

## CHIN HIN GROUP PROPERTY BERHAD

# INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31<sup>ST</sup> DECEMBER 2021

## CHIN HIN GROUP PROPERTY BERHAD

Registration No: 200101017677(553434-U)  
(Incorporated in Malaysia)

Headquarters/Head Office:  
1177, Jalan Dato Keramat  
14300 Nibong Tebal  
Seberang Perai Selatan  
Penang

Tel. No.: 04-593 1504  
Fax. No.: 04-594 3158  
Email: [bkgb@boonkoon.com](mailto:bkgb@boonkoon.com)



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021

*(The figures have not been audited)*

	Individual Financial Quarter Ended 31 December 2021	Cumulative Financial Period Ended 31 December 2021
Note	RM'000	RM'000
Revenue	66,292	124,826
Cost of sales	(53,538)	(106,396)
<b>Gross Profit</b>	<b>12,754</b>	<b>18,430</b>
Other operating income	307	1,038
Finance income	52	55
Impairment loss on trade receivables	236	(2,534)
Impairment loss on other receivables	(14)	(14)
Administrative and selling expenses	(5,128)	(9,909)
<b>Profit from operations</b>	<b>8,207</b>	<b>7,066</b>
Finance costs	(1,769)	(3,360)
Share of results of associate companies	(144)	5,462
Share of results of jointly controlled entity	271	271
<b>Profit before taxation</b>	<b>6,565</b>	<b>9,439</b>
Taxation	(3,449)	(3,870)
<b>Profit after taxation</b>	<b>3,116</b>	<b>5,569</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the financial period</b>	<b>3,116</b>	<b>5,569</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021 (Cont'd)**

*(The figures have not been audited)*

	Individual Financial Quarter Ended 31 December 2021	Cumulative Financial Period Ended 31 December 2021
Note	RM'000	RM'000
<b>PROFIT AFTER TAX ATTRIBUTABLE TO:</b>		
Owners of the Company	1,086	3,541
Non-controlling interests	2,030	2,028
	3,116	5,569
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>		
Owners of the Company	1,086	3,541
Non-controlling interests	2,030	2,028
	3,116	5,569
Earnings per share attributable to owners of the Company:		
- Basic (sen)	B9 0.29	0.94
- Diluted (sen)	B9 0.26	0.86

*Notes:*

There is no comparative for the financial quarter/period ended 31 December 2021 due to the change in the financial year end from 31 March to 31 December as stated in Note A3 of Explanatory Notes to the Unaudited Interim Financial Report. The Unaudited Condensed Consolidated Statement of Comprehensive Income for the financial period ended 31 December 2021 are not comparable with the individual and cumulative quarter previously reported.

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

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

	As At 31 December 2021 RM'000	(Audited) As At 31 March 2021 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	41,574	39,285
Right-of-use assets	2,548	2,966
Investment properties	31,610	28,800
Investment in associate companies	48,796	40,476
Investment in jointly controlled entity	1,260	-
Goodwill	2,905	-
Inventories	884	884
Deferred tax assets	-	293
<b>TOTAL NON-CURRENT ASSETS</b>	<b>129,577</b>	<b>112,704</b>
<b>CURRENT ASSETS</b>		
Inventories	177,311	30,548
Trade receivables	126,861	109,087
Other receivables	53,561	33,091
Contract assets	24,741	-
Tax recoverable	11	11
Fixed deposit with licensed bank	12,505	-
Cash and bank balances	16,979	11,898
<b>TOTAL NON-CURRENT ASSETS</b>	<b>411,969</b>	<b>184,635</b>
<b>TOTAL ASSETS</b>	<b>541,546</b>	<b>297,339</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	124,479	80,191
Treasury shares	(255)	(255)
Foreign currency translation reserve	176	176
Revaluation reserve	14,284	14,410
Capital reserve	(28)	(28)
Warrant reserve	3,988	7,034
Retained earnings	51,131	47,134
Equity attributable to owners of the parent	193,775	148,662
Non-controlling interest	21,044	176
<b>TOTAL EQUITY</b>	<b>214,819</b>	<b>148,838</b>

