



CHIN HIN GROUP BERHAD

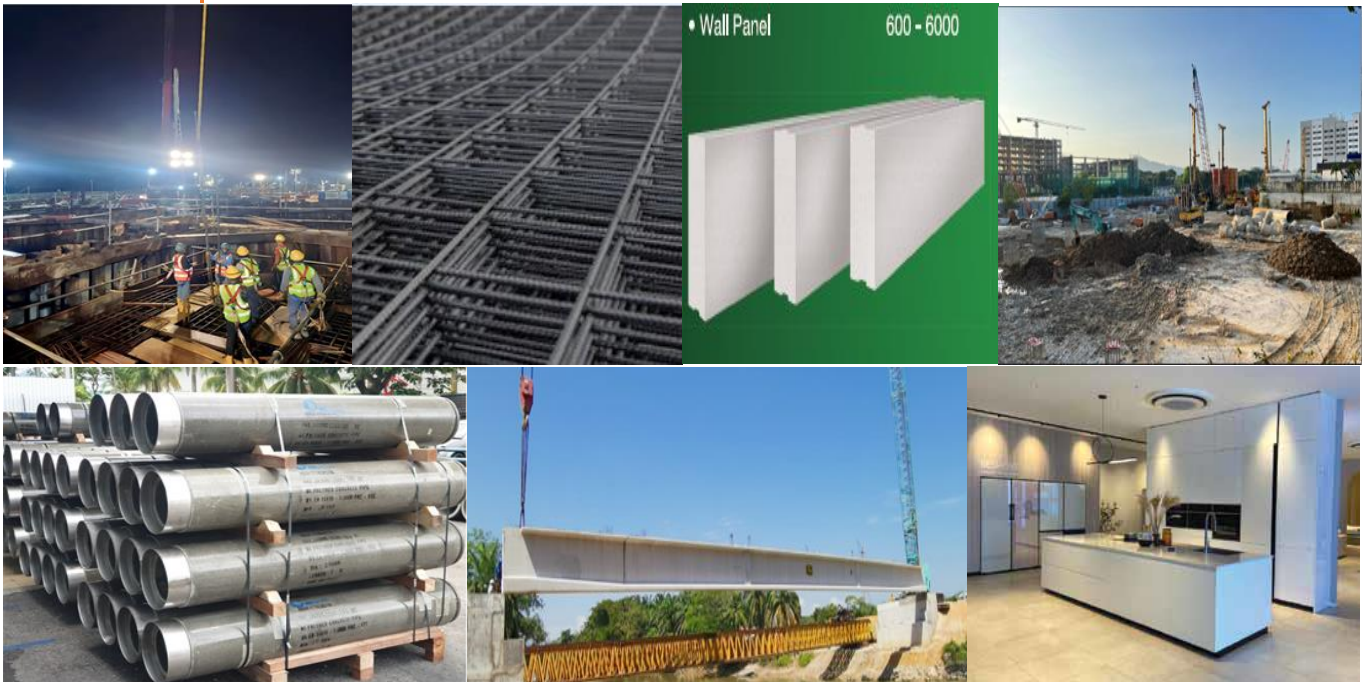
INTERIM FINANCIAL REPORT FIRST QUARTER ENDED 31ST MARCH 2024

CHIN HIN GROUP BERHAD

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(Incorporated in Malaysia)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2024**
(The figures have not been audited)

	Note	Individual/Cumulative quarter		Changes %
		31 Mar 2024 RM'000	31 Mar 2023 RM'000	
Revenue		570,214	523,936	9%
Cost of sales		(509,937)	(475,358)	
Gross profit		60,277	48,578	24%
Other operating income		5,352	2,718	
Fair value gain on other investments		12,397	7,647	
Loss on disposal of other investments		(6,580)	(1,705)	
Finance income		1,272	921	
Net impairment loss on receivables		(1,714)	(2,172)	
Administrative expenses		(40,215)	(26,520)	
Operating profit		30,789	29,467	4%
Finance costs		(14,040)	(8,582)	
Share of results of associates		2,077	9,591	
Share of results of joint ventures		348	2,321	
Profit before taxation		19,174	32,797	-42%
Taxation	B5	(5,366)	(6,403)	
Profit after taxation		13,808	26,394	-48%
Other comprehensive (loss)/income:				
Exchange translation differences		(694)	182	
Total comprehensive income for the financial period		13,114	26,576	
PROFIT AFTER TAX ATTRIBUTABLE TO:				
Owners of the Company		9,072	20,045	-55%
Holders of Perpetual MTN		771	-	
Non-controlling interests		3,965	6,349	
		13,808	26,394	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company		8,378	20,227	-59%
Holders of Perpetual MTN		771	-	
Non-controlling interests		3,965	6,349	
		13,114	26,576	
Earnings per share attributable to owners of the Company (sen):				
- Basic	B11	0.51	1.13	
- Diluted	B11	0.51	1.13	

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 2023 and the accompanying explanatory notes attached to the interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024**
(The figures have not been audited)

