



CHIN HIN GROUP BERHAD

**INTERIM FINANCIAL REPORT
FOURTH QUARTER ENDED 31ST DECEMBER 2021**

CHIN HIN GROUP BERHAD

Registration No: 201401021421(1097507-W)
(Incorporated in Malaysia)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2021**
(The figures have not been audited)

	Individual Quarter			Cumulative Quarter		
	31 Dec 2021	31 Dec 2020	Changes	31 Dec 2021	31 Dec 2020	Changes
Note	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	400,655	311,238	28.73%	1,150,059	968,761	19%
Cost of sales	(361,236)	(279,252)		(1,052,864)	(894,667)	
Gross profit	39,419	31,986		97,195	74,094	
Other operating income	2,687	8,053		7,020	11,895	
Fair value adjustment on investment properties	(370)	(51)		(370)	(51)	
Gain on disposal of investment in associate companies	-	231		9,679	27,788	
Gain on disposal of investment in subsidiary companies	-	3,855		168	3,855	
Gain on disposal of warrants	9,950	-		26,000	-	
Finance income	503	533		2,425	2,927	
Impairment loss on goodwill	(9,397)	(4,377)		(10,918)	(4,377)	
Impairment loss on trade receivables	(2,515)	(2,430)		(6,370)	(8,020)	
Impairment loss on non-trade receivables	(68)	(43)		(68)	(43)	
Administrative expenses	(21,337)	(23,545)		(71,588)	(69,259)	
Operating profit	18,872	14,212	33%	53,173	38,809	37%
Finance costs	(6,368)	(2,068)		(18,218)	(18,068)	
Share of results of associates	3,059	1,739		7,257	4,366	
Share of results of jointly controlled entity	271	-		271	-	
Profit before taxation	15,834	13,883	14%	42,483	25,107	69%
Taxation	B5 (5,190)	(6,194)		(11,149)	(8,203)	
Profit after taxation	10,644	7,689	38%	31,334	16,904	85%
Other comprehensive income						
Exchange translation differences	30	22		151	(1)	
Total comprehensive income for the financial period	10,674	7,711		31,485	16,903	
PROFIT AFTER TAX						
ATTRIBUTABLE TO:						
Owners of the Company	8,873	9,103	-3%	30,194	21,259	42%
Non-controlling interests	1,771	(1,414)		1,140	(4,355)	
	10,644	7,689		31,334	16,904	

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2021 (Cont'd)**
(The figures have not been audited)

	Individual Quarter			Cumulative Quarter			
	31 Dec 2021	31 Dec 2020	Changes	31 Dec 2021	31 Dec 2020	Changes	
Note	RM'000	RM'000	%	RM'000	RM'000	%	
TOTAL COMPREHENSIVE INCOME							
ATTRIBUTABLE TO:							
Owners of the Company	8,903	9,125		30,345	21,258		
Non-controlling interests	1,771	(1,414)		1,140	(4,355)		
	<u>10,674</u>	<u>7,711</u>		<u>31,485</u>	<u>16,903</u>		
Earnings per share attributable to owners of the Company (sen):							
- Basic	B11	1.13	1.66	3.84	3.87		
- Diluted	B11	1.13	1.66	3.84	3.87		
Profit Before Interest and Tax		<u>18,872</u>	<u>14,212</u>	33%	<u>53,173</u>	<u>38,809</u>	37%

Notes:

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 2020 and the accompanying explanatory notes attached to the interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**
(The figures have not been audited)

	31 December 2021 RM'000	(Audited) 31 December 2020 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	450,434	421,104
Investment properties	59,000	27,760
Investment in associates	231,133	37,271
Investment in jointly controlled entity	1,261	-
Inventories - Land held for development	884	-
Goodwill	38,641	34,672
Derivative financial assets	1,161	-
Other investment	23	24
TOTAL NON-CURRENT ASSETS	782,537	520,831
CURRENT ASSETS		
Contract assets	26,542	1,634
Inventories	280,724	95,854
Trade receivables	505,334	367,757
Other receivables	68,947	17,197
Net investment in lease	69	69
Tax recoverable	2,744	5,520
Fixed deposits with licensed banks	13,037	21
Cash and bank balances	79,882	51,249
	977,279	539,301
Assets held for sale	-	11,450
TOTAL CURRENT ASSETS	977,279	550,751
TOTAL ASSETS	1,759,816	1,071,582
EQUITY AND LIABILITIES		
EQUITY		
Share capital	381,851	325,796
Treasury shares	(338)	-
Merger reserve	(147,392)	(147,392)
Foreign currency translation reserve	401	250
Revaluation reserve	6,207	9,413
Retained earnings	275,202	262,067
Total equity attributable to Owners of the Company	515,931	450,134
Non-controlling interests	106,135	(4,846)
TOTAL EQUITY	622,066	445,288

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021 (Cont'd)
(The figures have not been audited)

	31 December 2021 RM'000	(Audited) 31 December 2020 RM'000
CURRENT LIABILITIES		
Trade payables	214,363	135,900
Other payables	115,624	56,236
Contract liabilities	374	-
Amount owing to directors	14	770
Bank borrowings	479,069	346,991
Lease liabilities	3,763	1,907
Tax payable	(492)	672
TOTAL CURRENT LIABILITIES	812,715	542,476
NON-CURRENT LIABILITIES		
Bank borrowings	302,508	67,043
Lease liabilities	4,945	3,204
Contract liabilities	23	-
Deferred tax liabilities	17,559	13,571
TOTAL NON-CURRENT LIABILITIES	325,035	83,818
TOTAL LIABILITIES	1,137,750	626,294
TOTAL EQUITY AND LIABILITIES	1,759,816	1,071,582
NET ASSET PER SHARE (RM)	0.79	0.81

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 2020 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 weighted average number of ordinary shares in issue for the quarter and comparative financial period.*

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2021**

(The figures have not been audited)

