



CHIN HIN GROUP BERHAD

**INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED 31ST MARCH 2022**

CHIN HIN GROUP BERHAD

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

Headquarters/Head Office:
A-1-9, Pusat Perdagangan Kuchai
No.2, Jalan 1/127
Off Jalan Kuchai Lama
58200 Kuala Lumpur

Tel. No.: 03-7981 7878
Fax. No.: 03-7981 7575
Email: info@chinhingroup.com



CONTENTS

Unaudited Condensed Consolidated Statement of Comprehensive Income	.....	1-2
Unaudited Condensed Consolidated Statement of Financial Position	.....	3-4
Unaudited Condensed Consolidated Statement of Changes in Equity	.....	5-7
Unaudited Condensed Consolidated Statement of Cash Flows	.....	8-10
Notes To The Interim Financial Report	.....	11-25

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2022**
(The figures have not been audited)

	Individual Quarter			Cumulative Quarter			
	Note	31 Mar 2022 RM'000	31 Mar 2021 RM'000	Changes %	31 Mar 2022 RM'000	31 Mar 2021 RM'000	Changes %
Revenue		350,951	307,915	13.98%	350,951	307,915	14%
Cost of sales		(326,820)	(280,836)		(326,820)	(280,836)	
Gross profit		24,131	27,079		24,131	27,079	6.88%
Other operating income		5,007	1,202		5,007	1,202	
Gain on disposal of investment in associate companies		23,585	-		23,585	-	
Gain on disposal of warrants		-	7,218		-	7,218	
Finance income		464	720		464	720	
Impairment loss on trade receivables		(1,590)	(1,351)		(1,590)	(1,351)	
Administrative expenses		(21,882)	(15,959)		(21,882)	(15,959)	
Operating profit		29,715	18,909	57%	29,715	18,909	57%
Finance costs		(6,372)	(3,378)		(6,372)	(3,378)	
Share of results of associates		5,652	2,735		5,652	2,735	
Share of results of joint venture		292	-		292	-	
Profit before taxation		29,287	18,266	60%	29,287	18,266	60%
Taxation	B5	(2,135)	(3,726)		(2,135)	(3,726)	
Profit after taxation		27,152	14,540	87%	27,152	14,540	87%
Other comprehensive income							
Exchange translation differences		(102)	144		(102)	144	
Total comprehensive income for the financial period		27,050	14,684		27,050	14,684	
PROFIT AFTER TAX							
ATTRIBUTABLE TO:							
Owners of the Company		26,258	15,156	73%	26,258	15,156	73%
Non-controlling interests		894	(616)		894	(616)	
		27,152	14,540		27,152	14,540	

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2022 (Cont'd)**
(The figures have not been audited)

	Individual Quarter			Cumulative Quarter		
	31 Mar 2022	31 Mar 2021	Changes	31 Mar 2022	31 Mar 2021	Changes
Note	RM'000	RM'000	%	RM'000	RM'000	%
TOTAL COMPREHENSIVE INCOME						
ATTRIBUTABLE TO:						
Owners of the Company	26,156	15,300		26,156	15,300	
Non-controlling interests	894	(616)		894	(616)	
	<u>27,050</u>	<u>14,684</u>		<u>27,050</u>	<u>14,684</u>	
Earnings per share attributable to owners of the Company (sen):						
- Basic	B11 <u>2.97</u>	<u>2.73</u>		<u>2.97</u>	<u>2.73</u>	
- Diluted	B11 <u>2.97</u>	<u>2.73</u>		<u>2.97</u>	<u>2.73</u>	
Profit Before Interest and Tax	<u>29,715</u>	<u>18,909</u>	57%	<u>29,715</u>	<u>18,909</u>	57%

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 2021 and the accompanying explanatory notes attached to the interim financial report.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**
(The figures have not been audited)