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

	As At 31 December 2021 RM'000	(Audited) As At 31 March 2021 RM'000
<b>NON-CURRENT LIABILITIES</b>		
Contract liabilities	24	35
Bank borrowings	101,413	746
Lease liabilities	1,270	1,112
Deferred tax liabilities	3,833	3,425
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>106,540</b>	<b>5,318</b>
<b>CURRENT LIABILITIES</b>		
Contract liabilities	278	290
Trade payables	64,255	14,949
Other payables	60,688	39,511
Amount due to holding company	9,500	-
Amount due to related companies	257	-
Bank borrowings	83,240	84,188
Lease liabilities	820	531
Tax Payable	1,149	3,714
<b>TOTAL CURRENT LIABILITIES</b>	<b>220,187</b>	<b>143,183</b>
<b>TOTAL LIABILITIES</b>	<b>326,727</b>	<b>148,501</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>541,546</b>	<b>297,339</b>
<b>NET ASSET PER SHARE (RM)</b>	<b>0.57</b>	<b>0.46</b>

**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 March 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 FINANCIAL PERIOD ENDED 31 DECEMBER 2021 (Cont'd)

(The figures have not been audited)

	Attributable to Owners of the Parent						Retained Earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
	Non-Distributable			Distributable						
	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserve RM'000	Foreign Currency Translation Reserve RM'000	Capital Reserve RM'000	Revaluation Reserve RM'000				
<b>At 1 April 2021</b>	80,191	(255)	7,034	176	(28)	14,410	47,134	148,662	176	148,838
Profit for the financial period	-	-	-	-	-	-	3,541	3,541	2,028	5,569
Other comprehensive income for the financial period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	-	-	-	3,541	3,541	2,028	5,569
Realisation of revaluation surplus	-	-	-	-	-	(126)	126	-	-	-
<b>Transactions with owners:</b>										
Issuance of shares	31,167	-	-	-	-	-	-	31,167	-	31,167
Exercise of warrants	13,121	-	(3,046)	-	-	-	-	10,075	-	10,075
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	18,870	18,870
Disposal of equity interest to non-controlling interests	-	-	-	-	-	-	330	330	(30)	300
Total transactions with owners of the Company	44,288	-	(3,046)	-	-	-	330	41,572	18,840	60,412
<b>At 31 December 2021</b>	<b>124,479</b>	<b>(255)</b>	<b>3,988</b>	<b>176</b>	<b>(28)</b>	<b>14,284</b>	<b>51,131</b>	<b>193,775</b>	<b>21,044</b>	<b>214,819</b>

Notes:

There is no comparative for the financial quarter/period ended 31 December 2021 due to change of financial year end from 31 March to 31 December as stated in Note A3 of Explanatory Notes to the Unaudited Interim Financial Report. The Unaudited Condensed Consolidated Statement of Changes in Equity for the financial period ended 31 December 2021 is not comparable with the cumulative quarter previously reported.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021**
*(The figures have not been audited)*

	Cumulative Financial Period Ended 31 December 2021 RM'000
<b>Cash Flows From Operating Activities</b>	
Profit before taxation	9,439
Adjustments for :	
Depreciation of property, plant and equipment	754
Depreciation of right-of-use assets	442
Gain on disposal of property, plant and equipment	(96)
Gain on lease modification	(3)
Loss on disposal of right-of-use assets	36
Impairment loss on trade receivables	2,534
Impairment loss on other receivables	14
Interest expense	3,360
Interest income	(55)
Inventories written down	590
Reversal of impairment loss on trade receivables	(268)
Share of results of associate company	(5,462)
Share of results of jointly controlled entity	(271)
Unrealised loss on foreign exchange	461
Operating profit before changes in working capital	11,475
Changes in working capital	
Changes in contract liabilities	(22)
Changes in inventories	(147,368)
Changes in receivables	7,057
Changes in payables	31,823
Changes in contract assets	(11,740)
Amount due to holding company	9,500
Amount due to related companies	257
Cash used in operations	(99,018)
Interest received	1
Interest paid	(3,013)
Tax paid	(4,591)
<b>Net cash flows used in operating activities</b>	<b>(106,621)</b>