	-----Attributable to owners of the parent-----						Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Merger Reserve RM'000	Foreign Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000			
At 1 January 2021	325,796	-	(147,392)	250	9,413	262,067	450,134	(4,846)	445,288
Profit for the financial period	-	-	-	-	-	30,194	30,194	1,140	31,334
Other comprehensive income	-	-	-	151	-	-	151	-	151
Total comprehensive income	-	-	-	151	-	30,194	30,345	1,140	31,485
Realisation of revaluation reserve upon disposal of properties	-	-	-	-	(3,206)	3,206	-	-	-
Transactions with owners:									
Changes in ownership interests in subsidiary companies	-	-	-	-	-	(5,559)	(5,559)	14,265	8,706
Acquisition of subsidiary companies	-	-	-	-	-	-	-	95,465	95,465
Disposal of subsidiary companies	-	-	-	-	-	-	-	111	111
Dividends to owners of the Company	-	-	-	-	-	(14,409)	(14,409)	-	(14,409)
Issuance of shares	56,055	-	-	-	-	(297)	55,758	-	55,758
Shares repurchased	-	(338)	-	-	-	-	(338)	-	(338)
Total transactions with owners	56,055	(338)	-	-	-	(20,265)	35,452	109,841	145,293
At 31 December 2021	381,851	(338)	(147,392)	401	6,207	275,202	515,931	106,135	622,066

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2021 (Cont'd)**

(The figures have not been audited)

	-----Attributable to owners of the parent-----						Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Merger Reserve RM'000	Foreign Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Distributable Retained Earnings RM'000			
At 1 January 2020	325,796	(4,992)	(153,192)	251	16,368	238,685	422,916	(795)	422,121
Profit for the financial year	-	-	-	-	-	21,259	21,259	(4,355)	16,904
Other comprehensive income	-	-	-	(1)	-	-	(1)	-	(1)
Total comprehensive income	-	-	-	(1)	-	21,259	21,258	(4,355)	16,903
Realisation of revaluation reserve upon disposal of properties	-	-	-	-	(6,199)	6,199	-	-	-
Realisation of reserves upon disposal of a subsidiary company	-	-	5,800	-	(756)	(5,044)	-	-	-
Transactions with owners:									
Shares repurchased	-	(7,892)	-	-	-	-	(7,892)	-	(7,892)
Disposal of treasury shares	-	12,884	-	-	-	6,532	19,416	-	19,416
Dividends to owners of the Company	-	-	-	-	-	(5,564)	(5,564)	-	(5,564)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	304	304
Total transactions with owners	-	4,992	-	-	-	968	5,960	304	6,264
At 31 December 2020	325,796	-	(147,392)	250	9,413	262,067	450,134	(4,846)	445,288

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 2020 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2021**
(The figures have not been audited)

	Cumulative quarter	
	31 December 2021 RM'000	31 December 2020 RM'000
Cash Flows From Operating Activities		
Profit before taxation	42,483	25,107
Adjustment for:		
Amortisation of other investment	1	-
Bad debts written off	320	1,019
Deposits written off	-	42
Depreciation of property, plant and equipment	35,264	34,307
Fair value adjustment on investment properties	370	51
Gain on modification on lease contract	(2)	(70)
Impairment loss on goodwill	10,918	4,377
Impairment loss on trade receivables	8,921	13,640
Impairment loss on non-trade receivables	68	43
Interest expense	18,218	18,068
Interest income	(2,425)	(2,927)
Inventories written off	611	1,693
Inventories written down	330	-
Gain on disposal of assets held for sale	(150)	(1,545)
Gain on disposal of investment in associate companies	(9,679)	(27,788)
Gain on disposal of investment in subsidiary companies	(168)	(3,855)
Gain on disposal of warrants	(26,000)	-
Gain on disposal of property, plant and equipment	(16)	(157)
Property, plant and equipment written off	49	400
Reversal of impairment loss on trade receivables	(2,551)	(5,620)
Share of results of associates	(7,257)	(4,366)
Share of results of jointly controlled entity	(271)	-
Unrealised loss on foreign exchange	828	70
Operating profit before working capital changes	69,862	52,489
Changes in working capital:		
Inventories	(140,563)	7,354
Trade receivables	(10,636)	(21,171)
Other receivables	16,919	9,141
Net investment in lease	-	9
Contract assets	(24,635)	1,703
Trade payables	20,324	(5,056)
Other payables	7,078	6,421
Amount due to directors	(1,526)	-
	(133,039)	(1,599)
Cash (used in)/generated from operations	(63,177)	50,890
Interest paid	(17,425)	(18,068)
Interest received	2,425	2,927
Tax paid	(9,963)	(3,823)
Tax refund	859	-
Real property gain tax paid	-	(1,972)
Net cash (used in)/from operating activities	(87,281)	29,954

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2021 (Cont'd)**
(The figures have not been audited)

	Cumulative Quarter	
	31 December 2021 RM'000	31 December 2020 RM'000
Cash Flows From Investing Activities		
Capital contribution by non-controlling interests	(81)	304
Purchase of property, plant and equipment	(13,114)	(12,498)
Purchase of investment properties	-	(2,631)
Acquisition of associate companies	(142,823)	-
Acquisition of subsidiaries	(92,469)	-
Purchase of derivative financial assets	(1,161)	-
(Net outflows)/Proceeds from disposal of subsidiary companies	(13)	20,437
Proceeds from disposal of assets held for sales	11,600	44,630
Proceeds from disposal of investment in associate companies	11,318	32,500
Proceeds from disposal of warrants	26,000	-
Proceeds from disposal of property, plant and equipment	267	1,163
Net cash (used in)/from investing activities	<u>(200,476)</u>	<u>83,905</u>
Cash Flows From Financing Activities		
Dividend paid	(14,409)	(11,030)
Drawdown of bank borrowings	282,336	-
Net changes on bankers' acceptance, trust receipt and revolving credits	27,612	(86,066)
Increase in fixed deposits pledged	(3,139)	-
Repayment of bank borrowings	(24,520)	(12,799)
Repayment to Directors	-	(15,085)
Repayment of lease liabilities	(6,034)	(4,226)
Payment of share issue expenses	(297)	-
Proceeds from disposal of treasury shares	-	19,416
Proceeds from issue of share capital	56,055	-
Shares repurchased	(338)	(7,892)
Net cash from/(used in) financing activities	<u>317,266</u>	<u>(117,682)</u>
Net increase/(decrease) in cash and cash equivalents	29,509	(3,823)
Cash and cash equivalents at the beginning of the financial year	49,723	53,547
Effect of exchange translation differences on cash and cash equivalents	151	(1)
Cash and cash equivalents at the end of the financial year	<u>79,383</u>	<u>49,723</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2021 (Cont'd)**