	31 March 2022 RM'000	(Audited) 31 December 2021 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	451,203	451,655
Investment properties	59,000	59,000
Investment in associates	229,104	229,963
Investment in a joint venture	1,812	1,590
Goodwill	39,194	39,194
Other investment	93	93
Other financial assets	1,519	1,519
Inventories - Land held for development	163,399	159,540
Trade receivables	3,186	3,186
TOTAL NON-CURRENT ASSETS	948,510	945,740
CURRENT ASSETS		
Contract assets	29,597	21,176
Inventories	123,506	122,686
Trade receivables	501,595	511,878
Other receivables	79,510	69,266
Net investment in lease	69	69
Tax recoverable	3,780	5,862
Fixed deposits with licensed banks	13,420	13,037
Cash and bank balances	79,945	89,113
TOTAL CURRENT ASSETS	831,422	833,087
TOTAL ASSETS	1,779,932	1,778,827
EQUITY AND LIABILITIES		
EQUITY		
Share capital	381,851	381,851
Treasury shares	(338)	(338)
Merger reserve	(147,392)	(147,392)
Foreign currency translation reserve	301	403
Revaluation reserve	6,226	6,268
Retained earnings	292,064	275,682
Total equity attributable to Owners of the Company	532,712	516,474
Non-controlling interests	98,344	104,992
TOTAL EQUITY	631,056	621,466

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022 (Cont'd)
(The figures have not been audited)

	31 March 2022 RM'000	(Audited) 31 December 2021 RM'000
CURRENT LIABILITIES		
Trade payables	213,832	207,525
Other payables	93,837	122,606
Contract liabilities	22	195
Amount owing to directors	6	6
Bank borrowings	516,834	492,122
Lease liabilities	5,737	4,363
Tax payable	715	2,727
TOTAL CURRENT LIABILITIES	830,983	829,544
NON-CURRENT LIABILITIES		
Contract liabilities	19	25
Trade payables	6,681	6,681
Bank borrowings	288,651	298,766
Lease liabilities	5,589	5,324
Deferred tax liabilities	16,953	17,021
TOTAL NON-CURRENT LIABILITIES	317,893	327,817
TOTAL LIABILITIES	1,148,876	1,157,361
TOTAL EQUITY AND LIABILITIES	1,779,932	1,778,827
NET ASSET PER SHARE (RM)	0.71	1.12

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 2021 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.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2022**
(The figures have not been audited)

	-----Attributable to owners of the parent-----								
	----- Non-Distributable -----					Distributable	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 Translation Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000				
At 1 January 2022	381,851	(338)	(147,392)	403	6,268	275,682	516,474	104,992	621,466
Profit for the financial period	-	-	-	-	-	26,258	26,258	894	27,152
Other comprehensive income	-	-	-	(102)	-	-	(102)	-	(102)
Total comprehensive income	-	-	-	(102)	-	26,258	26,156	894	27,050
Realisation of revaluation reserve	-	-	-	-	(42)	42	-	-	-
Transactions with owners:									
Changes in ownership interests in subsidiary companies	-	-	-	-	-	(9,918)	(9,918)	(8,109)	(18,026)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	567	567
Total transactions with owners	-	-	-	-	-	(9,918)	(9,918)	(7,542)	(17,460)
At 31 March 2022	381,851	(338)	(147,392)	301	6,226	292,064	532,712	98,344	631,056

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2022 (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
	----- Non-Distributable -----			Distributable					
	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 year	-	-	-	-	-	30,700	30,700	269	30,969
Other comprehensive income	-	-	-	153	62	-	215	-	215
Total comprehensive income	-	-	-	153	62	30,700	30,915	269	31,184
Realisation of revaluation reserve upon disposal of properties	-	-	-	-	(3,123)	3,123	-	-	-
Realisation of revaluation reserve	-	-	-	-	(84)	84	-	-	-
Acquisition through business combination	-	-	-	-	-	-	-	94,977	94,977
Transactions with owners:									
Issue of ordinary shares	56,055	-	-	-	-	(297)	55,758	-	55,758
Shares repurchased	-	(338)	-	-	-	-	(338)	-	(338)
Dividends to owners of the Company	-	-	-	-	-	(14,408)	(14,408)	-	(14,408)
Balance brought forward	56,055	(338)	-	-	-	(14,705)	41,012	-	41,012