	Unaudited 31 March 2024 RM'000	Audited 31 December 2023 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	663,751	690,691
Investment properties	128,980	97,950
Investment in associates	159,164	131,620
Investment in a joint ventures	92,665	92,401
Goodwill	34,868	34,868
Deferred tax assets	4,053	4,053
Other investments	2,035	2,035
Other financial assets	4,618	2,472
Trade receivables	55,300	53,854
Other receivables	563	1,857
TOTAL NON-CURRENT ASSETS	1,145,997	1,111,801
CURRENT ASSETS		
Contract assets	225,268	212,010
Inventories	710,616	681,790
Trade receivables	543,713	594,869
Other receivables	89,561	106,626
Other investments	226,957	265,858
Tax recoverable	7,097	5,926
Fixed deposits with licensed banks	42,147	37,996
Cash and bank balances	123,665	148,975
	1,969,024	2,054,050
Assets held for sale	4,409	2,615
TOTAL CURRENT ASSETS	1,973,433	2,056,665
TOTAL ASSETS	3,119,430	3,168,466
EQUITY AND LIABILITIES		
EQUITY		
Share capital	381,851	381,851
Treasury shares	(338)	(338)
Merger reserve	(142,691)	(142,691)
Foreign currency translation reserve	1,419	2,113
Revaluation reserve	54,285	49,007
Retained earnings	459,155	472,373
Total equity attributable to Owners of the Parent	753,681	762,315
Medium Term Note ("MTN")	50,771	30,000
Non-controlling interests	463,043	455,649
TOTAL EQUITY	1,267,495	1,247,964

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 31 MARCH 2024 (Cont'd)***(The figures have not been audited)*

	Unaudited 31 March 2024 RM'000	Audited 31 December 2023 RM'000
CURRENT LIABILITIES		
Trade payables	250,078	261,536
Other payables	300,445	368,597
Contract liabilities	4,748	3,087
Amount owing to a director	64,974	96,371
Bank borrowings	649,785	640,749
Lease liabilities	8,528	8,032
Tax payable	4,595	4,565
TOTAL CURRENT LIABILITIES	1,283,153	1,382,937
NON-CURRENT LIABILITIES		
Trade payables	8,673	8,377
Other payables	857	882
Bank borrowings	499,578	472,562
Contract liabilities	59	43
Lease liabilities	8,691	4,810
Deferred tax liabilities	50,924	50,891
TOTAL NON-CURRENT LIABILITIES	568,782	537,565
TOTAL LIABILITIES	1,851,935	1,920,502
TOTAL EQUITY AND LIABILITIES	3,119,430	3,168,466
NET ASSET PER SHARE (RM)	0.72	0.71

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 2023 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Net asset per share for the current quarter and comparative financial year is calculated based on the total equity divided by the weighted average number of ordinary shares in issue for the quarter and comparative financial year.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2024**

(The figures have not been audited)

	<-----Attributable to owners of the parent----->									
	<----- Non-Distributable ----->					Distributable		Non-		
	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	Total RM'000	Perpetual MTN RM'000	Controlling Interests RM'000	Total Equity RM'000
At 1 January 2024	381,851	(338)	(142,691)	2,113	49,007	472,373	762,315	30,000	455,649	1,247,964
Profit for the financial period	-	-	-	-	-	9,072	9,072	771	3,965	13,808
Other comprehensive loss	-	-	-	(694)	-	-	(694)	-	-	(694)
Total comprehensive (loss)/income	-	-	-	(694)	-	9,072	8,378	771	3,965	13,114
Realisation of revaluation reserve	-	-	-	-	(57)	57	-	-	-	-
Transactions with owners:										
Changes in ownership interests in subsidiaries	-	-	-	-	-	(10,358)	(10,358)	-	(36,044)	(46,402)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	41,219	41,219
Increase stake in subsidiary companies	-	-	-	-	5,335	(11,989)	(6,654)	-	(1,746)	(8,400)
Issuance of perpetual MTN	-	-	-	-	-	-	-	20,000	-	20,000
Total transactions with owners	-	-	-	-	5,335	(22,347)	(17,012)	20,000	3,429	6,417
At 31 March 2024	381,851	(338)	(142,691)	1,419	54,285	459,155	753,681	50,771	463,043	1,267,495

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2024 (Cont'd)**

(The figures have not been audited)

	-----Attributable to owners of the parent-----					Distributable	Total	Perpetual MTN	Non- Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Merger Reserve	Foreign Currency Translation Reserve	Revaluation Reserve					
At 1 January 2023	381,851	(338)	(147,391)	585	7,529	324,322	566,558	-	103,754	670,312
Profit for the financial period	-	-	-	-	-	20,045	20,045	-	6,349	26,394
Other comprehensive income	-	-	-	182	-	-	182	-	-	182
Total comprehensive income	-	-	-	182	-	20,045	20,227	-	6,349	26,576
Realisation of revaluation reserve	-	-	-	-	(53)	53	-	-	-	-
Transactions with owners:										
Changes in ownership interests in subsidiaries	-	-	-	-	-	367	367	-	(17,065)	(16,698)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	16,148	16,148
Total transactions with owners	-	-	-	-	-	367	367	-	(917)	(550)
At 31 March 2023	381,851	(338)	(147,391)	767	7,476	344,787	587,152	-	109,186	696,338