(The figures have not been audited)

	Cumulative Quarter	
	31 December 2021 RM'000	31 December 2020 RM'000
Cash and cash equivalents at the end of the financial year comprises:		
Cash and bank balances	79,882	51,249
Bank overdrafts	(499)	(1,526)
Fixed deposits with licensed banks	13,037	21
	92,420	49,744
Less: Fixed deposits pledged to licensed banks	(13,037)	(21)
	79,383	49,723

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 2020 and the accompanying explanatory notes attached to this interim financial report.

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NOTES TO THE INTERIM FINANCIAL REPORT- FOURTH QUARTER ENDED 31 DECEMBER 2021

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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 2020 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 2020, except for the adoption of standards and interpretations that are mandatory for the Group for the financial year beginning 1 January 2021:

Amendments to MFRS 4	Insurance Contracts
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform- Phase 2
MFRS 101	Classification of Liabilities as Current or Non-current- Deferral of Effective Date

The Group has not applied the following standards, amendments and interpretations under MFRS framework that have been issued by the Malaysia Accounting Standards Boards 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)	
Amendment to MFRS 16 – Covid-19-Related Concessions beyond 30 June 2021	1 April 2021
Annual Improvements to MFRS Standards 2018-2020	
– Amendment to MFRS 1	1 January 2022
– Amendment to MFRS 9	1 January 2022
– Amendment to MFRS 141	1 January 2022
Amendments to MFRS 3 – Business Combinations (Reference to the Conceptual Framework)	1 January 2022
Amendments to MFRS 116 – Property, Plant and Equipment (Proceeds before Intended Use)	1 January 2022
Amendments to MFRS 137 – Onerous Contracts (Cost of Fulfilling a Contract)	1 January 2022
MFRS 17 and Amendments to MFRS 17 – Insurance Contracts	1 January 2023
Amendments to MFRS 101– Classification of Liabilities as Current or Non- Current	1 January 2023
Amendments to MFRS 101– Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108– Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112– Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)**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 the 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 audited financial statements of the Group for the financial year ended 31 December 2020.

A6. Debt and equity securities

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities except for the following: -

During the current financial period to date, the Company has repurchased 250,100 ordinary shares of its issued share capital from the open market, at an average of RM1.3528 per share. Total consideration paid for the share buy-back and the transaction costs amounted to RM338,054 and RM281 respectively. The purchase was financed by internally generated funds. As at 31 December 2021, the number of treasury shares held was 375,150 ordinary shares, including 125,050 ordinary shares issued on 1 April 2021 via bonus issue on the basis of 1 bonus shares for every 2 ordinary shares held in Chin Hin Group Berhad. The shares repurchased are held as treasury shares in accordance with Section 127 (6) of the Companies Act 2016.

During the current financial period to date, none of the treasury shares is distributed as share dividend to the shareholders.

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A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)
A7. Segmental information

The Group's operating activities were derived from Twelve (12) main business segments, namely the following:-

	Unaudited Individual quarter 31 December 2021 RM'000	Audited Individual quarter 31 December 2020 RM'000	Unaudited Cumulative quarter 31 December 2021 RM'000	Audited Cumulative quarter 31 December 2020 RM'000
Revenue				
<u>Building material division</u>				
• Investment holding and management services	1,800	7,589	7,577	11,736
• Distribution of building materials and logistics services	189,727	171,208	598,625	546,059
• Ready-mixed concrete	18,201	18,523	51,833	59,224
• Manufacturing of fire-rated and wooden door	8,070	10,245	29,572	33,197
• Manufacturing of autoclaved aerate concrete ("AAC") and precast concrete	87,493	96,478	316,092	287,477
• Manufacturing of wire mesh	59,605	37,867	164,918	115,568
• Modular building Solutions	459	-	459	353
• Trading of sanitaryware and fittings	99	-	99	-
<u>Vehicle division</u>				
• Manufacturing and trading of commercial vehicles and bodyworks	31,464	-	48,208	-
• Rental and fleet management services	759	-	1,250	-
<u>Property development and construction division</u>				
• Construction	32,426	-	32,426	-
• Property development	1,639	-	2,407	-
	431,742	341,910	1,253,466	1,053,614
Adjustments and eliminations	(31,087)	(30,672)	(103,407)	(84,853)
	400,655	311,238	1,150,059	968,761

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)
A7. Segmental information (Cont'd)

The Group's operating activities were derived from Twelve (12) main business segments, namely the following (Cont'd):-