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2022 (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			
Transactions with owners: (Cont'd)									
Balance carried forward	56,055	(338)	-	-	-	(14,705)	41,012	-	41,012
Disposal of subsidiary companies	-	-	-	-	-	-	-	111	111
Non-controlling interests arising from acquisition of subsidiary companies	-	-	-	-	-	-	-	175	175
Capital contribution by non-controlling interests arising from incorporation of subsidiary companies	-	-	-	-	-	-	-	45	45
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	33,147	33,147
Changes in ownership interests in subsidiary companies	-	-	-	-	-	(5,917)	(5,917)	(18,856)	(24,773)
Disposal of equity interest to non-controlling interests	-	-	-	-	-	330	330	(30)	300
Total transactions with owners	56,055	(338)	-	-	-	(20,292)	35,425	14,592	50,017
At 31 December 2021	381,851	(338)	(147,392)	403	6,268	275,682	516,474	104,992	621,466

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 2021 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2022**
(The figures have not been audited)

	Cumulative quarter	
	31 March 2022	31 March 2021
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	29,287	18,266
Adjustment for:		
Depreciation of property, plant and equipment	9,288	8,060
Impairment loss on trade receivables	1,590	1,351
Interest expense	6,372	3,378
Interest income	(464)	(720)
Inventories written off	2	31
Gain on disposal of assets held for sale	-	(150)
Gain on disposal of investment in associate companies	(23,585)	-
Gain on disposal of warrants	-	(7,218)
(Gain)/Loss on disposal of property, plant and equipment	(67)	22
Gain on liquidation of investment in a subsidiary company	(176)	-
Property, plant and equipment written off	2	-
Reversal of impairment loss on trade receivables	(952)	-
Share of results of associates	(5,652)	(2,735)
Share of results of joint venture	(292)	-
Unrealised loss/(gain) on foreign exchange	88	(270)
Operating profit before working capital changes	15,441	20,015
Changes in working capital:		
Inventories	(4,681)	(1,856)
Trade receivables	9,645	(10,067)
Other receivables	(10,332)	714
Contract assets	(8,600)	1,634
Trade payables	6,306	5,291
Other payables	(28,769)	(13,115)
Amount due to directors	(1)	41,235
	(36,432)	23,836
Cash (used in)/generated from operations	(20,991)	43,851
Interest paid	(6,372)	(3,378)
Interest received	464	720
Tax paid	(3,576)	(1,051)
Tax refund	2,343	-
Net cash (used in)/from operating activities	(28,132)	40,142

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2022 (Cont'd)**
(The figures have not been audited)

	Cumulative Quarter	
	31 March 2022 RM'000	31 March 2021 RM'000
Cash Flows From Investing Activities		
Capital contribution by non-controlling interests	567	-
Purchase of property, plant and equipment	(7,980)	(4,534)
Acquisition of associate companies	(425)	(93,887)
Acquisition of additional investment in subsidiaries	(18,026)	-
Proceeds from disposal of assets held for sales	-	11,600
Proceeds from disposal of investment in associate companies	29,691	-
Proceeds from disposal of warrants	-	7,218
Proceeds from disposal of property, plant and equipment	107	-
Net cash from/(used in) investing activities	3,934	(79,603)
Cash Flows From Financing Activities		
Net changes on bankers' acceptance, trust receipt and revolving credits	25,586	39,755
Increase in fixed deposits pledged	(383)	-
Repayment of bank borrowings	(10,586)	(5,081)
Repayment of lease liabilities	742	(147)
Shares repurchased	-	(338)
Net cash from financing activities	15,359	34,189
Net decrease in cash and cash equivalents	(8,839)	(5,272)
Cash and cash equivalents at the beginning of the financial year	79,274	49,723
Effect of exchange translation differences on cash and cash equivalents	74	144
Cash and cash equivalents at the end of the financial year	70,509	44,595

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2022 (Cont'd)**

(The figures have not been audited)