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 2023 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 2024**
(The figures have not been audited)

	Cumulative quarter	
	31 March 2024	31 March 2023
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	19,174	32,797
Adjustment for:		
Depreciation of property, plant and equipment	11,108	9,440
Impairment loss on receivables	1,769	2,172
Interest expense	14,040	8,582
Interest income	(1,272)	(921)
Inventories (write back)/written off	(1)	3
Inventories written down	32	-
Fair value gain on other investments	(12,397)	(7,647)
Gain on disposal of property, plant and equipment	(35)	(133)
Gain on modification on lease contract	(13)	-
Loss on disposal of other investments	6,580	1,705
Reversal of impairment loss on trade receivables	(55)	(296)
Share of results of associates	(2,077)	(9,591)
Share of results of joint ventures	(348)	(2,321)
Unrealised gain on foreign exchange	(26)	(282)
Operating profit before working capital changes	36,479	33,508
Changes in working capital:		
Inventories	(28,857)	(27,647)
Trade receivables	47,941	3,478
Other receivables	20,453	4,324
Contract assets/liabilities	(11,581)	(33,952)
Trade payables	(11,163)	8,520
Other payables	(67,913)	(39,115)
	(51,120)	(84,392)
Cash used in operations	(14,641)	(50,884)
Interest paid	(14,322)	(8,582)
Interest received	1,272	921
Tax paid	(6,394)	(1,703)
Net cash used in operating activities	(34,085)	(60,248)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2024 (Cont'd)**
(The figures have not been audited)

	Cumulative quarter	
	31 March 2024	31 March 2023
	RM'000	RM'000
Cash Flows From Investing Activities		
Capital contribution by non-controlling interests	41,219	16,148
Purchase of property, plant and equipment	(11,224)	(5,077)
Purchase of other financial assets	(2,145)	-
Purchase of other investments	(3,397)	(52,010)
Acquisition of additional shares in an associate	(25,445)	-
Acquisition of subsidiary companies	-	(1,118)
Acquisition of additional investment in subsidiaries	(54,802)	(16,700)
Proceeds from disposal of other investments	48,115	25,083
Proceeds from disposal of property, plant and equipment	958	123
Net cash used in investing activities	<u>(6,721)</u>	<u>(33,551)</u>
Cash Flows From Financing Activities		
Proceed from issuance of MTN	20,000	-
Advances to a joint venture company	(2,014)	-
(Repayment to a director) / Amount due to a director	(31,397)	68,011
Drawdown of bank borrowings	27,003	9,329
Net changes on bankers' acceptance, trust receipt and revolving credits	44,483	4,591
Increase/(Decrease) in fixed deposits pledged	1,490	(1,274)
Repayment of bank borrowings	(25,369)	(19,287)
Repayment of lease liabilities	(2,300)	(883)
Net cash from financing activities	<u>31,896</u>	<u>60,487</u>
Net decrease in cash and cash equivalents	(8,910)	(33,312)
Cash and cash equivalents at the beginning of the financial period	127,948	116,524
Effect of exchange translation differences on cash and cash equivalents	(694)	182
Cash and cash equivalents at the end of the financial period	<u>118,344</u>	<u>83,394</u>
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	123,665	92,839
Bank overdrafts	(17,080)	(15,313)
Fixed deposits with licensed banks	42,147	28,135
	<u>148,732</u>	<u>105,661</u>
Less: Fixed deposits pledged to licensed banks	(30,388)	(22,267)
	<u>118,344</u>	<u>83,394</u>

Notes:

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

NOTES TO THE INTERIM FINANCIAL REPORT- FIRST QUARTER ENDED 31 MARCH 2024

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024

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 2023 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 2023, except for the adoption of standards and interpretations that are mandatory for the Group for the financial year beginning 1 January 2024:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The adoption of the above amendments to MFRSs do not have a material impact on the financial statements of the Group.

The Group has not applied the following standards, amendments and interpretations under MFRS framework that have been issued by the Malaysia Accounting Standards 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)	
Amendments to MFRS 121 – Lack of Exchangeability	1 January 2025
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 2024 (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 2023.

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 2024, the number of treasury shares held was 750,300 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.

