

CHIN HIN GROUP PROPERTY BERHAD [Registration No: 200101017677 (553434-U)]
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**
(The figures have not been audited)

| | Individual Quarter | | | Cumulative Quarter | | |
|--|-------------------------------------|-------------------------------------|-----------------|-------------------------------------|-------------------------------------|-----------------|
| | 30.6.2023 (Unaudited) RM' 000 | 30.6.2022 (Unaudited) RM' 000 | Changes % | 30.6.2023 (Unaudited) RM' 000 | 30.6.2022 (Unaudited) RM' 000 | Changes % |
| Revenue | 158,742 | 35,851 | >100% | 297,175 | 69,458 | >100% |
| Cost of sales | (138,469) | (29,238) | >100% | (255,224) | (58,899) | >100% |
| Gross profit | 20,273 | 6,613 | >100% | 41,951 | 10,559 | >100% |
| Other income | 616 | 1,423 | -57% | 1,387 | 5,012 | -72% |
| Administrative expenses | (11,953) | (6,181) | 93% | (22,044) | (12,172) | 81% |
| Other operating expenses | (1,745) | (893) | 95% | (2,067) | (1,171) | 76% |
| Fair value (loss)/gain on other investment | (1,441) | - | <-100% | 2,707 | - | >100% |
| Operating profit | 5,750 | 962 | >100% | 21,934 | 2,228 | >100% |
| Finance costs | (2,115) | (1,144) | 85% | (3,346) | (2,286) | 46% |
| Share of results of associate companies | (267) | 541 | <-100% | 157 | 2,830 | -94% |
| Share of results of joint venture company | 5,756 | 575 | >100% | 8,077 | 867 | >100% |
| Profit before tax | 9,124 | 934 | >100% | 26,822 | 3,639 | >100% |
| Income tax expense | (2,514) | (529) | >100% | (5,704) | (895) | >100% |
| Profit after tax | 6,610 | 405 | >100% | 21,118 | 2,744 | >100% |
| Other comprehensive income | - | - | | - | (176) | -100% |
| Total comprehensive income for the financial period | 6,610 | 405 | >100% | 21,118 | 2,568 | >100% |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONT'D)**
(The figures have not been audited)

| | Individual Quarter | | | Cumulative Quarter | | |
|--|-------------------------------------|------------------------------------|--------------|-------------------------------------|-------------------------------------|--------------|
| | 30.6.2023 (Unaudited) RM' 000 | 30.6.2022 (Unaudited) RM'000 | Changes % | 30.6.2023 (Unaudited) RM' 000 | 30.6.2022 (Unaudited) RM' 000 | Changes % |
| Profit after tax attributable to: | | | | | | |
| Owners of the parent | 5,831 | 64 | >100% | 19,506 | 1,370 | >100% |
| Non-controlling interests | 779 | 341 | >100% | 1,612 | 1,374 | 17% |
| | <u>6,610</u> | <u>405</u> | >100% | <u>21,118</u> | <u>2,744</u> | >100% |
| Total comprehensive income: | | | | | | |
| Owners of the parent | 5,831 | 64 | >100% | 19,506 | 1,194 | >100% |
| Non-controlling interests | 779 | 341 | >100% | 1,612 | 1,374 | 17% |
| | <u>6,610</u> | <u>405</u> | >100% | <u>21,118</u> | <u>2,568</u> | >100% |
| Earnings per share in sen | | | | | | |
| - Basic | <u>1.18</u> | <u>0.01</u> | >100% | <u>3.95</u> | <u>0.31</u> | >100% |
| - Diluted | <u>1.18</u> | <u>0.01</u> | >100% | <u>3.95</u> | <u>0.29</u> | >100% |