	Cumulative Quarter	
	31 March 2022 RM'000	31 March 2021 RM'000
Cash and cash equivalents at the end of the financial year comprises:		
Cash and bank balances	79,945	47,493
Bank overdrafts	(9,436)	(2,898)
Fixed deposits with licensed banks	13,420	21
	83,929	44,616
Less: Fixed deposits pledged to licensed banks	(13,420)	(21)
	70,509	44,595

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 2021 and the accompanying explanatory notes attached to this interim financial report.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

NOTES TO THE INTERIM FINANCIAL REPORT- FIRST QUARTER ENDED 31 MARCH 2022

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD 31 MARCH 2022

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 2021 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 2021, except for the adoption of standards and interpretations that are mandatory for the Group for the financial year beginning 1 January 2022:

Amendment to MFRS 16	Covid-19-Related Concessions beyond 30 June 2021
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018-2020	
- Amendment to MFRS 1	
- Amendment to MFRS 9	
- Amendment to MFRS 16	
- Amendment to MFRS 141	

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)	
MFRS 17 – Insurance Contracts	1 January 2023
Amendments to MFRS 17 – Insurance Contracts	1 January 2023
Amendments to MFRS 17 – Initial Application of MFRS 17 and MFRS 9 – Comparative Information	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 PERIOD ENDED 31 MARCH 2022 (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 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 2021.

A6. Debt and equity securities

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

As at 31 March 2022, the number of treasury shares held was 375,150 ordinary shares. 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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022 (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 March 2022 RM'000	Unaudited Individual quarter 31 March 2021 RM'000	Unaudited Cumulative quarter 31 March 2022 RM'000	Unaudited Cumulative quarter 31 March 2021 RM'000
Revenue				
• Investment holding and management services	1,801	1,932	1,801	1,932
<u>Building material division</u>				
• Distribution of building materials and logistics services	182,091	177,081	182,091	177,081
• Ready-mixed concrete	18,212	15,491	18,212	15,491
• Manufacturing of fire-rated and wooden door	8,246	9,741	8,246	9,741
• Manufacturing of autoclaved aerate concrete ("AAC") and precast concrete	80,889	89,464	80,889	89,464
• Manufacturing of wire mesh	51,192	43,537	51,192	43,537
• Modular building Solutions	85	-	85	-
• Trading of sanitaryware and fittings	243	-	243	-
<u>Vehicle division</u>				
• Manufacturing and trading of commercial vehicles and bodyworks	18,200	-	18,200	-
• Rental and fleet management services	754	-	754	-
<u>Property development and construction division</u>				
• Construction	14,648	-	14,648	-
• Property development	-	-	-	-
	376,361	337,246	376,361	337,246
Adjustments and eliminations	(25,410)	(29,331)	(25,410)	(29,331)
	350,951	307,915	350,951	307,915

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022 (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 March 2021 RM'000	Unaudited Individual quarter 31 March 2020 RM'000	Unaudited Cumulative quarter 31 March 2021 RM'000	Unaudited Cumulative quarter 31 March 2020 RM'000
Profit before taxation				
• Investment holding and management services	20,778	5,738	20,778	5,738
<u>Building material division</u>				
• Distribution of building materials and logistics services	3,084	4,883	3,084	4,883
• Ready-mixed concrete	(1,121)	58	(1,121)	58
• Manufacturing of fire-rated and wooden door	(966)	(273)	(966)	(273)
• Manufacturing of autoclaved aerate concrete ("AAC") and precast concrete	(138)	4,144	(138)	4,144
• Manufacturing of wire mesh	965	1,517	965	1,517
• Modular building Solutions	(339)	(464)	(339)	(464)
• Trading of sanitaryware and fittings	(264)	-	(264)	-
<u>Vehicle division</u>				
• Manufacturing and trading of commercial vehicles and bodyworks	790	-	790	-
• Rental and fleet management services	359	-	359	-
<u>Property development and construction division</u>				
• Construction	2,692	-	2,692	-
• Property development	(2,790)	-	(2,790)	-
	<u>23,050</u>	<u>15,603</u>	<u>23,050</u>	<u>15,603</u>
Share of results of associates	5,652	2,735	5,652	2,735
Share of results of joint venture	292	-	292	-
	<u>28,994</u>	<u>18,338</u>	<u>28,994</u>	<u>18,338</u>
Adjustments and eliminations	293	(72)	293	(72)
	<u>29,287</u>	<u>18,266</u>	<u>29,287</u>	<u>18,266</u>

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022 (CONT'D)
A8. Dividend paid

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 Group has not carried out any valuation on its investment properties in the current financial quarter and financial period to-date.