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A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024 (CONT'D)
A7. Segmental information

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

	Unaudited	
	Individual/Cumulative quarter 31 March 2024 RM'000	31 March 2023 RM'000
Revenue		
• Investment holding and management services	3,354	1,927
• Others	300	221
 <u>Building material division</u>		
• Distribution of building materials and logistics services	235,045	239,678
• Ready-mixed concrete	-	27,618
• Manufacturing of safety glass, door & frame and metal roofing	80,517	-
• Manufacturing of autoclaved aerate concrete ("AAC") and precast concrete	121,150	106,296
• Manufacturing of wire mesh	47,436	48,145
• Trading of sanitaryware and fittings	-	159
 <u>Vehicle division</u>		
• Manufacturing and trading of commercial vehicles and bodyworks	10,937	16,423
 <u>Property development and construction division</u>		
• Construction	97,663	118,379
• Property development	25,609	3,630
	622,011	562,476
Adjustments and eliminations	(51,797)	(38,540)
	570,214	523,936

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024 (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/Cumulative quarter 31 March 2024 RM'000	31 March 2023 RM'000
Profit before taxation		
• Investment holding and management services	823	2,184
• Others	(240)	(157)
<u>Building material division</u>		
• Distribution of building materials and logistics services	2,570	5,049
• Ready-mixed concrete	(1)	(1,587)
• Manufacturing of safety glass, door & frame and metal roofing	1,654	-
• Manufacturing of autoclaved aerate concrete ("AAC") and precast concrete	10,459	4,213
• Manufacturing of wire mesh	304	458
• Modular building Solutions	(446)	(383)
• Trading of sanitaryware and fittings	(15)	(217)
<u>Vehicle division</u>		
• Manufacturing and trading of commercial vehicles and bodyworks	817	2,126
<u>Property development and construction division</u>		
• Construction	2,123	13,222
• Property development	(979)	(3,468)
	17,069	21,440
Share of results of associates	2,077	9,591
Share of results of joint ventures	348	2,321
	19,494	33,352
Adjustments and eliminations	(320)	(555)
	19,174	32,797

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024 (CONT'D)
A8. Dividend paid

There was no dividend paid during the current financial quarter.

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: -

	Unaudited	Audited
	31 March 2024	31 December 2023
	RM'000	RM'000
Authorised and contracted for:		
- acquisition of land held for property development	-	5,172
- acquisition of property, plant and equipment	16,288	2,229
- acquisition of freehold land	40,000	-
- acquisition of leasehold land	37,743	-
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A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024 (CONT'D)**A12. Changes in the composition of the Group**

Save as disclosed in Note B6 on the Status of Corporate Proposal Announced, there were no material changes in the composition of the Group for the current financial period ended 31 March 2024, except for the following:-

- i) On 5 February 2024, the Company entered into conditional share sale agreements (“SSA”) with Teoh Hai Hin and Por Teong Eng respectively for the proposed acquisition of 30,291,700 ordinary shares in Signature International Berhad (“SIB”) (“SIB Sale Share”) in total, representing approximately 4.77% equity interest in SIB for a total cash consideration of RM25,445,028 or RM0.84 per SIB Sale Share (“SIB Acquisition”).

The SIB Acquisition was approved by the Company’s shareholders during the Extraordinary General Meeting which was held on 29 March 2024. As a result, the Company’s aggregate shareholdings in SIB along with persons acting in concert increased from approximately 28.72% to 33.49%.

Accordingly, pursuant to Section 218(2) of the Capital Markets and Services Act, 2007 and Paragraph 4.01(a) of the Rules on Take-overs, Mergers and Compulsory Acquisitions, the Company will be obliged to extend a conditional mandatory general offer for all the remaining SIB Shares not already owned by the Company at a cash offer price of RM0.84 per SIB Share.

As at 31 March 2024, SIB remains as an associate company to the group with increased stake to 33.04%.

- ii) During the current financial period-to-date, Chin Hin Group Property Berhad (“CHGP”) had increased its issued and paid-up share capital from RM228,204,465 to RM269,423,665 through the issuance of 55,816,000 new ordinary shares pursuant to the Private Placement exercise. Additionally, the Company had acquired additional 36,194,200 ordinary shares in CHGP, which led to an increase of its total shareholdings in CHGP to 362,826,935 ordinary shares. As at 31 March 2024, the equity interest of the Company in CHGP is 54.94%;
- iii) On 27 February 2024, Ajiya Berhad (“Ajiya”) completed the acquisition of the remaining 100,000 ordinary shares, representing 10% of the total issued share capital of Ajiya Safety Glass Sdn Bhd (“ASG”) not owned by Ajiya, from Foresight Aim Sdn Bhd for cash consideration of RM9,000,000. Consequently, ASG became a wholly-owned subsidiary of Ajiya.
- iv) On 8 January 2024, BKG Development Sdn Bhd (“BKGD”), a wholly-owned subsidiary of CHGP, incorporated wholly-owned subsidiaries, Chin Hin Property (Penang) Sdn Bhd and Chin Hin Property (Melaka) Sdn Bhd with cash subscription of RM2 each respectively.
- v) On 22 January 2024, BKGD, incorporated a wholly-owned subsidiary, Chin Hin Management Sdn Bhd with cash subscription of RM2.

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024 (CONT'D)
A12. Changes in the composition of the Group (Cont'd)

- vi) On 23 February 2024, Stellar Platinum Sdn Bhd (“SPSB”) had increased its issued and paid-up ordinary share capital from 10 to RM2,000,000 by issuance of 1,999,990 ordinary shares for a total consideration of RM1,999,990. BKGD has subscribed for an additional 1,399,993 ordinary shares in SPSB by way of debt conversion of amount due from SPSB to BKGD for total consideration of RM1,399,993. Consequently, SPSB remained as 70%-owned subsidiary of BKGD.