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 2022 and the accompanying explanatory notes attached to the interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**
(The figures have not been audited)

| | As at 30.6.2023 (Unaudited) RM'000 | As at 31.12.2022 (Audited) RM'000 |
|-------------------------------------|---|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 56,806 | 52,471 |
| Right-of-use assets | 6,662 | 6,504 |
| Investment properties | 31,610 | 31,610 |
| Goodwill on consolidation | 3,890 | 3,459 |
| Investment in associate companies | 1,708 | 1,540 |
| Investment in joint venture company | 65,632 | 57,391 |
| Other investment | 35 | 70 |
| Inventories | 64,667 | 63,267 |
| Trade receivables | 13,201 | 15,278 |
| Deferred tax assets | 816 | 816 |
| | 245,027 | 232,406 |
| Current assets | | |
| Inventories | 331,143 | 230,212 |
| Contract assets | 157,777 | 90,450 |
| Trade receivables | 69,710 | 96,494 |
| Other receivables | 54,805 | 42,875 |
| Amount due from joint venture | 2,125 | - |
| Other investment | 46,527 | - |
| Tax recoverable | 2,212 | 2,661 |
| Fixed deposits with licensed banks | 27,364 | 21,875 |
| Cash and bank balances | 40,687 | 58,400 |
| | 732,350 | 542,967 |
| Asset classified as held for sale | - | 1,223 |
| | 732,350 | 544,190 |
| TOTAL ASSETS | 977,377 | 776,596 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 183,698 | 134,813 |
| Treasury shares | (255) | (255) |
| Reserves | 98,883 | 76,454 |
| | 282,326 | 211,012 |
| Non-controlling interests | 12,422 | 31,975 |
| Total equity | 294,748 | 242,987 |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023 (CONT'D)**
(The figures have not been audited)

| | As at 30.6.2023 (Unaudited) RM'000 | As at 31.12.2022 (Audited) RM'000 |
|-------------------------------------|---|--|
| Non-current liabilities | | |
| Trade payables | 9,558 | 6,606 |
| Bank borrowings | 251,711 | 188,821 |
| Lease liabilities | 2,847 | 2,334 |
| Deferred tax liabilities | 6,890 | 5,369 |
| | 271,006 | 203,130 |
| Current liabilities | | |
| Contract liabilities | - | 34 |
| Trade payables | 125,499 | 144,133 |
| Other payables | 138,896 | 102,905 |
| Amount due to a director | 52,321 | 7,020 |
| Amount due to holding company | 4,888 | 4,834 |
| Amount due to related companies | 13,154 | 3,875 |
| Borrowings | 72,983 | 64,663 |
| Lease liabilities | 1,572 | 2,026 |
| Taxation | 2,310 | 989 |
| | 411,623 | 330,479 |
| Total liabilities | 682,629 | 533,609 |
| TOTAL EQUITY AND LIABILITIES | 977,377 | 776,596 |
| Net Asset Per Share (RM) | 0.60 | 0.55 |

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 2022 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Net asset per share for the current quarter/period 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.*

CHIN HIN GROUP PROPERTY BERHAD [Registration No: 200101017677 (553434-U)]
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

(The figures have not been audited)

| | Non-Distributable | | | | | Distributable | | | | Total Equity RM' 000 |
|---|-----------------------------|-------------------------------|-------------------------------|--|-------------------------------|-----------------------------------|--------------------------------|------------------|---|----------------------------|
| | 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 | Retained Profits RM' 000 | Total RM' 000 | Non-controlling Interests RM' 000 | |
| Opening balance at 1 Jan 2022 | 124,480 | (255) | 3,988 | 176 | (28) | 14,284 | 51,190 | 193,835 | 20,613 | 214,448 |
| Total comprehensive income for the period | - | - | - | - | - | - | 1,370 | 1,370 | 1,374 | 2,744 |
| Foreign currency translation reserve | - | - | - | (176) | - | - | - | (176) | - | (176) |
| Realisation of revaluation surplus | - | - | - | - | - | (83) | 83 | - | - | - |
| Exercise warrant | 776 | - | (180) | - | - | - | - | 596 | - | 596 |
| Closing balance at 30 Jun 2022 | 125,256 | (255) | 3,808 | - | (28) | 14,201 | 52,643 | 195,625 | 21,987 | 217,612 |
| Opening balance at 1 Jan 2023 | 134,813 | (255) | 1,589 | - | (28) | 15,912 | 58,981 | 211,012 | 31,975 | 242,987 |
| Total comprehensive income for the period | - | - | - | - | - | - | 19,506 | 19,506 | 1,612 | 21,118 |
| Realisation of revaluation surplus | - | - | - | - | - | (108) | 108 | - | - | - |
| Exercise warrant | 6,641 | - | (1,542) | - | - | - | - | 5,099 | - | 5,099 |
| Private placement | 42,244 | - | - | - | - | - | - | 42,244 | - | 42,244 |
| Acquisition of equity interest of NCI | - | - | - | - | - | - | 4,465 | 4,465 | (21,165) | (16,700) |
| Closing balance at 30 Jun 2023 | 183,698 | (255) | 47 | - | (28) | 15,804 | 83,060 | 282,326 | 12,422 | 294,748 |