A11. Capital commitments

The capital commitments of the Group were as follows: -

a) Building material division

	Unaudited 31 March 2022 RM'000	Audited 31 December 2021 RM'000
Authorised and contracted for:		
- acquisition of property, plant and equipment	507	1,106

b) Property development division

	Unaudited 31 March 2022 RM'000	Audited 31 December 2021 RM'000
Authorised and contracted for:		
- acquisition of land held for property development	126,723	50,223
- acquisition of property, plant and equipment	1,644	-
Contracted and subject to shareholders' approval:		
- acquisition of land held for property development	-	85,000

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022 (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 March 2022 except for the following:-

In March 2022, the Chin Hin has acquired additional 20,316,400 ordinary shares of Chin Hin Group Property Berhad ("CHGP") for a total cash consideration of RM18,026,177. Consequently, CHGP has become a 59.26% owned subsidiary company of 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 March 2022 RM'000	Audited 31 December 2021 RM'000
Unsecured		
Corporate guarantees given to the licensed banks for credit facility granted to related companies	496,818	495,052
Bank guarantee issued to third parties	2,862	3,311

b) Property Development & Construction division

	Unaudited 31 March 2022 RM'000	Audited 31 December 2021 RM'000
Unsecured		
Bank guarantee issued for execution of contract of the subsidiary companies	45	45
Bank guarantee in favour of third parties granted in the ordinary course of construction business	66,482	66,482
Corporate guarantee for credit facilities granted to a joint venture company	11,550	11,550
Corporate guarantees given to the licensed banks for credit facility granted to subsidiary companies	159,638	159,638

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.

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022 (CONT'D)

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 March 2022 were as follows: -

	Unaudited RM'000
Transaction with companies in which the Directors or substantial shareholders have financial interest:	
-Transportation services	789
-Sales of goods	990
-Purchase of goods	1,408
-Rental received/receivables	69
-Rental paid/payables	655
-Insurance and road tax received	77
	<hr/>

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

For the current financial quarter under review, the Group reported a revenue of RM350.95 million, an increase of RM43.03 million or 13.97% as compared to RM307.92 million in the preceding year corresponding quarter. The increase in revenue for the current quarter were mainly contributed by the higher revenue from our distribution of building materials sector and manufacturing wire mesh segment. The revenue from the distribution of building materials continue to achieve higher sales contributed by the increased of building material price. The hike in revenue under wire mesh sector due to the fast and effective reaction of the Management to response against the volatile steel price. Moreover, Chin Hin's expansion into the property development and construction segment in 2021 has also brought in the revenue of RM18.95 million and RM14.65 million from the vehicle and property development and construction division respectively. Both vehicle and property development & construction divisions have contributed 78.09% revenue hike in this financial quarter's revenue.

However, the Group's gross profit has slightly decreased by RM2.95 million or 10.89% from RM27.08 million in the preceding year corresponding quarter of 2021 to RM24.13 million in the current quarter of 2022. The gross profit margin for the current quarter was recorded at 6.88%, decrease by 1.91% as compared to the preceding year corresponding quarter of 8.79%. The lower margin was mainly caused by the gross loss suffered by the ready-mixed concrete segment due to the sudden increase in cement price. Majority of our ready-mixed concrete plants were site plants where the selling price was fixed and it took some time to negotiate for price adjustments. Hence, it has pulled down the overall Group's gross profit margin in the current quarter.