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: -

Group	Unaudited 31 March 2024 RM'000	Audited 31 December 2023 RM'000
Unsecured		
Corporate guarantees by a subsidiary for credit facility granted to a joint venture company	18,150	18,150
Bank guarantee issued to third parties	147,070	163,867

A14. Material events subsequent to the end of the quarter

Save as disclosed below, 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:

- i) As highlighted in A12(i), the mandatory take-over offers by the Company to acquire all the remaining ordinary shares in SIB completed on 10 May 2024. As a result, SIB became a 71.72% subsidiary of the Company.
- ii) In the month of April 2024, the Company acquired additional 14,487,700 ordinary shares in CHGP for a total consideration of RM20,598,818, increasing the equity interest of the Company in CHGP to 57.13%.

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A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024 (CONT'D)**A15. Related party transactions**

Our Group's transactions with companies in which our directors or substantial shareholders have an interest in for the current quarter ended 31 March 2024 were as follows: -

	Unaudited RM'000
Transaction with companies in which the Directors or substantial shareholders have financial interest:	
-Transportation services	142
-Sales of goods	75
-Purchase of goods	3,093
-Construction and interior fit-out work	1,729
-Service rendered	159
-Rental received/receivables	3
-Rental paid/payables	828
-Insurance and road tax received	88

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 previous year corresponding period

	Unaudited		
	Individual/ 31 March 2024 RM'000	Cummulative 31 March 2023 RM'000	Quarter Changes %
Revenue	570,214	523,936	9%
Gross Profit ("GP")	60,277	48,578	24%
Profit Before Tax	19,174	32,797	-42%

1Q 2024 vs 1Q 2023

For the current financial quarter under review, the Group reported a revenue of RM570.21 million, an increase of RM46.27 million or 8.83% as compared to RM523.94 million in the preceding year corresponding quarter. The increased revenue for the current quarter was primarily driven by the consolidation of Ajiya Berhad's revenue contribution and the manufacturing of AAC and precast concrete products. This was partially offset by reduced contributions from the distribution of building materials and logistics services, as well as the ready-mixed concrete segment, following the disposal of Chin Hin Concrete KL Sdn Bhd in FY2023.

Increased sales from the manufacturing of AAC and precast concrete products segment have driven a 13.97% revenue growth this quarter compared to the same period last year, primarily due to higher volumes of precast concrete pipes, MI polymer concrete pipes, and drymix solution products.

Despite a slight decrease in revenue from the distribution of building materials and logistics services segment, it remains the core revenue driver for our building materials division, accounting for 48.55% of total sales in this sector.

On the other hand, revenue from construction division saw a decrease of RM20.72 million as compared to the preceding year corresponding quarter, mainly due to slower work progress for on-going projects as the projects approaching the completion stages. However, the decline was mitigated by the increase revenue in the property development division, contributed by higher sales from the on-going projects such as Quaver and Ayanna.

In line with the considerable increase in revenue, the Group's gross profit ("GP") has rose by RM11.70 million or 24.08% from RM48.58 million in the corresponding quarter of 2023 to RM60.28 million in the current quarter of 2024. The GP margin for the current quarter was 10.57%, slightly higher compared to 9.27% in the corresponding quarter of the previous year mainly due to improved margin for building material segment especially for manufacturing of AAC & precast concrete and manufacturing of safety glass, door & frame and metal roofing segment, slightly offset by deteriorated margin for construction segment.

The Group registered an increase in administrative expenses of RM13.70 million, bringing the total to RM40.22 million mainly due to the consolidation impact of Ajiya Berhad. Despite this increase, operating profit improved slightly to RM30.79 million from RM29.47mil, supported by the aforementioned factors.

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

B1. Review of performance (Cont'd)

Comparison with previous year corresponding period (Cont'd)

Overall, the Group recorded a lower profit before tax despite better performance arising from AAC and precast concrete products, primarily attributed by:

- Higher finance cost resulting from higher borrowings level coupled with higher interest rates;
- Lower profit contributions from the Construction division due to revision of budgeted cost for certain construction projects resulting to higher cost incurred for the on-going projects; and
- Lower profit contribution from Vehicle division mainly due to lower sales for rebuilt commercial vehicles as well as provision of impairment for inventories.

B2. Comparison with immediate preceding quarter's results

CURRENT QUARTER vs. PRECEDING QUARTER

	Unaudited		Changes %
	Individual quarter		
	31 March 2024 RM'000	31 December 2023 RM'000	
Revenue	570,214	527,415	8%
Gross Profit	60,277	47,834	26%
Operating Profit	30,789	95,261	-68%
Profit Before Tax	19,174	108,733	-82%
Profit After Tax	13,808	99,713	-86%
Profit Attributable to Ordinary Equity Holders of the Parent	9,072	92,153	-90%

For the quarter under review, the Group posted a revenue of RM570.21 million as compared to RM527.42 million in the preceding quarter, marking an increase of RM42.79 million or 8.11%. The higher revenue was mainly resulted from the consolidation effect of Ajiya Berhad's revenue contribution, offset by a decline in sales from Chin Hin Group Property Berhad attributed to slower progress for construction projects and lower sales for property unit and rebuilt commercial vehicle in the current quarter.