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

	Cumulative Financial Period Ended 31 December 2021 RM'000
<b>Cash Flows From Investing Activities</b>	
Interest received	54
Net cash outflow from acquisition of subsidiary companies	(16,205)
Purchase of property, plant and equipment	(387)
Proceeds from disposal of property, plant and equipment	161
Proceeds from disposal of right-of-use assets	11
Proceeds from disposal of equity interest to non-controlling interests	300
<b>Net cash flows used in investing activities</b>	<u>(16,066)</u>
<b>Cash Flows From Financing Activities</b>	
Drawdown of term loans	110,836
Increase in fixed deposits pledged	(2,628)
Payment of lease liabilities	(449)
Net changes in banker's acceptances, revolving credit and trust receipts	(12,634)
Repayment of term loans	(302)
Proceeds from exercise of warrants	22,367
Proceeds from issuance of shares	10,075
<b>Net cash flows from financing activities</b>	<u>127,265</u>
<b>Net increase in cash and cash equivalents</b>	4,578
Effects of changes in exchange rates	3
<b>Cash and cash equivalents at beginning of the financial period</b>	11,898
<b>Cash and cash equivalents at end of the financial period</b>	<u>16,479</u>

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

Cumulative  
 Financial Period Ended  
 31 December 2021  
 RM'000

Cash and cash equivalents at the end of the financial period comprises:

Cash and bank balances	16,979
Fixed deposits with licensed banks	12,505
Bank overdraft	(500)
	28,984
Less: Fixed deposits pledged to licensed banks	(12,505)
	16,479

Notes:

There is no comparative for the financial quarter/period ended 31 December 2021 due to change of financial year end from 31 March to 31 December as stated in Note A3 of Explanatory Notes to the Unaudited Interim Financial Report. The Unaudited Condensed Consolidated Statement of Cash Flows for the financial period ended 31 December 2021 is not comparable with the cumulative quarter previously reported.

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

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**A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021 (CONT'D)**

**A2. Auditors' report of preceding annual audited financial statements**

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

**A3. Change of financial year end**

As announced on 6 September 2021, the Group changed its financial year end from 31 March to 31 December. As a result, the next audited financial statements of the Group will be covering a 9-month period ending 31 December 2021.

**A4. 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.

**A5. 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.

**A6. 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 March 2021.

**A7. Debt and equity securities**

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

During the current financial period to date, there were issuance of 50,377,400 new ordinary shares pursuant to the conversion of Warrants 2013/2023 at an exercise price of RM0.20 per ordinary share for a total cash consideration of RM10,075,480.

During the current financial period to date, there were issuance of 30,226,000 new ordinary shares pursuant to the private placement exercise at the issue price of RM0.74 each for a total cash consideration of RM22,367,240.

During the current financial period to date, there were issuance of 11,000,000 new ordinary shares at an issue price of RM0.80 each pursuant to the acquisition of Kayangan Kemas Sdn Bhd.

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

As at 31 December 2021, the number of treasury shares held was 700,000 ordinary shares.

## A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021 (CONT'D)

### A8. Dividend

No dividend was declared or paid in the current financial quarter and financial period to-date.

### A9. Valuation of property, plant and equipment

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

### A10. Valuation of investment properties

The values captured are based upon a valuation exercise carried out by independent firms of professional valuer. The valuations were arrived at by reference to market evidence of transaction prices for similar properties. This was in line with our policy upon adoption of MFRS 140, that investments properties are revalued at regular intervals of at least once every year. There is no revaluation surplus or deficit from the valuation exercise to be recognised in the current financial quarter and financial period to date.