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)**

Other operating income has increased by RM20.17 million or 239.55% from RM8.42 million in the preceding year corresponding quarter to RM28.59 million in the current quarter. The other operating income mainly consists of the gain on disposal of Solarvest Holdings Berhad's ordinary shares totalling RM23.59 million in current quarter as compared to the gain on disposal of Solarvest Holdings Berhad's warrants which amounting to RM7.22 million in the preceding year corresponding quarter. The remaining increased in other operating income was mainly contributed by Kayangan Kemas Sdn Bhd, one of the subsidiary companies of Chin Hin Group Property Berhad. Partial fire insurance compensation amounting to RM3.00 million was received as a result of part of a seven-storey block under construction at the Hospital Tanah Merah in Kelantan caught fire in January 2021.

Administrative expenses have increased by RM5.92 million mainly contributed from the property development and construction segment as compared to nil figure in preceding year corresponding quarter. Impairment on trade receivables in current quarter principally caused by the impairment provided in the distribution of building materials and property development and construction segment due to slow collection from certain customers.

The Group's finance cost for the current quarter has increased significantly by RM2.99 million as compared to the preceding year corresponding quarter principally due to the drawdown of approximately RM310.00 million bank borrowings by the Company during the second half of the previous financial year for the following purposes:

Building Material Division

- 1) Drawdown of RM141.00 million to part finance the acquisition of CHGP and refinance the acquisition of Signature;
- 2) RM30.50 million term loan was drawdown by the precast concrete division to fund their working capital; and
- 3) RM27.61 million revolving credit and bankers' acceptance were drawdown to defray the working capital of the distribution of building materials and the manufacturing of AAC and precast concrete products division.

Property Development and Construction Division (CHGP)

- 1) RM46.00 million term loan were drawdown to part finance the acquisition of a piece of freehold land located at Daerah Petaling, Pekan Kinrara, Selangor. This acquisition was completed on 1 November 2021;
- 2) RM41.84 million term loan were drawdown to part finance the acquisition of five (5) pieces of freehold lands at Mukim Serendah, Selangor. This acquisition was completed on 20 December 2021; and
- 3) In conjunction with the acquisition of Kayangan Kemas Sdn Bhd, CHGP has drawdown a new term loan of RM23.00 million to part finance the company.

Share of profit from our associate companies have increased by RM2.92 million or 106.57% as compared to the preceding year corresponding quarter primarily due to the share of results of RM2.29 million from Stellar 8 Sdn Bhd, the associate in Chin Hin Group Property Berhad. The balance of the growth in earnings were contributed by Signature International Berhad's home living solutions business segment.

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)

Share of results of joint venture, R Synergy Sdn Bhd of RM0.29 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 ordinary shares, share of results of the associates and joint venture company offset partially with the increased in administrative expenses, finance costs and impairment on trade receivables, the Group reported an increase in profit before tax ("PBT") of RM29.29 million for this quarter as compared to the preceding year corresponding quarter.

B2. Comparison with immediate preceding quarter's results

CURRENT QUARTER vs. PRECEDING QUARTER

	Unaudited Individual quarter 31 March 2022 RM'000	Unaudited Individual quarter 31 December 2021 RM'000	Changes %
Revenue	350,951	400,655	-12%
Operating Profit	29,715	18,872	57%
Profit Before Interest and Tax	29,715	18,872	57%
Profit Before Tax	29,287	15,834	85%
Profit After Tax	27,152	10,644	155%
Profit Attributable to Ordinary Equity Holders of the Parent	26,258	8,873	196%

