 2016.

- II. On 22 September 2016, PP Chin Hin Sdn. Bhd., a wholly-owned subsidiary of the Company, had entered into conditional shares sale agreements with the vendors of Midah Industries Sdn. Bhd. (“Midah”) and the vendors of Epic Diversity Sdn. Bhd. (“Epic”) respectively for the following acquisitions:

- (a) proposed acquisition of 500,000 ordinary shares of RM1.00 each in Midah which represents the entire issued and paid-up share capital of Midah for a total cash consideration of RM14,500,000.00; and
- (b) proposed acquisition of 300,000 ordinary shares of RM1.00 each in Epic which represents the entire issued and paid-up share capital of Epic for a total cash consideration of RM3,800,000.00.

(collectively referred to as “Proposed Acquisition of Midah and Epic”)

There was no material development pertaining to the above transaction and the Proposed Acquisition of Midah and Epic are expected to be completed by the first quarter of 2017.

- III. On 26 October 2016, the following subsidiaries of the Company have entered into five (5) separate related party agreements with CHL Logistics Sdn. Bhd. (“CHL”) respectively for the disposal of motor vehicles for a total sale considerations of RM8,665,000.00 :

- (a) Metex Steel Sdn. Bhd., a wholly-owned subsidiary of Chin Hin had on 26 October 2016 entered into an Assets Sale Agreement with CHL to dispose of motor vehicles for a total consideration of RM264,600.00;
- (b) PP Chin Hin Sdn. Bhd., a wholly-owned subsidiary of Chin Hin had on 26 October 2016 entered into an Assets Sale Agreement with CHL to dispose of motor vehicles for a total consideration of RM4,336,700.00;
- (c) Starken AAC Sdn. Bhd., a wholly-owned subsidiary of Chin Hin had on 26 October 2016 entered into an Assets Sale Agreement with CHL to dispose of motor vehicles for a total consideration of RM275,000.00;

B6. Status of corporate proposals and utilisation of proceeds

(i) Status of corporate proposal (Cont'd)

- (d) Chin Hin Concrete (KL) Sdn. Bhd., a sub-subsidiary of Chin Hin had on 26 October 2016 entered into an Assets Sale Agreement with CHL to dispose of motor vehicles for a total consideration of RM2,870,600.00; and
- (e) C&H Transport Sdn. Bhd., a sub-subsidiary of Chin Hin had on 26 October 2016 entered into an Assets Sale Agreement with CHL to dispose of motor vehicles for a total consideration of RM918,100.00.

(collectively referred to as "Proposed Disposal")

There was no material development pertaining to the above transactions and the Proposed Disposals are expected to be completed by the fourth quarter of 2016.

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B6. Status of corporate proposals and utilisation of proceeds (Cont'd)

(ii) Utilisation of proceeds

The status of utilisation of the proceeds of approximately RM41.079 million from the IPO as at 30 September 2016 are as follow:-

	Details of the utilisation of proceeds	Utilisation				Estimated timeframe for utilisation from the date of listing
		Proposed RM'000	Actual RM'000	Deviation RM'000	Balance RM'000	
i)	Expansion of existing manufacturing facility and purchase of new equipment and machinery	15,000	4,083	-	10,917	within twenty four (24) months
ii)	Repayment of bank borrowings	15,000	15,000	-	-	Within six (6) months
iii)	Working capital requirements	7,079	7,079	-	-	within twenty four (24) months
iv)	Estimated listing expenses	4,000	4,000	-	-	Immediately
		41,079	30,162	-	10,917	

Note: The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 18 February 2016.

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B7. Borrowings

The Group's borrowings are all secured and denominated in Ringgit Malaysia, details are as follows:-

	As at	(Audited)
	30 September 2016	31 December 2015
	RM'000	RM'000
Bank overdrafts	2,982	2,972
Revolving credits	6,000	6,000
Bankers' acceptance	240,537	277,084
Term loans	64,122	102,846
Total bank borrowings	313,641	388,902
Total bank borrowings comprise:-		
Current:		
Bank overdraft	2,982	2,972
Revolving credits	6,000	6,000
Bankers' acceptance	240,537	277,084
Term loans	31,989	32,162
	281,508	318,218
Non-current:		
Term loans	32,133	70,684
	313,641	388,902

B8. Changes in material litigation

As at a date not earlier than seven (7) days from the date of this report, there is no litigation or arbitration, which has a material effect on the financial position of the Group, and the Board is not aware of any proceedings pending or of any fact likely to give rise to any proceedings.

B9. Dividend Proposed

There was no dividend declared for the current financial quarter.

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B10. Earnings per share

The basic earnings per share is calculated based on the Group's profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares as follows:

	Individual Quarter		Cumulative Quarter	
	30 September 2016	30 September 2015	30 September 2016	30 September 2015
Profit attributable to ordinary equity holders of the Group (RM'000)	8,140	4,615	21,872	19,964
Weighted average number of ordinary shares in issue ('000)	474,289	442,690	474,289	442,690
Basic earnings per share (sen) ^	1.72	1.04	4.61	4.51
Diluted earnings per share (sen) #	1.61	0.91	4.32	3.95

Note:

^ Basic earnings per share for the quarter and financial period is calculated based on the net profit divided by the weighted average number of ordinary shares for the quarter and financial period respectively.

The diluted net earnings per share is computed by dividing profit after taxation by the proposed enlarged number of ordinary shares of 505,888,000 shares subsequent to the listing.

B11. Retained and unrealised profits/losses

	As at 30 September 2016 RM'000	As at 31 December 2015 RM'000
Total retained earnings of the Group		
- Realised	169,242	181,383
- Unrealised	28,915	2,490
Total retained earnings as per statement of financial position	198,157	183,873

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B12. Disclosure on selected expense/income items as required by the Listing Requirements

Included in profit before tax comprised the following expense/(income) items:

	Unaudited As at 30 September 2016 RM'000	Unaudited As at 30 September 2015 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
Bad debts recovered	(79)	(1)
Depreciation of property, plant and equipment	12,413	10,714
Directors' fee	140	-
Directors remuneration		
- Salary, EPF and Socso	1,289	1,162
- Other emoluments	175	155
Gain on disposal of property, plant and equipment	(1,542)	(15)
Gain on disposal of investment properties	(892)	-
Gain on disposal of assets held for sale	-	(365)
Impairment on trade receivables	492	2,163
Interest expense	12,772	15,317
Interest income	(550)	(432)
Inventory written off	6	18
Loss on derivative financial assets	38	5
Property, plant and equipment written off	13	-
Realised gain on foreign exchange	(139)	(117)
Reversal of allowance for doubtful debts	(757)	(1,937)
Unrealised loss/(gain) on foreign exchange	232	(43)

B13. Comparative figures

Comparatives figures, where applicable, have been modified to conform to the current presentation.

BY ORDER OF THE BOARD

25th November 2016