### A11. Capital commitments

There were no outstanding capital commitments as at the date of this quarterly report, except for the followings:-

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

This acquisition was completed on 20 December 2021.

- (iii) Boon Koon Capital Sdn. Bhd ("BKC"), a wholly-owned subsidiary of the Company had on 8 February 2021 entered into a SPA with SMD Real Estate Sdn. Bhd. to acquire a piece of freehold land at Bandar Cyberjaya, Daerah Sepang, Selangor for a cash consideration of RM50,223,330. BKC and the vendor had on 6 December 2021 agreed to extend the conditional period of the SPA to 5 June 2022.

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

- (iv) Boon Koon Commercial Sdn. Bhd, a wholly-owned subsidiary of BKGD had on 18 February 2021 entered into a SPA with Perumahan Kinrara Berhad to acquire a piece of freehold land located at Daerah Petaling, Pekan Kinrara, Selangor for a cash consideration of RM59,765,600. This acquisition was completed on 1 November 2021.
- (v) STSB had on 15 April 2021 entered into a SPA with private owners to acquire a piece of agricultural land with development potential located at Mukim Serendah, Daerah Hulu Selangor, Selangor for a cash consideration of RM2,391,522. This acquisition was completed on 12 August 2021.
- (vi) BKSP Autoworld Sdn. Bhd., a wholly-owned subsidiary of BKGD had on 28 October 2021 entered into a SPA with Frazel Luxe Sdn. Bhd. to acquire a piece of freehold land located at Mukim Petaling, Tempat 9 3/4 Mile, Kuchai Road, Daerah Kuala Lumpur, Wilayah Persekutuan for a cash consideration of RM85,000,000. The proposed acquisition was approved in the Extraordinary General Meeting held on 25 February 2022.

	Unaudited 31 December 2021 RM'000	Audited 31 March 2021 RM'000
Acquisition of property, plant and equipment		
- Approved and contracted for	135,223	20,915
- Contracted and subject to shareholders' approval	-	164,511
	<hr/>	<hr/>

**A12. Changes in the composition of the Group**

There were no changes in the composition of the Group during the current financial quarter and financial period to-date, except for the followings:-

- i) On 23 November 2021, Chin Hin Group Property Berhad ("CHGP") has completed the acquisition of 6,500,000 ordinary shares, 65% equity stake in Kayangan Kemas Sdn Bhd ("KKSB") for a total consideration of RM37,950,000. Subsequently, KKSB has become the 65% owned subsidiary company of CHGP.
- ii) On 16 February 2022, Chin Hin Construction Sdn Bhd ("CHCSB"), a subsidiary of CHGP has proposed the acquisition of 15,000,000 ordinary shares, representing 60% equity interest in Asia Baru Construction Sdn Bhd, for a purchase consideration of RM30.00 million.



**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**
**B1. Review of performance**

Segmental information is presented in respect of the Group's business segments. The Group comprises of the following main business segments:-

- (a) Commercial vehicles and bodyworks - Manufacturing and trading of rebuilt and new commercial vehicles, bodyworks and their related services.
- (b) Property development - Property development activities.
- (c) Rental and fleet management services - Rental of commercial vehicles and forklift, provision of fleet management and other related services.
- (d) Construction – Building and general construction.
- (e) Other segment - Investment holding and the provision of management services.