The Group reported a PBT of RM19.17 million, lower by RM89.56 million as compared to RM108.73 million in the preceding quarter. The notable decline was primarily attributed to:

- Absence of net gain on bargain purchase amounted to RM76.35 million resulting from the step-acquisition of Ajiya Berhad;
- Higher share of joint venture profit of RM21.76 million from the 8th & Stellar Joint Development project profit entitlement in the preceding quarter; and
- Absence of gain on disposal of subsidiary companies by RM6.83 million.

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

The global economy is poised for gradual improvement in the second half of the year, bolstered by stable monetary policies and increased consumer spending. China's economy expanded by 5.3% in the first quarter, surpassing expectations, supported by raft of policy measures. However, persistent geopolitical conflicts, a sluggish property market, slow progress in addressing inflation, and weak consumer demand may impede global economic growth.

In Malaysia, GDP is forecasted to normalize upwards to the official target set by Bank Negara Malaysia of +4.0-5.0% year-on-year (YoY), supported by sustained growth in private consumption and investment activities. The strong pipeline of infrastructure and public projects, as well as private sector capacity expansion would continue to fuel economy growth in 2024.

Looking ahead, we anticipate robust demand for our building materials and solutions, particularly with the initiation of construction projects outlined in Budget 2024. Additionally, prices for steel and cement, essential building materials, are expected to stabilize, reflecting improved market sentiment.

Our strategic presence in Singapore, bolstered by gains from exports denominated in Singapore dollars, solidifies its status as a crucial market for our AAC products. Additionally, winning data centre projects in Malaysia's southern growth corridor enhances our competitive edge. The demanding specifications of these projects open up considerable opportunities for our AAC and other product lines.

The integration of Ajiya as our subsidiary allows us to capitalize on its extensive plant and warehouse assets, broad customer base, and robust distribution network throughout Malaysia. Complementing our expansion into the Philippines and Indonesia, and leveraging synergies with our construction and property divisions, we anticipate sustained long-term revenue growth from our building materials sector.

In the property development segment, in January 2024, we undertook acquisitions of a 1.22-acre lot of freehold land in Penang for RM40.00 million, as well as six leasehold parcels totalling 838,736 sq ft in Melaka for RM41.94 million, building up our landbank for future growth.

The Group is preparing to launch three (3) new property development projects, namely Andalan Residences with an estimated Gross Development Value ("GDV") of RM247 million, Botanica Hills in Rawang with an estimated GDV of RM 392 million and resort themed mixed development in Melaka with an estimated GDV of RM792 million in current financial year. As of 31 March 2024, the Division has total unbilled sales of RM604.2 million mainly from its on-going property development projects namely Quaver Residence, Ayanna Resort Residences, Avantro Residences and Solarvest Suites.

The construction sector expects a gradual improvement in contract flows and target to participate in the construction of the planned launch of the Group's in-house property development projects. As of 31 March 2024, the construction segment's outstanding order book was RM1.3 billion. The replenishment of its order book will depend on the roll-out of infrastructure projects by the Malaysian Government and private construction projects. The segment will continue to bid for construction projects to replenish its current order book.

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

B3. Prospects (Cont'd)

The market for commercial vehicles is anticipated to experience continuous challenges. However, the Group remains cautiously optimistic about the prospect of this segment as the demand of light/big truck and prime movers are derived from logistic and transportation business. The Group is continuing to explore for more option available and expanding its sales and marketing for the Cergas Van which caters to the tourism industry, which expects to growth in the next few years. The Group is also exploring electric commercial vehicles in near future, in line with the Malaysian Government's encouragement and incentive of green energy vehicles.

The Group had, in early May 2024, completed the acquisition of further stake in Signature International Berhad, specializing in kitchen and wardrobe systems and interior fit-out works. This strategic move aims to strengthen integration, consolidate financial performance, and expand our asset base, facilitating access to capital markets for future expansion.

While we anticipate further improvement in the coming quarters, we remain cautiously optimistic due to potential challenges ahead.

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.

	Unaudited	
	Individual/Cumulative Quarter	
	31 March 2024 RM'000	31 March 2023 RM'000
Income tax expense		
- Current financial period	4,891	5,675
Deferred tax		
- Current financial period	475	728
Total tax expense	5,366	6,403

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)**B6. Status of corporate proposals**

There were no corporate proposals previously announced by the Group that remained uncompleted as at 23 May 2024, the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report, except as follows:

- (i) On 10 January 2024, CHGP announced that Chin Hin Property (Penang) Sdn Bhd, a wholly-owned subsidiary of BKGD, which in turn is a wholly-owned subsidiary of CHGP has entered into Agreement with Ivory Glenary Sdn Bhd for the purchase of a plot of freehold land measuring approximately 1.218 acre (currently identified as Penang Times Square, Phase 4) and forming part of the land held under a master title known as Geran 172694, Lot 10024, Seksyen 10, Bandar George Town, Daerah Timur Laut, Pulau Pinang measuring approximately 4.922 hectares (approximately 12.1625 acres) in area for a total cash consideration of RM40,000,000.00.