For the quarter under review, the Group posted a revenue of RM350.95 million as compared to RM400.66 million in the preceding quarter, a decrease of RM49.71 million or 12.41%. However, the Group reported a considerably higher profit before tax ("PBT") of RM29.29 million, an increase of RM13.36 million as compared to the preceding quarter PBT of RM15.83 million. The increased in PBT was mainly contributed by the gain on disposal of Solarvest Holdings Berhad's ordinary shares totalling RM23.59 million in current quarter. If we have excluded the gain from disposal of Solarvest Holdings Berhad's ordinary shares, the current quarter's PBT reported was RM5.70 million. By comparing to preceding quarter and excluded the gain from disposal of Solarvest Holdings Berhad's warrants totalling RM7.22 million, the PBT reported in the preceding quarter was RM8.61 million which was RM2.91 million more than the PBT reported in current quarter. The drop in PBT in current quarter was caused by the gross loss made in ready-mixed concrete segment and increased in finance costs which was elaborated in Section B1.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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 since the government has eased the community and border measures. Subsequently all activities are allowed to operate on 15 May 2022 which mark the start of the country's transition to the endemic phase of Covid-19. Malaysia's economy is expected to strengthen. However, due to the building materials cost index continues to rise, it has posted great challenges to our manufacturing sector coupled with the weakening of Ringgit Malaysia against US Dollar. The Group will reposition itself to cope with the challenges and remain vigilant for new prospects.

G-Cast Concrete Sdn Bhd ("G-Cast") has managed to secure the supply of uni-culverts to East Coast Rail Link ("ECRL") Section 5 Project. The efforts in securing other infrastructure projects in the Asia countries i.e Singapore, India, the Philippines and Indonesia is progressing well. The Company has managed to secure project for the supply of cable trough, lids and walkways to project title, "Contract T250A trackwork for Thomson-East Coast Line Stage 4 & 5, Downtown Line stage 3 Extension and East-West Line Upgrade" in Singapore. Besides, the Company has also been awarded additional orders for the supply of cables troughs and covers, third rail support block to project title, "Manufacture, test and supply of reinforced and prestressed concrete products, Project T250-Thompson Region Line". There are a few more projects pending finalisation with the project awarders in Singapore. The progress to secure more projects in the Philippines and Singapore is remained very promising since G-Cast has grabbed a strong footing in these two countries. Nevertheless, the progress in India and Indonesia still 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 projects progress much slower than normal project execution speed after the Covid-19 pandemic. 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 severe shortage of manpower in the market. Moreover, large diameter reinforced concrete ("RC") pipes, sizes 900mm and above are being jacked by the contractors instead of the polymer concrete pipes which is 800mm and below for the Link Sewer & Deep Tunnel Sewerage System ("DTSS") projects as upsize to RC pipes can allowed them to fetch higher margin. Therefore, it had a drastic effect on the polymer concrete pipe business and disrupted our Singapore project execution in 2022. Singapore market continues to be our main market for polymer concrete pipe. With further easing of community and border measures in Singapore, the current manpower woes are expected to improve.

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 its overseas market especially Philippines to fill up the excess capacity in Starken AAC 2.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

B3. Prospects (Cont'd)

The property development division whom has embarked on a robust landbank accumulation strategy in 2021 especially in the Klang Valley in anticipation of a positive market recovery in 2022, is planning its aggressive properties launching soon. 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 midst of May 2022 is expected to boost the construction division's financial performance in FY2022 up till FY2025.

Our associate company, Signature International Bhd's ("Signature") has redeveloped its 50,000 square feet store at Kota Damansara headquarters to be the Malaysia's largest Flagship Gallery. This flagship gallery has begun operational on 20 May 2022 and offer "Whole House Customisation" package to customers and allow them to truly experience and imagine their dream home living space and seek inspiration which match their idea. This flagship gallery offers full range of consultation for design, build and installation services including the customised solution package for individual and project. The launching of this flagship gallery is expected to contribute positively to Signature's bottom line.

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 March 2022 RM'000	Unaudited 31 March 2021 RM'000	Unaudited 31 March 2022 RM'000	Unaudited 31 March 2021 RM'000
Income tax expense				
- Current financial year	2,304	3,737	2,304	3,737
	<u>2,304</u>	<u>3,737</u>	<u>2,304</u>	<u>3,737</u>
Deferred tax				
- Current financial year	(169)	(10)	(169)	(10)
- Overprovision in prior year	-	(1)	-	(1)
Total tax expense	<u>2,135</u>	<u>3,726</u>	<u>2,135</u>	<u>3,726</u>

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

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) 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.

However, after further review of its market share price performance, the Board of the Company has re-proposed to undertake a bonus issue of up to 885,081,996 new ordinary shares in Chin Hin on 22 April 2022, on the basis of 1 Bonus Share for every 1 Chin Hin Share held at an entitlement date to be determined later.