	Individual Financial Quarter Ended 31 December 2021 RM'000	Individual Financial Quarter Ended 30 September 2021 RM'000	Cumulative Financial Period Ended 31 December 2021 RM'000
<b>Revenue</b>			
(a) Commercial vehicles and bodyworks	31,464	25,514	81,271
(b) Property development	1,639	1,104	8,773
(c) Rental and fleet management services	758	741	2,344
(d) Construction	32,427	-	32,427
(e) Others segment	172	172	515
	66,460	27,531	125,330
Less : Elimination	(168)	(166)	(504)
<b>Total</b>	66,292	27,365	124,826
<b>Profit before taxation</b>			
(a) Commercial vehicles and bodyworks	2,155	1,119	1,194
(b) Property development	(3,173)	(1,709)	(4,554)
(c) Rental and fleet management services	70	296	525
(d) Construction	8,056	-	8,056
(e) Others segment	(674)	(627)	(1,525)
	6,434	(921)	3,696
Less : Elimination	4	3	10
	6,438	(918)	3,706
Share of results of associates	(144)	1,824	5,462
Share of results of jointly controlled entity	271	-	271
<b>Total</b>	6,565	906	9,439



**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)****B1. Review of performance (Cont'd)**Comparison with preceding quarter

- (a) For commercial vehicles and bodyworks segment, revenue for the current quarter was RM31.46 million, an increase of RM5.95 million as compared to RM25.51 million in the preceding quarter. The revenue hike was due to higher demand for rebuilt commercial vehicles in the current quarter. Profit before taxation ("PBT") in the current quarter was RM2.16 million, an increase of RM1.04 million as compared to PBT of RM1.12 million in the preceding quarter. The higher PBT was due to adjustment of overprovision of impairment loss on trade receivables in the current quarter.
- (b) For property development segment, revenue for the current quarter was RM1.64 million, an increase of RM0.54 million as compared to RM1.10 million in the preceding quarter. As at 31 December 2021, the stage of recognition for Aera Project was 100.00% (as at 30 September 2021: 99.16%). This segment has suffered a loss before taxation ("LBT") of RM3.17 million, an increase of RM1.46 million as compared to LBT of RM1.71 million in the preceding quarter. The higher LBT was attributable to almost nil construction activities at site as Aera project already reached tail end and new project has yet to launch.  
The "8th & Stellar" Project has recorded a share of joint venture losses ("share of results of associates") of RM0.13 million for the current quarter, with weighted stage of recognition of approximately at 20.68% for commercial lots and 23.11% for residential lots as at 31 December 2021 (as at 30 September 2021: commercial lots: 20.63%, residential lots: 19.24%).
- (c) For the rental and fleet management services segment, revenue for the current quarter was recorded at RM0.76 million, a decrease of RM0.02 million as compared to RM0.74 million recorded in the preceding quarter. PBT in the current quarter was RM0.07 million, a decrease of RM0.23 million as compared to RM0.30 million in the preceding quarter. The lower PBT was due to there was no salary subsidy received from SOCSO in the current quarter.
- (d) For the construction segment, revenue and profit before tax recorded at RM32.43 million and RM8.06 million respectively after the completion of acquisition of Kayangan Kemas Sdn Bhd in the last quarter of 2021. Majority of the revenue and profit recognised derived from the construction of 15 storey of DBKL enforcement department complex located at Bandar Tun Razak and casting of precast concrete beam & half slab (site cast) for Miri Hospital Annex Building, Sarawak.
- (e) Other segment's revenue for the current quarter was recorded at RM0.17 million, which was the same as preceding quarter. However, LBT for the current quarter was RM0.68 million, an increase of RM0.05 million as compared to LBT of RM0.63 million in the preceding quarter. The higher LBT suffered was due to higher administrative expenses incurred for corporate exercise in the current quarter.
- (f) Share of results of jointly controlled entity, R Synergy Sdn Bhd of RM0.27 million for the current quarter solely derived from the profit recognised on the construction of Miri Hospital Annex Building, Sarawak (Design and Build).

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

### B2. Prospects

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

#### (i) Commercial vehicles and bodyworks

The Group anticipates that the commercial vehicles market to remain very challenging in view of the weakening Malaysian Ringgit against others major currencies which put pressure on the profit margin. The effect of the weakening Ringgit has become more pronounced in recent years. However, due to the Group's competitive costs advantage strategy especially in the light-trucks models, where demand remains strong for logistic and food delivery business, and moving forward, the Group will also be strengthening its marketing efforts for the heavy trucks model to increase its market share.