The proposed acquisition is conditional upon fulfilment of conditions precedent by 31 December 2024.

- (ii) On 29 February 2024, CHGP entered into Share Sale Agreements (“SSAs”) with the Company for:
- Proposed disposal of 2 ordinary shares in Chin Hin Construction Engineering Sdn Bhd (“CHCE”), representing the entire equity interests in CHCE, to the Company for a cash consideration of RM16,500,000; and
 - Proposed disposal of 9,500,000 ordinary shares in Kayangan Kemas Sdn Bhd (“KKSb”), representing 95% equity interests in KKSb to the Company for a cash consideration of RM93,500,000.

The SSAs are conditional upon fulfilment of various condition precedent by 28 June 2024.

- (iii) On 29 February 2024, CHGP proposed to undertake a private placement of up to 20% of its ordinary shares totalling up to 132,000,000 ordinary shares.

The proposal is subject to shareholders approval.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)**B6. Status of corporate proposals (Cont'd)**

(iv) On 29 February 2024, BKGD entered into a Shareholders' Agreement with Fiamma Holdings Berhad ("Fiamma") for:

(1) Joint development with Aricia Sdn Bhd ("Aricia") (formerly known as Fiamma Properties Sdn Bhd)

Proposed subscription by BKGD of 5,833,334 new ordinary shares in Aricia representing 70% of the enlarged ordinary share capital of Aricia at an issue price of RM1.00 per share to facilitate the parties' joint development on the following lands:

(a) all that parcel of freehold land held under Geran 25272, Lot 3240 Seksyen 92, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 4,047 square metres ("s.m."); and

(b) all that parcel of freehold land held under Geran 37713, Lot 260 Seksyen 92, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 6,535.46 s.m.

("Proposed Aricia Joint Venture")

In conjunction with the Proposed Aricia Joint Venture, BKGD had on 29 February 2024 also entered into the subscription agreements with Fiamma for the proposed issuance of 1,100,000 new redeemable preference shares by BKGD to Fiamma for a total consideration of RM1.00 to facilitate the Proposed Aricia Joint Venture.

(2) Joint development with Dawn Land Sdn Bhd ("Dawn Land") (formerly known as Fiamma Land Sdn Bhd)

Proposed subscription by BKGD of 1,166,667 new ordinary shares in Dawn Land representing 70% of the enlarged ordinary share capital of Dawn Land at an issue price of RM1.00 per share to facilitate the parties' joint development on the following lands:

(a) all that parcel of parcel of freehold land held under Geran 9348, Lot 54 Seksyen 44, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 773.936 s.m.

(b) all that parcel I of freehold land held under Geran 27778, Lot 74 Seksyen 44, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 1,456.8206 s.m.

(c) all that parcel of freehold land held under Geran 71341, Lot 192 Seksyen 44, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 3,477 s.m.

("Proposed Dawn Land Joint Venture")

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)**B6. Status of corporate proposals (Cont'd)**

- (iv) On 29 February 2024, BKGD entered into a Shareholders' Agreement with Fiamma Holdings Berhad ("Fiamma") for: (Cont'd)

- (2) Joint development with Dawn Land Sdn Bhd ("Dawn Land") (formerly known as Fiamma Land Sdn Bhd) (Cont'd)

In conjunction with the Proposed Dawn Land Joint Venture, BKGD had on 29 February 2024 also entered into the subscription agreements with Fiamma for the proposed issuance of 10,900,000 new redeemable preference shares by BKGD to Fiamma for a total consideration of RM1.00 to facilitate the Proposed Dawn Land Joint Venture.

The proposals are subject to shareholders approval by 28 June 2024.

- (v) Development Agreement for Mont Kiara Land

On 24 April 2024, BKHS Capital Sdn Bhd ("BKHS"), a wholly-owned subsidiary of BKGD, which in turn is a wholly-owned subsidiary of CHGP entered into a Development Agreement ("Agreement") with Archmill Sdn Bhd and Suasas Sentosa Sdn Bhd to appoint BKHS to implement and complete the development of all that parcel of freehold land held under Geran 65422, Lot 55347, Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 10,790 square metres (2.67 acres) into a residential development.

The Agreement is pending the fulfilment of the condition precedents by 23 April 2025.