	Unaudited Individual quarter 31 December 2021 RM'000	Audited Individual quarter 31 December 2020 RM'000	Unaudited Cumulative quarter 31 December 2021 RM'000	Audited Cumulative quarter 31 December 2020 RM'000
Profit before taxation				
<u>Building material division</u>				
• Investment holding and management services	6,647	3,926	28,727	30,774
• Distribution of building materials and logistics services	4,553	3,676	11,863	1,795
• Ready-mixed concrete	883	(1,338)	(1,754)	(4,195)
• Manufacturing of fire-rated and wooden door	(3,044)	(438)	(5,835)	(2,766)
• Manufacturing of autoclaved aerate concrete ("AAC") and precast concrete	4,207	14,281	3,942	5,745
• Manufacturing of wire mesh	2,484	5,902	5,033	6,242
• Modular building Solutions	(490)	(3,792)	(1,365)	(6,333)
• Trading of sanitaryware and fittings	(28)	-	(28)	-
<u>Vehicle division</u>				
• Manufacturing and trading of commercial vehicles and bodyworks	2,232	-	1,834	-
• Rental and fleet management services	17	-	130	-
<u>Property development and construction division</u>				
• Construction	8,056	-	8,056	-
• Property development	(2,706)	-	(3,809)	-
	22,811	22,217	46,794	31,262
Share of results of associates	3,059	1,739	7,257	4,366
Share of results of jointly controlled entity	271	-	271	-
	26,141	23,956	54,322	35,628
Adjustments and eliminations	(10,307)	(10,073)	(11,839)	(10,521)
	15,834	13,883	42,483	25,107

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)
A8. Dividend paid

A single-tier second interim dividend of RM0.010 per ordinary share totalling RM5,561,379 in respect of the financial year ended 31 December 2020 was paid on 5 April 2021.

A single-tier first interim dividend of RM0.010 per ordinary share totalling RM8,847,068 in respect of the financial year ended 31 December 2021 was paid on 6 January 2022.

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 quarter period to date.

A10. Valuation of investment properties

The values captured are based upon a valuation exercise carried out by independent firms of professional valuer. The valuations were arrived at by reference to market evidence of transaction prices for similar properties. This was in line with our policy upon adoption of MFRS 140, that investments properties are revalued at regular intervals of at least once every year. The resultant revaluation deficit of approximately RM370,000 were recognised in other operating income.

A11. Capital commitments

The capital commitments of the Group were as follows: -

a) Building material division

	Unaudited 31 December 2021 RM'000	Audited 31 December 2020 RM'000
Authorised and contracted for:		
- acquisition of property, plant and equipment	1,106	3,572

b) Property development division

	Unaudited 31 December 2021 RM'000
Acquisition of property, plant and equipment	
- Approved and contracted for	135,223

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A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)**A11. Capital commitments (Cont'd)**

Upon acquisition of Chin Hin Group Property Berhad ("CHGP"), the outstanding capital commitments mainly derives from the property development division whereby the group has embarked on a landbank accumulation strategy in anticipation of a market recovery in 2022 as per the listing below:-

- (i) BK Alliance Sdn. Bhd., a 51% owned subsidiary company of BKG Development Sdn. Bhd. ("BKGD") has on 13 January 2021 entered into a Sale and Purchase Agreement ("SPA") with Suez Domain Sdn. Bhd. to acquire a piece of leasehold land located at Mukim Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan for a total cash consideration of RM20,914,280. This acquisition was completed on 22 October 2021.
- (ii) Stellar Trinity Sdn. Bhd. ("STSB"), a wholly-owned subsidiary company of BKGD has on 27 January 2021 entered into the followings:-
 - 3 SPAs with Frazel World Sdn. Bhd. to acquire 3 pieces of freehold lands at Mukim Serendah, Selangor for a cash consideration of RM45,114,934; and
 - 2 SPAs with Frazel Icon to acquire 2 pieces of freehold lands at Mukim Serendah Selangor for a cash consideration of RM9,407,411.

This acquisition was completed on 20 December 2021.

- (iii) Boon Koon Capital Sdn. Bhd. ("BKC"), a wholly-owned subsidiary of the Company had on 8 February 2021 entered into a SPA with SMD Real Estate Sdn. Bhd. to acquire a piece of freehold land at Bandar Cyberjaya, Daerah Sepang, Selangor for a cash consideration of RM50,223,330. BKC and the vendor had on 6 December 2021 agreed to extend the conditional period of the SPA to 5 June 2022.
- (iv) Boon Koon Commercial Sdn. Bhd, a wholly-owned subsidiary company of BKGD had on 18 February 2021 entered into a SPA with Perumahan Kinrara Berhad to acquire a piece of freehold land located at Daerah Petaling, Pekan Kinrara, Selangor for a cash consideration of RM59,765,600. This acquisition was completed on 1 November 2021.
- (v) STSB had on 15 April 2021 entered into a SPA with private owners to acquire a piece of land located at Mukim Serendah, Daerah Hulu Selangor, Selangor for a cash consideration of RM2,391,522. This acquisition was completed on 12 August 2021.
- (vi) BKSP Autoworld Sdn. Bhd., a wholly-owned subsidiary company of BKGD had on 28 October 2021 entered into a SPA with Frazel Luxe Sdn. Bhd. to acquire a piece of freehold land located at Mukim Petaling, Tempat 9 3/4 Mile, Kuchai Road, Daerah Kuala Lumpur, Wilayah Persekutuan for a cash consideration of RM85,000,000. The proposed acquisition was approved in the recent Extraordinary General Meeting held on 25 February, 2022.

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A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)
A12. Changes in the composition of the Group

Save as disclosed in Note B6(i) on the Status of Corporate Proposal Announced, there were no material changes in the composition of the Group for the current quarter ended 31 December 2021 except for the following:-

On 23 November 2021, the subsidiary, Chin Hin Group Property Berhad ("CHGP") has completed the acquisition of 65% equity interest in Kayangan Kemas Sdn Bhd ("Kayangan Kemas") with a total purchase consideration of RM37.95 million for a cash consideration of RM29.15 million and the issuance of 11,000,000 new ordinary shares in CHGP at an issue price of RM0.80 each, totalling of RM8.8 million. Upon the completion of acquisition, Kayangan Kemas has become the direct subsidiary to CHGP and an indirect subsidiary to Chin Hin Group Berhad ("Chin Hin"). During the quarter ended 31 December 2021, CHGP has issued a total of 13,467,400 new ordinary shares in which 11,000,000 new ordinary shares were issued pursuant to the acquisition of Kayangan Kemas and converted 2,467,400 warrants to 2,476,400 new ordinary shares respectively. Prior to the dilution effect, Chin Hin has acquired 28,130,000 additional ordinary shares of CHGP during the quarter from the open market. As a result, the shareholdings of Chin Hin in CHGP increased from 50.12% to 55.02% as at 31 December 2021.