#### (ii) Property development and construction

The Group has emphasised on applying real estate video marketing to showcase properties, social media and Zoom Application Portability Profile ("App") to drive sales for "8th & Stellar" joint developments project which comprises mixed residential and commercial lots in Sri Petaling during the pandemic period. Social media channels are the perfect place to promote property among younger millennials. The Company has managed to boost sales up to 86.55% as at 31 December 2021.

The unit sold to-date for Aera Project already reached the tail end of 100%, the Group will continue to beef up efforts for vacant possession and deliver to the end purchasers in the coming quarter.

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

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

Barring any unforeseen circumstances, the board is cautiously optimistic that the long-term outlook for GHGP remains positive.

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

### B3. Estimates/Forecast

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

### B4. Taxation

	Individual Financial Quarter Ended 31 December 2021 RM'000	Cumulative Financial Period Ended 31 December 2021 RM'000
Income tax expense		
- Current financial period	(3,214)	(3,434)
- Overprovision in prior year	253	253
	<u>(2,961)</u>	<u>(3,181)</u>
Deferred tax		
- Current financial period	(510)	(711)
- Overprovision in prior year	22	22
	<u>(3,449)</u>	<u>(3,870)</u>

The effective tax rate for the financial period ended 31 December 2021 is higher than the statutory tax rate due to certain expenses not allowable and movement in deferred tax.

## B5. 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) Proposed acquisition of 65% equity interest in Kayangan Kemas Sdn Bhd and Proposed diversification of Chin Hin Group Property Berhad ("CHGP") and its subsidiaries' existing businesses to include construction business

On 5 July 2021, the Company announced the following proposals:-

- (i) Proposed acquisition of 6,500,000 ordinary shares in Kayangan Kemas Sdn Bhd ("Kayangan"), representing 65% equity interest in Kayangan, for a purchase consideration of RM37.95 million, subject to adjustment, which will be satisfied via cash of RM29.15 million and allotment and issuance of 11,000,000 new ordinary shares in CHGP ("Consideration Shares") at an issue price of RM0.80 per Consideration Share pursuant to a conditional share sale agreement between CHGP and Chan Kin Keong and Khor Chee Yong dated 5 July 2021 ("Proposed Acquisition"); and
- (ii) Proposed diversification of CHGP and its subsidiaries' existing businesses to include construction business ("Proposed Diversification").

**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)****B5. Status of corporate proposals and utilisation of proceeds (Cont'd)****I. Status of corporate proposal (Cont'd)**

- (a) Proposed acquisition of 65% equity interest in Kayangan Kemas Sdn Bhd and Proposed diversification of CHGP and its subsidiaries' existing businesses to include construction business (Cont'd)

(Collectively, referred as the "Proposals")

Bursa Securities had on 24 August 2021 approved the extension of time of up to 4 November 2021 for the Company to submit the draft circular and additional listing application in relation to the Proposals.

On 15 September 2021, the Company announced that the additional listing application and draft circular for the Proposals have been submitted to Bursa Securities. Bursa Securities had via its letter dated 12 October 2021 which was received on 13 October 2021, approved the listing and quotation of 11,000,000 Consideration Shares to be issued pursuant to the Proposed Acquisition.

The approval granted by Bursa Securities for the Consideration Shares is subject to the following conditions:-

- (i) CHGP and M&A Securities Sdn. Bhd. ("M&A Securities") must fully comply with the relevant provisions under the Main Market Listing Requirements ("Main LR") pertaining to the implementation of the Proposed Acquisition;
- (ii) CHGP is required to furnish Bursa Securities with a certified true copy of the resolutions passed by its shareholders at a general meeting for the Proposals;
- (iii) CHGP and M&A Securities are required to inform Bursa Securities upon the completion of the Proposed Acquisition; and
- (iv) CHGP is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Acquisition is completed.