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 2022 and the accompanying explanatory notes attached to this interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**
(The figures have not been audited)

| | 6 months ended | |
|---|---|---|
| | 30.6.2023 (Unaudited) RM'000 | 30.6.2022 (Unaudited) RM'000 |
| Operating activities | | |
| Profit before taxation | 26,822 | 3,639 |
| Adjustments for: | | |
| Depreciation and amortisation | 2,915 | 1,478 |
| Fair value gain on equity instrument | (2,707) | - |
| Reversal of impairment loss on trade receivables | (267) | (1,193) |
| Interest expense | 3,346 | 2,286 |
| Impairment loss on trade receivables | 2,042 | - |
| Gain on disposal of property, plant and equipment | (55) | (123) |
| Gain on disposal of asset held for sale | (34) | - |
| Unrealised gain on foreign exchange | (335) | (952) |
| Share of profits in associates | (157) | (2,830) |
| Share of profits in joint ventures | (8,077) | (867) |
| Interest income | (292) | (156) |
| Gain on liquidation of a subsidiary company | - | (176) |
| Total adjustments | (3,621) | (2,533) |
| Operating cash flows before changes in working capital | 23,201 | 1,106 |
| Changes in working capital: | | |
| Inventories | (28,583) | (6,872) |
| Receivables | 19,530 | 31,605 |
| Payables | 19,197 | 8,096 |
| Contact asset/ liabilities | (55,622) | (15,496) |
| Total changes in working capital | (45,477) | 17,333 |
| Cash (used in)/ from operations | (22,277) | 18,439 |
| Interest received | 292 | 156 |
| Interest paid | (3,346) | (2,286) |
| Tax paid | (2,587) | (3,679) |
| Tax refund | - | 3 |
| Net cash flows (used in)/ from operating activities | (27,918) | 12,633 |
| Investing activities | | |
| Acquisition of a subsidiary | (1,118) | - |
| Changes in subsidiary's ownership interests | (16,700) | - |
| Proceeds from disposal of property, plant and equipment | 1,390 | 123 |
| Purchase of other investment | (43,859) | - |
| Purchase of property, plant and equipment | (5,242) | (2,864) |
| Purchase of right-of-use assets | (43) | - |
| Net cash flows used in investing activities | (65,572) | (2,741) |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONT'D)**
(The figures have not been audited)