On 1 December 2021, the wholly owned subsidiary of Chin Hin Group Bhd., Starken AAC Sdn Bhd ("Starken") has acquired 100% equity interest in Addington Sdn Bhd ("Addington"), one of the subsidiaries of Signature International Berhad for a cash consideration of RM880,997. Addington's principal activity is involved in the trading of sanitaryware and fittings. Upon the completion of acquisition, Addington has become the direct subsidiary to Starken and an indirect subsidiary to Chin Hin.

A13. 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: -

a) Building Material division

	Unaudited 31 December 2021 RM'000	Audited 31 December 2020 RM'000
Unsecured		
Corporate guarantees given to the licensed banks for credit facility granted to related companies	481,716	404,073
Bank guarantee issued to third parties	3,311	3,364
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A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)
A13. Contingent liabilities and contingent assets (Cont'd)
b) Property Development & Construction division

	Unaudited 31 December 2021 RM'000
Unsecured	
Bank guarantee in favour of third parties granted in the ordinary course of construction business	66,482
Corporate guarantee for credit facilities granted to a jointly controlled company of a subsidiary company	11,550
Corporate guarantees given to the licensed banks for credit facility granted to subsidiary companies	<u>71,802</u>

A14. 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.

A15. Related party transactions

- (1) Our Group's transactions with companies in which our directors or substantial shareholders have an interest in for the current quarter ended 31 December 2021 were as follows: -

	Unaudited RM'000
Transaction with companies in which the Directors or substantial shareholders have financial interest:	
-Transportation services	3,048
-Sales of goods	1,206
-Purchase of goods	6,343
-Rental received/receivables	308
-Rental paid/payables	2,533
-Insurance and road tax received	239
-Progress billing receivables	2,357
- Contract cost payables	<u>2,034</u>

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

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

For the current financial quarter under review, the Group reported a revenue of RM400.66 million, an increase of RM89.42 million or 28.73% as compared to RM311.24 million in the preceding year corresponding quarter. The distribution of building materials and the manufacturing of wire mesh sectors' revenue have increased remarkably in the current quarter as the construction site progress started to catch up after the full movement control order has been lifted earlier in September. The revenue hike from the manufacturing of wire mesh mainly contributed to the high demand of steel mesh coupled with the increased in steel price worldwide. Moreover, Chin Hin's expansion into the property development and construction sector as mentioned in Note A12 has brought in the revenue of RM32.22 million and RM34.07 million in the vehicle and property development & construction division respectively.

The Group's gross profit has increased by RM7.43 million or 23.24% from a gross profit of RM31.99 million in the preceding year corresponding quarter to RM39.42 million in the current quarter of 2021. Majority of the gross profit hike was contributed by the construction sector i.e. profit recognised on the construction of 15 storey of DBKL enforcement department complex located at Bandar Tun Razak and casting of precast concrete beam & half slab (site cast) for Miri Hospital Annex Building, Sarawak. The gross profit margin for the current quarter was recorded at 9.84% as compared to a gross profit margin of 10.28% in the preceding year corresponding quarter. The reduction in the gross profit margin in the current quarter was mainly caused by the gross loss reported under the manufacturing of fire-rated and wooden door segment. The lack of labour force has slowed down the production in the manufacturing of fire-rated and wooden door, causing the increased in the production cost per unit and pulled down the profit margin to the Group. Besides, the decline in gross profit margin also caused by the cement price increase which can't be fully passed down to the purchaser in the ready-mixed concrete sector.

Other operating income has increased by RM0.18 million or 1.49% from RM12.09 million in the preceding year corresponding quarter to RM12.27 million in the current quarter. The other operating income of RM12.27 million mainly consists of the gain on disposal of all the remaining 19,775,316 units of Solarvest Holdings Berhad's warrants totalling RM9.95 million in current quarter.

Impairment on trade receivables in current quarter principally caused by the impairment provided in the precast concrete and distribution of building materials sectors due to slow collection from certain customers. A further impairment on goodwill amounted to RM9.40 million was made for the investment in Midah Industries Sdn Bhd, Epic Diversity Sdn Bhd and Saujana Vision Sdn Bhd in current quarter due to these companies were not performed well since last financial year.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)**B1. Review of performance (Cont'd)****Comparison with Corresponding results of Last Quarter (Cont'd)**

The Group's finance cost for the current quarter has increased by RM4.30 million as compared to the preceding year corresponding quarter principally contributed by CHGP of RM1.77 million after the acquisition was completed in August 2022, further drawdown of new Term Loan of RM141 million by Chin Hin Group Bhd to part finance the acquisition of CHGP and refinance the acquisition of Signature International Berhad, RM30 million Term Loan was drawdown by the precast concrete division to fund their working capital and additional bankers' acceptance of approximately RM60 million were drawdown to defray the working capital of the distribution of building materials division. In conjunction with the acquisition of Kayangan Kemas, CHGP has drawdown a new Term Loan of RM23 million which also caused the significant increase in the finance cost.

Share of profit from our associate companies have increased by RM1.32 million or 75.91% as compared to the preceding year corresponding quarter primarily contributed by Solarvest Holdings Bhd and Signature International Berhad share of earning due to the project works are allowed to resume after the upliftment of full movement control order.

Share of results of jointly controlled entity, R Synergy Sdn Bhd of RM0.27 million for the current quarter solely derived from the profit recognised on the construction of Miri Hospital Annex Building, Sarawak (Design and Build).