CHGP is required to ensure full compliance of all the requirements as provided under the Main LR at all times.

The shareholders had on 11 November 2021 approved the Proposals. This acquisition was completed on 23 November 2021.

**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)****B5. Status of corporate proposals and utilisation of proceeds (Cont'd)****I. Status of corporate proposal (Cont'd)****(b) Proposed Acquisition of a piece of freehold land from Frazel Luxe Sdn Bhd and proposed private placement of up to 10% of the issued ordinary shares in CHGP**

On 28 October 2021, the Company announced the following proposals:-

- (i) BKSP Autoworld Sdn Bhd ("BKSP"), a wholly-owned subsidiary of BKG Development Sdn Bhd, which in turn is a wholly-owned subsidiary of CHGP, had on 28 October 2021 entered into a conditional sale and purchase agreement ("SPA") with Frazel Luxe Sdn Bhd ("FLSB") to acquire a freehold land identified as Geran Mukim 98, Lot 797, Mukim Petaling, Tempat 9 3/4 Mile, Kuchai Road, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan for a cash consideration of RM85.00 million ("Proposed Acquisition"); and
- (ii) CHGP proposed to undertake a private placement of up to 10% of the issued ordinary shares of CHGP. Subsequently on 22 November 2021, the Company has submitted additional listing application to Bursa Securities ("Proposed Private Placement")

On 30 November 2021, the Company announced that Bursa Securities had via its letter dated 29 November 2021, approved the listing and quotation of up to 49,535,100 new ordinary shares to be issued pursuant to the Proposed Private Placement.

The approval granted by Bursa Securities for the Placement Shares is subject to the following conditions:-

- (i) CHGP and M&A Securities must fully comply with the relevant provisions under the Main LR pertaining to the implementation of the Proposed Private Placement;
- (ii) CHGP and M&A Securities are required to inform Bursa Securities upon the completion of the Private Placement;
- (iii) CHGP is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Acquisition is completed; and
- (iv) M&A Securities is required to furnish Bursa Securities with details of the places in accordance with paragraph 6.15 of the Main LR as soon as practicable after each tranche of placement and before the listing of the new shares to be issued pursuant to the Proposed Private Placement.

On 27 January 2022, the Company announced that BKSP and FLSB agreed to extend the conditional period of the SPA to 28 March 2022.

**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)**
**B5. Status of corporate proposals and utilisation of proceeds (Cont'd)**
**I. Status of corporate proposal (Cont'd)**

- (c) Proposed Acquisition by Kayangan Kemas Sdn Bhd, a subsidiary company of CHGP, of 60% equity interest in Makna Setia Sdn Bhd for a purchase consideration of RM9.00 million, subject to adjustment, to be satisfied in cash

On 10 December 2021, the Company announced that Kayangan Kemas Sdn Bhd ("Kayangan"), a 65% owned subsidiary of CHGP proposes to undertake the proposed acquisition of 1,500,000 ordinary shares in Makna Setia Sdn Bhd ("Makna Setia"), representing 60% equity interest in Makna Setia, for a purchase consideration of RM9.00 million, which will be satisfied fully via cash pursuant to a conditional share sale agreement entered between KKSB and Liew Jor Ho, Chai Yan Min and Yap Seng Hee dated 10 December 2021.

- (d) Proposed Acquisition by Chin Hin Construction Sdn Bhd ("CHCSB"), a subsidiary company of CHGP of 60% equity stake in Asia Baru Construction Sdn Bhd ("ABC") for a purchase consideration of RM30.00 million, to be satisfied in cash

On 16 February 2022, the Company announced that CHCSB, a wholly-owned subsidiary of CHGP proposes to undertake the proposed acquisition of 15,000,000 ordinary shares in ABC, representing 60% equity interest in ABC, for a purchase consideration of RM30.00 million, which will be satisfied fully via cash pursuant to a conditional share sale agreement entered between CHCSB and Dato' Ong Boon Hai, Low Siang Tim, Goh Bee Tin, Pan Heng Seong, Teoh Teik Leong and Law & Loo Development Sdn. Bhd. ("Vendors")