- (vi) Development Agreement for Segambut Land

On 24 April 2024, Chin Hin Property (Segambut) Sdn Bhd ("CHPS"), a wholly-owned subsidiary of BKGD, which in turn is a wholly-owned subsidiary of CHGP has entered into a Development Agreement ("Agreement") with New York Empire Sdn Bhd and Kar Sin Bhd to appoint CHPS to implement and complete the development of all that parcel of freehold land held under Geran Mukim 54, Lot 448, Kepong Rly Line 8th Mile, Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 26,253.121 square metres (6.49 acres) into a residential development.

The Agreement is pending the fulfilment of the condition precedent by 23 April 2025.

- (vii) The Company had on 10 May 2024 entered into a loan agreement with Ajiya for the acceptance of a loan of up to RM250.0 million from Ajiya ("Loan Agreement") within a period of 24 months from the date when all the conditions precedent of the Loan Agreement are fulfilled, at an interest rate of 7.5% per annum, for the estimated funding requirements of the Group.

The proposal is subject to approval being obtained from the shareholders of Ajiya. However, the above proposal has no financial impact to the Group.

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

B6. Status of corporate proposals (Cont'd)

- (viii) Thai Ajiya Safety Glass Co., Ltd., a 99.99% owned subsidiary of Ajiya, had on 3 May 2024 entered into a Sale and Purchase Agreement (“SPA”) with Atlan (Thailand) Co., Ltd. for the disposal of all that piece of land held under Title Deed No. 154477 Land Marking No. 5325 IV2284, Land No. 1741, Survey No. 8549, measuring approximately 8.465 rai (13,544 square metres), together with a 3 storey office building and a factory erected thereon including furniture fitting, overhead crane, transformer, other facilities and improvements situated in Amata City Chonburi Industrial Estate, 700/609, Soi Amata 26 (Zone B), Amata Industrial Road, Don Hua Lo Subdistrict, Mueang Chonburi District, Chonburi Province, Thailand for a total cash consideration of 208,000,000.00 Baht (equivalent to RM26,790,659) only.

Barring any unforeseen circumstances, the disposal is expected to be completed by 4th quarter of the financial year 2024.

- (ix) The Company had on 23 November 2023 entered into a Memorandum of Understanding (“MOU”) with Menteri Besar Incorporated (Perak) and Yunchang Engineering and Construction (M) Sdn Bhd for the proposed collaboration relating to the planning, design and construction of fishery industrial park located at Wilayah Baroh, Mukim Hutan Melintang, Daerah Hilir Perak, Perak Darul Ridzuan.

All parties had mutually agreed to extend the period of the MOU for another three (3) months from 23 May 2024.

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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: -

	Unaudited As at 31 March 2024 RM'000	Audited As at 31 December 2023 RM'000
Bank overdrafts	17,080	27,145
Revolving credits	89,463	95,687
Bankers' acceptance	390,563	363,004
Invoice financing	21,787	22,375
Term loans	553,503	548,837
Margin facility	73,588	52,182
Bills discounting facility	3,379	4,081
Total bank borrowings	1,149,363	1,113,311
Total bank borrowings comprises:-		
Current:		
Bank overdraft	17,080	27,145
Revolving credits	89,463	95,687
Bankers' acceptance	390,563	363,004
Invoice financing	21,787	22,375
Term loans	53,925	76,275
Margin facility	73,588	52,182
Bills discounting facility	3,379	4,081
	649,785	640,749
Non-current:		
Term loans	499,578	472,562
	1,149,363	1,113,311

B8. Lease liabilities

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

	Unaudited As at 31 March 2024 RM'000	Audited As at 31 December 2023 RM'000
Present value of minimum lease payments:		
Repayable within twelve months	8,528	8,032
Repayables after twelve months	8,691	4,810
	17,219	12,842

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

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:

	Unaudited	
	Individual/Cumulative Quarter 31 March 2024	31 March 2023
Profit attributable to ordinary equity holders of the Group (RM'000)	9,072	20,045
Number of ordinary shares in issues as at 1 January ('000)	1,770,164	1,770,164
Effect of treasury shares held	(750)	(750)
Weighted average number of ordinary shares in issue ('000)	1,769,414	1,769,414
Basic/diluted earnings per share (sen)	0.51	1.13

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 period and before the end of this quarter.

	Unaudited	
	Individual/Cumulative Quarter 31 March 2024	31 March 2023
Profit attributable to ordinary equity holders of the Group (RM'000)	9,072	20,045
Weighted average number of ordinary shares as above	1,769,414	1,769,414
Basic earnings per share (sen)	0.51	1.13

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 2024 RM'000	As at 31 March 2023 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
Depreciation of property, plant and equipment	11,108	9,440
Impairment loss on receivables	1,769	2,172
Inventories (write back)/written off	(1)	3
Inventories written down	32	-
Fair value gain on other investments	(12,397)	(7,647)
Gain on disposal of property, plant and equipment	(35)	(133)
Gain on modification on lease contract	(13)	-
Loss on disposal of other investments	6,580	1,705
Realised gain on foreign exchange	(45)	(151)
Reversal of impairment loss on trade receivables	(55)	(296)
Unrealised gain on foreign exchange	(26)	(282)

B13. Comparative figures

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

BY ORDER OF THE BOARD

30 May 2024