- (b) On 17 May 2022, the Company entered into a conditional share sale agreement ("SSA") with Divine Inventions Sdn Bhd ("Divine Inventions" or "Purchaser") for the disposal of 129,100,000 ordinary shares in Solarvest Holdings Berhad ("Solarvest") ("Sale Shares"), representing 19.34% equity interest in Solarvest to Divine Inventions for a cash consideration of RM103,280,000 ("Proposed Disposal"). The Sale Shares represents all the Solarvest Shares held by Chin Hin.

II. Utilisation of proceeds

The status of utilisation of proceeds of approximately RM56.055 million from the first tranche of private placement as at 31 March 2022 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	

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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	(Audited)
	31 March 2022	31 December 2021
	RM'000	RM'000
Bank overdrafts	9,436	9,839
Revolving credits	135,264	141,177
Bankers' acceptance	319,727	291,494
Trust receipts	3,782	516
Term loans	337,276	347,862
Total bank borrowings	805,485	790,888
Total bank borrowings comprises:-		
Current:		
Bank overdraft	9,436	9,839
Revolving credits	135,264	141,177
Bankers' acceptance	319,727	291,494
Trust receipts	3,782	516
Term loans	48,625	49,096
	516,834	492,122
Non-current:		
Term loans	288,651	298,766
	805,485	790,888

B8. Lease liabilities

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

	As at	(Audited)
	31 March 2022	31 December 2021
	RM'000	RM'000
Present value of minimum lease payments:		
Repayable within twelve months	5,737	4,363
Repayables after twelve months	5,589	5,324
	11,326	9,687

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.

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

On 25 May 2022, the Board of Directors of the Company has approved the declaration and payment of first interim single-tier dividend of RM0.010 per ordinary share totalling RM8,847,068 in respect of the financial year ending 31 December 2022. The entitlement date and the payment date of the first interim single-tier dividend are 16 June 2022 and 5 July 2022 respectively.

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 March 2022	31 March 2021	31 March 2022	31 March 2021
Profit attributable to ordinary equity holders of the Group (RM'000)	26,258	15,156	26,258	15,156
Number of ordinary shares in issues as at 1 January ('000)	885,082	556,388	885,082	556,388
Effect of treasury shares held	(375)	(222)	(375)	(222)
Weighted average number of ordinary shares in issue ('000)	884,707	556,166	884,707	556,166
Basic earnings per share (sen)	2.97	2.73	2.97	2.73

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 March 2022	31 March 2021	31 March 2022	31 March 2021
Profit attributable to ordinary equity holders of the Group (RM'000)	26,258	15,156	26,258	15,156
Weighted average number of ordinary shares as above	884,707	556,166	884,707	556,166
Basic earnings per share (sen)	2.97	2.73	2.97	2.73

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 March 2022 RM'000	Unaudited As at 31 March 2021 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
Auditor remuneration		
- Current year	140	73
Depreciation of property, plant and equipment	9,288	8,060
Directors' fee	57	45
Directors' remuneration		
- Salary, EPF and Socso	1,285	515
- Other emoluments	90	67
Impairment loss on trade receivables	1,590	1,351
Interest expense	6,372	3,378
Interest income	(464)	(720)
Inventories written off	2	31
Gain on disposal of assets held for sale	-	(150)
Gain on disposal of investment in associate companies	(23,585)	-
(Gain)/Loss on disposal of property, plant and equipment	(67)	22
Gain on liquidation of investment in a subsidiary company	(176)	-
Property, plant and equipment written off	2	-
Realised loss on foreign exchange	3	99
Rental income	(396)	(179)
Rental expenses	1,398	967
Reversal of impairment loss on trade receivables	(952)	-
Share of results of associates	(5,652)	(2,735)
Share of results of joint venture	(292)	-
Unrealised loss/(gain) on foreign exchange	88	(270)

B13. Comparative figures

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

BY ORDER OF THE BOARD**25 May 2022**