**II. Utilisation of proceeds**

As at 31 December 2021, the status of the utilisation of the proceeds of RM37.07 million raised from the Special Issue of Shares is as follows:-

	Fully utilised RM'000
Proceeds raised from Special Issue of Shares for lands acquisitions	37,067

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

**B6. Borrowings**

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

	As at 31 December 2021 RM'000	(Audited) As at 31 March 2021 RM'000
Bank overdraft	500	-
Banker's acceptances	11,000	15,150
Revolving credits	60,000	69,000
Term loans	112,637	784
Trust receipts	516	-
<b>Total bank borrowings</b>	<b>184,653</b>	<b>84,934</b>
<b>Total bank borrowings comprises:-</b>		
<b>Current:</b>		
Bank overdraft	500	-
Banker's acceptances	11,000	15,150
Revolving credits	60,000	69,000
Term loans	11,224	38
Trust receipts	516	-
	<b>83,240</b>	<b>84,188</b>
<b>Non-current:</b>		
Term loans	101,413	746
	<b>184,653</b>	<b>84,934</b>

**B7. Lease liabilities**

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

	As at 31 December 2021 RM'000	(Audited) As at 31 March 2021 RM'000
<b>Present value of minimum lease payments:-</b>		
Repayable within twelve months	820	531
Repayables after twelve months	1,270	1,112
	<b>2,090</b>	<b>1,643</b>



**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)****B8. Material litigation**

There was no material litigation during the current financial quarter and financial period to-date.

**B9. 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 Financial Quarter Ended 31 December 2021	Cumulative Financial Period Ended 31 December 2021
Profit for the period attributable to the owners of the Parent (RM'000)	1,086	3,541
Number of ordinary shares in issues as at 1 April ('000)	348,791	348,791
Effect of ordinary share issued during the financial period ('000)	27,726	27,726
Effect of treasury shares held ('000)	(700)	(700)
	<u>375,817</u>	<u>375,817</u>
Basic earnings per share (sen)	<u>0.29</u>	<u>0.94</u>

**Diluted earnings per ordinary share**

The diluted 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 in issue, adjusted for the dilutive effects of warrants as follows:

	Individual Financial Quarter Ended 31 December 2021	Cumulative Financial Period Ended 31 December 2021
Profit for the period attributable to the owners of the Parent (RM'000)	1,086	3,541
Weighted average number of ordinary shares as above ('000)	375,817	375,817
Adjustment for assumed conversion of warrants ('000)	38,119	38,119
Weighted average number of ordinary shares ('000)	<u>413,936</u>	<u>413,936</u>
Diluted earnings per share (sen)	<u>0.26</u>	<u>0.86</u>



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

## B10. Disclosure on selected expense/income items as required by the Listing Requirements

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

	Individual Financial Quarter Ended 31 December 2021 RM'000	Cumulative Financial Period Ended 31 December 2021 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
Depreciation of property, plant and equipment	281	754
Depreciation of right-of-use assets	133	442
Impairment loss on trade receivables	(236)	2,534
Impairment loss on other receivables	14	14
Inventories written down	14	590
Interest expense	1,769	3,360
Lease expenses relating to short term lease	66	99
Loss on disposal of right-of-use assets	36	36
Unrealised loss on foreign exchange	407	461
And crediting :		
Interest income	(52)	(55)
Gain on disposal of property, plant and equipment	-	(96)
Gain on lease modification	(3)	(3)
Realised gain on foreign exchange	(73)	(418)
Rental income	(3)	(9)
Reversal of impairment loss on trade receivables	(178)	(268)
Share of results of associate companies	144	(5,462)
Share of results of jointly controlled entity	(271)	(271)

BY ORDER OF THE BOARD

25 February 2022