Given the abovementioned increased in the gross profit, gain on disposal of Solarvest Holdings Bhd's warrants, share of results of the associates and jointly controlled entity offset with the increased in impairment on goodwill, finance costs and impairment on trade receivables, the Group reported an increase in profit before tax ("PBT") of RM1.95 million for this quarter as compared to the preceding year corresponding quarter.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B2. Comparison with immediate preceding quarter's results

CURRENT QUARTER vs. PRECEDING QUARTER

	Unaudited Individual quarter 31 December 2021 RM'000	Unaudited Individual quarter 30 September 2021 RM'000	Changes %
Revenue	400,655	226,541	77%
Operating Profit	18,872	7,592	149%
Profit Before Interest and Tax	18,872	7,592	149%
Profit Before Tax	15,834	3,694	329%
Profit After Tax	10,644	2,521	322%
Profit Attributable to Ordinary Equity Holders of the Parent	8,873	2,547	248%

For the quarter under review, the Group posted a revenue of RM400.66 million as compared to RM226.54 million in the preceding quarter, an increase of RM174.12 million or 76.86%. The distribution of building materials sector and the manufacturing of wire mesh have increased tremendously in the current quarter as the construction site progress started to catch up after the full movement control order has been lifted earlier in September. The effect from the acquisition of Kayangan Kemas, a construction-based company, as mentioned in Note A12 also contributed the increase in revenue of RM32.43 million in the current quarter. The Group's operating profit has increased by RM11.28 million or 148.58% from an operating profit of RM7.59 million in the preceding year corresponding quarter to RM18.87 million in the current quarter of 2021 which was in line with the acquisition.

There was a gain on disposal of Solarvest Holdings Berhad's warrants of RM9.95 million recorded in the current quarter which is a higher gain as compared to the disposal of ordinary shares of RM9.68 million captured in the preceding quarter.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)**B3. Prospects**

Moving forward, the Company still expecting the economies to be challenging in FY 2022 but at a much manageable level where the nations are more equipped with the knowledge to curb Covid-19 pandemic. With the ramping up of national Covid-19 vaccination program, we are hopeful to achieve herd immunity and the economy to regain more positive momentum soon. The Group has managed to repositioning itself to cope with the challenges and remain vigilant for new prospects.

G-Cast Concrete Sdn Bhd (“G-Cast”) is still following up closely on East Coast Rail Link (“ECRL”) Project and other infrastructure projects in the Asia countries i.e Singapore, India, the Philippines and Indonesia. Recently, the Company has managed to secure the project namely, “Manufacture, test and supply of cable troughs and covers plus third rail support blocks for J150, Jurong Region Line” in Singapore. G-Cast has also succeeded to secure the supply of Jacking Pipes for Valenzuela Sewage Interceptor System and Structure Package 1 and 60MLD Valenzuela Sewage Treatment Plant in the Philippines. The progress in securing more projects in the Philippines and Singapore is very promising since G-Cast has grabbed a strong footing in these two countries. Nevertheless, the progress in India and Indonesia remains slow due to the continued lock down as a result of Covid-19 new variant outbreak. The Company will continuously bid for more new contracts to replenish its order book after the tail end of the national sewerage projects.

Singapore polymer concrete pipe industry market continues to be unstable with slower than normal project execution speed. Land Transport Authority (“LTA”) & Housing Development Board (“HDB”) projects execution are experiencing delays ranging from six months to one year due to the impacts of Covid-19 and shortage of manpower in the market. Hence, it had a drastic effect on the polymer concrete pipe business and disrupted our Singapore project execution in 2021. Although Singapore market has improved considerably, it still has not returned to its Pre Covid-19 levels. Singapore market continues to be our main market for polymer concrete pipe.

Our Starken AAC 2’s autoclaved aerated concrete (“AAC”) production line with 600,000 m3 installed capacity located at Kota Tinggi, Johor maintained its production utilisation rate at 34% in view of the increase demand for the IBS products due to the shortage of foreign labour in the market. The Company will continue to penetrate and expand overseas market to fill up the excess capacity in Starken AAC 2.

Starken Drymix has delivered commendable growth in 2021 amid Full Lock Down imposed in June 2021. In line with the business growth, the company has expanded its presence in various residential, commercial and public infrastructure projects. The Company is leveraging on the government initiatives on affordable housing scheme and in supports for the productivity improvements, it has launched its maiden Jet Series in early 2022. Jet series is a mechanised solutions for plastering and skim coating works, which is sprayable and pumpable. Bundled with the machinery, the advance formulations enable improved speed and efficiency with minimum manpower allocation at site to resolve the labour woes in the current construction sector.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)**B3. Prospects (Cont'd)**

The property development division has embarked on a robust landbank accumulation strategy especially in the Klang Valley in anticipation of a positive market recovery in 2022. The Group believes that it is the right timing for the Group to embark on the land acquisitions in view of the comparable lower cost of acquisitions. This aggressive move is expected to bear fruit and contribute positively to property development segment in the long term. The newly acquired construction business, Kayangan Kemas Group with the strong order banks of approximately RM500 million as of mid of February 2022 is expected to boost the construction division's financial performance in FY2022 up till FY2025.

On 16 February 2022, our subsidiary Chin Hin Group Property Bhd via its wholly owned subsidiary company, Chin Hin Construction Sdn Bhd has proposed the acquisition of 60% equity stake in Asia Baru Construction Sdn Bhd ("ABC"). ABC is a Grade 7 contractor registered with Construction Industry Development Board ("CIDB") with 5 stars rating by CIDB. ABC is principally engaged in the civil engineering and building construction specializing in water works project (including all mechanical electrical installation) ranging from dams, water or sewerage treatment plants, river intakes, pumping stations, reservoirs and pipelines to major pipeline diversion or interconnection with live pipeline. The Proposed Acquisition will enable Chin Hin to diversify further and tap into the water infrastructure construction works, which is complementary to the Company's existing property development and construction business.

Our associate company, Signature International Bhd's ("Signature") has redeveloped its 50,000 square feet flagship store at Kota Damansara headquarters to be the biggest showroom and concept space in Malaysia. Upon completion, customers can truly experience and imagine their dream home living space and seek inspiration which match their idea. This flagship store offers full range of consultation for design, build and installation services including the customised solution package for individual and project. This flagship store is expected to be in operational by the third quarter of 2022 and contribute positively to Signature's bottom line.

Our associate company, Solarvest Group after being shortlisted for the 50 MW bid of solar assets in "Large Scale Solar Power Plant - Fourth Competitive Bidding Round (LSS@MEntARI)", the Company has successfully bided for five (5) Engineering, Procurement, Construction and Commissioning ("EPCC") projects totalling RM418.15 million (149.07 MW) from other successful bidders in the LSS@Mentari programme. Solarvest Group had on 29 October 2021 entered into a Memorandum of Understanding ("MOU") with Hsinjing Holding Corporate Limited to jointly develop solar projects in Taiwan for the capacity of around 500MW by the end of year 2025. The Company's project orders remained "very active" from both the LSSPV, as well as the commercial and industrial segments. Solarvest, QBE Insurance (Malaysia) Berhad ("QBE"), and Anora Agency Sdn Bhd ("Anora") had on January 2022 signed a tripartite Memorandum of Understanding to offer solar photovoltaic ("PV") investors better coverage to ensure business continuity and peace of mind. Under the collaboration, Solarvest will be able to take up, as well as provide its solar PV investors the all-new SolarPro Line-Stoppage insurance policy, a comprehensive general liability policy with consequential loss underwritten by QBE, through Anora. With this insurance scheme in place, it will definitely strengthen the value proposition of Solarvest's EPCC work, and help them in further building their formidable unbilled orderbook of over RM600 million.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
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 24% except for the Group's subsidiary companies, PP Chin Hin Pte Ltd and MI Polymer Concrete Pipes Pte Ltd which are subject to the statutory rate of 17% based on Singapore's tax regime and Starken Philippines, Inc which is subject to the statutory rate of 30% based on Philippines's tax regime.

	Individual Quarter		Cumulative Quarter	
	Unaudited 31 December 2021 RM'000	Audited 31 December 2020 RM'000	Unaudited 31 December 2021 RM'000	Audited 31 December 2020 RM'000
Income tax expense				
- Current financial year	5,918	1,687	11,028	3,876
- (Over)/Under provision in prior year	(543)	1	(609)	(25)
Real property gain tax	-	1,972	-	1,972
	<u>5,375</u>	<u>3,660</u>	<u>10,419</u>	<u>5,823</u>
Deferred tax				
- Current financial year	(978)	2,521	(62)	2,409
- Under/(Over) provision in prior year	793	13	792	(29)
Total tax expense	<u>5,190</u>	<u>6,194</u>	<u>11,149</u>	<u>8,203</u>

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 to date:

- (a) The Company has announced the Proposed private placement of up to 20% of the issued ordinary shares in Chin Hin (excluding treasury shares) on 29 December 2020. On 19 February 2021, Bursa Securities approved the listing and quotation for the proposed private placement shares on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). Chin Hin Group Berhad has fixed the first tranche issue price of private placement shares at RM1.11 per Placement Share on 23 July 2021. The abovementioned issue price of RM1.11 per placement share represents a discount of approximately RM0.1135 or 9.30% from the five (5)-day weighted average market price of Chin Hin from 15 July 2021 to 22 July of approximately RM1.2235. Subsequently, the first tranche which made up of 50,500,000 shares of RM1.11 each had been fully in issued and latest issued share capital of the Company has been increased to 885,081,996 or RM381,850,595.00 on 2 August 2021. An application for extension of time to complete the Company's proposed private placement have been submitted to Bursa Securities on 3 August 2021. Bursa Securities had on 12 August 2021 approved the extension of time up to 31 December 2021 for the Company to complete the proposed private placement. However, the said proposed private placement has lapsed.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
B6. Status of corporate proposals and utilisation of proceeds (Cont'd)
I. Status of corporate proposal (Cont'd)

- (b) On 1 November 2021, the Company proposed to undertake a bonus issue of up to 500,749,198 new ordinary shares in Chin Hin ("Bonus Shares"), on the basis of 1 Bonus Share for every 2 ordinary shares in Chin Hin held at an entitlement date to be determined later.

However, after further review and assessment of the Proposed Bonus Issue taking into consideration the current market conditions, the Board of the Company has resolved to defer the Proposed Bonus Issue at this juncture. Further development of the Proposed Bonus Issue will be announced in due course.

II. Utilisation of proceeds

- (a) The status of utilisation of proceeds of approximately RM56.055 million from the first tranche of private placement as at 31 December 2021 are as follow:-

Detail of the utilisation of proceeds	Utilisation			Estimated timeframe for utilisation from the date of listings
	Proposed	Actual (first tranche)	Balance	
i) Acquisition of ordinary shares and warrants in Chin Hin Group Property Berhad ("CHGP")	88,864	55,648	33,216	Within six (6) months
ii) Repayment of borrowings	60,400	-	60,400	Within six (6) months
iii) Estimated expenses for the Proposed Private Placement	960	407	553	Within one (1) month
	150,224	56,055	94,169	

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B7. Borrowings

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

	As at 31 December 2021 RM'000	(Audited) As at 31 December 2020 RM'000
Bank overdrafts	499	1,526
Revolving credits	141,177	93,331
Bankers' acceptance	291,494	230,626
Trust receipts	518	218
Term loans	347,889	88,333
Total bank borrowings	781,577	414,034
Total bank borrowings comprises:-		
Current:		
Bank overdraft	499	1,526
Revolving credits	141,177	93,331
Bankers' acceptance	291,494	230,626
Trust receipts	518	218
Term loans	45,381	21,290
	479,069	346,991
Non-current:		
Term loans	302,508	67,043
	781,577	414,034

B8. Lease liabilities

The Group's lease liabilities are denominated in Ringgit Malaysia, details are as follows: -

	As at 31 December 2021 RM'000	(Audited) As at 31 December 2020 RM'000
Present value of minimum lease payments:		
Repayable within twelve months	3,763	1,907
Repayables after twelve months	4,945	3,204
	8,708	5,111

B9. 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 except as otherwise stated here.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)**B9. Changes in material litigation (Cont'd)**

Save as disclosed, as at 27 May 2021, there are no material litigation, claims or arbitration, proceedings pending or threatened, against Chin Hin Group, or of any facts likely to give rise to any proceedings which may materially and adversely affect Chin Hin Group.

On 30 June 2017, Chin Hin Concrete (KL) Sdn Bhd ("CHCKL"), our wholly owned subsidiary sued Betamusifa Trading Sdn Bhd & Anor ("BTSB") for the sum of RM579,568.00 being goods sold and delivered. BTSB counter claimed CHCKL on 5 March 2019 for the following: -

- (a) rectification works of approximately RM1.4 million due to understrength concrete; and
- (b) liquidated ascertained damages for delay caused to the completion of the project/development ("LAD") attributable to CHCKL's provision of alleged under-strength cement.

On 3 September 2019, the Kuala Lumpur High Court held as follows:

- (i) BTSB is liable to pay CHCKL for goods sold and delivered of RM579,568.00;
- (ii) CHCKL is liable to pay BTSB rectification costs of approximately RM1.4 million and cost of RM30,000.00; and
- (iii) LAD was dismissed on the ground that the said LAD was not provided for or agreed in writing by the parties.

Both parties made an appeal to the Court of Appeal whereupon BTSB appealed against the payment of RM579,568.00 to CHCKL and dismissal of LAD of approximately RM36.8 million; and CHCKL appealed against the rectification cost of RM1.4mil. Trial on the appeal was conducted on 5 January 2021. Decision for the appeal was initially fixed on 17 February 2021. Trial on the appeal was conducted on 5 January 2021 and the decision for the appeal was originally fixed on 17 February 2021 but was re-scheduled to 20 April 2021. Putrajaya Court of Appeal requires more time to deliberate on the decision for CHCKL's appeal against BTSB and therefore the decision date has been postponed again whereby another Case Management is fixed on 29 June 2021 for the Court to update on a new date for decision. On 29 June 2021, the Court of Appeal maintains the High Court's decision with the appeal from both sides being dismissed with cost. However, on 29 July 2021 CHCKL has received an Application for Leave to appeal to Federal Court from BTSB as BTSB is dissatisfied with the Court of Appeal's decision. On 6 December 2021, the Federal Court has dismissed BTSB's application together with a cost of RM30,000.00 payable by BTSB to CHCKL.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
B10. Dividend Proposed

There was no dividend declared for the current financial quarter.

B11. Earnings per share
Basic earnings per ordinary 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	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Profit attributable to ordinary equity holders of the Group (RM'000)	8,873	9,103	30,194	21,259
Number of ordinary shares in issues as at 1 January ('000)	556,388	556,388	556,388	556,388
Effect of treasury shares held	(243)	(10,414)	(243)	(10,414)
Effect of treasury shares sold	-	3,105	-	3,105
Effect of shares issued during the financial period ('000)	230,352	-	230,352	-
Weighted average number of ordinary shares in issue ('000)	786,497	549,079	786,497	549,079
Basic earnings per share (sen)	1.13	1.66	3.84	3.87

Diluted earnings per ordinary share

The Group and the Company have no dilution in their earnings per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial year and before the end of this quarter.

	Individual Quarter		Cumulative Quarter	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Profit attributable to ordinary equity holders of the Group (RM'000)	8,873	9,103	30,194	21,259
Weighted average number of ordinary shares as above	786,497	549,079	786,497	549,079
Basic earnings per share (sen)	1.13	1.66	3.84	3.87

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

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 31 December 2021 RM'000	Audited As at 31 December 2020 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
Auditor remuneration		
- Current year	500	355
- Overprovision in prior year	(8)	(12)
Non-statutory		
- Current year	5	5
Amortisation of other investment	1	-
Bad debts written off	320	1,019
Deposits written off	-	42
Depreciation of property, plant and equipment	35,264	34,307
Directors' fee	238	225
Directors' remuneration		
- Salary, EPF and Socso	4,976	2,061
- Other emoluments	307	259
Fair value adjustment on investment properties	370	51
Impairment loss on goodwill	10,918	4,377
Impairment loss on trade receivables	8,921	13,640
Impairment loss on non-trade receivables	68	43
Interest expense	18,218	18,068
Interest income	(2,425)	(2,927)
Inventories written off	611	1,693
Inventories written down	330	-
Gain on disposal of assets held for sale	(150)	(1,545)
Gain on disposal of investment in associate companies	(9,679)	(27,788)
Gain on disposal of investment in subsidiary companies	(168)	(3,855)
Gain on disposal of warrants	(26,000)	-
Gain on disposal of property, plant and equipment	(16)	(157)
Gain on modification on lease contract	(2)	(70)
Property, plant and equipment written off	49	400
Realised loss on foreign exchange	100	228
Rental income	(2,086)	(2,945)
Rental expenses	4,755	2,507
Reversal of impairment loss on trade receivables	(2,551)	(5,620)
Share of results of associates	(7,257)	(4,366)
Share of results of jointly controlled entity	(271)	-
Unrealised loss on foreign exchange	828	70

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B13. Comparative figures

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

BY ORDER OF THE BOARD

28 February 2022