| | 6 months ended | |
|---|------------------------------------|------------------------------------|
| | 30.6.2023 (Unaudited) RM'000 | 30.6.2022 (Unaudited) RM'000 |
| Financing activities | | |
| Advance from a director | 44,341 | - |
| Advance from holding company | 54 | 2,873 |
| (Repayment to)/ Advance from related companies | (30,096) | 1,684 |
| Increase in fixed deposits pledged | 664 | 686 |
| Proceeds from exercise of warrants | 5,099 | 596 |
| Proceeds from private placement | 42,244 | - |
| Drawdown of term loan | 15,965 | - |
| Repayment of term loan | (2,933) | (1,754) |
| Repayment of lease liabilities | (1,200) | (725) |
| Net changes in banker's acceptances, revolving credit and bank facilities | 5,041 | 5,028 |
| Net cash flows from financing activities | <u>79,179</u> | <u>8,388</u> |
| Net (decrease)/ increase in cash and cash equivalents | <u>(14,311)</u> | <u>18,280</u> |
| Effect on exchange rate changes on cash and cash equivalents | - | (3) |
| Cash and cash equivalents as at 1 January | <u>54,524</u> | <u>16,480</u> |
| Cash and cash equivalents as at 30 June | <u>40,213</u> | <u>34,757</u> |
| Cash and cash equivalents : | | |
| Cash and bank balances | 40,687 | 44,163 |
| Fixed deposits with licensed banks | 27,290 | 11,819 |
| Bank overdrafts | (7,555) | (9,406) |
| | <u>60,422</u> | <u>46,576</u> |
| Less : Fixed deposits pledged | (20,209) | (11,819) |
| | <u>40,213</u> | <u>34,757</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 2022 and the accompanying explanatory notes attached to this interim financial report.

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NOTES TO THE INTERIM FINANCIAL REPORT- SECOND QUARTER ENDED 30 JUNE 2023

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2023

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 2022 and the accompanying explanatory notes attached to this interim financial report.

A2. Significant accounting policies

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 2022, except for the adoption of standards and interpretations that are mandatory for the Group for the financial year beginning 1 January 2023:-

| | |
|------------------------|--|
| MFRS 17 | Insurance Contracts |
| Amendments to MFRS 17 | Insurance Contracts |
| Amendments to MFRS 17 | Initial Application of MFRS 17 and MFRS 9 – Comparative Information |
| Amendments to MFRS 101 | Disclosure of Accounting Policies |
| Amendments to MFRS 108 | Definition of Accounting Estimates |
| Amendments to MFRS 112 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction |
| Amendments to MFRS 112 | International Tax Reform – Pillar Two Model Rules |

The Group has not applied the following standards, amendments and interpretations under the 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 16 | Lease Liability in a Sale and Leaseback | 1 January 2024 |
| Amendments to MFRS 101 | Classification of Liabilities as Current or Non-Current | 1 January 2024 |
| Amendments to MFRS 101 | Non-current Liabilities with Covenant | 1 January 2024 |
| 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 |

A3. Auditors' report

The auditor's report on the preceding annual financial statements was not subject to any audit qualification.

A4. Seasonal and cyclical factors

The results for the current quarter under review were not materially affected by seasonal or cyclical factors.

A5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

A6. Changes in estimates

There were no changes in estimates that have any material effect in the current quarter under review.

A7. Equity and debt securities

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

During the current financial period, there were issuance of 25,495,248 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 RM5,099,050.

On 13 January 2023, the first tranche of the Private Placement shares of 8,500,000 were issued at an issue price of RM1.00 per share, total proceeds raised was RM8,500,000.

On 20 February 2023, the second tranche of the Private Placement shares of 7,680,000 were issued at an issue price of RM0.95 per share, total proceeds raised was RM7,296,000.

On 4 April 2023, the third tranche of the Private Placement shares of 17,000,000 were issued at an issue price of RM0.90 per share, total proceeds raised was RM15,300,000.

On 18 April 2023, the forth tranche of the Private Placement shares of 11,987,620 were issued at an issue price of RM0.93 per share, total proceeds raised was RM11,148,487.

During the current financial period, none of the treasury shares were distributed as share dividend to the shareholders. As at 30 June 2023, the number of treasury shares held was 700,000 ordinary shares.

A8. Dividend paid

No dividend has been paid during the current quarter under review.

A9. Segment information
6 months ended 30 June 2023 (Current Financial Period)

| | Property development RM'000 | Construction RM'000 | Commercial vehicles and fleet management RM'000 | Others segment RM'000 | Elimination RM'000 | Consolidated RM'000 |
|---|-----------------------------------|------------------------|---|-----------------------------|-----------------------|------------------------|
| Revenue | 16,595 | 256,713 | 35,493 | 338 | (11,964) | 297,175 |
| Results | | | | | | |
| Segment results | (3,805) | 20,912 | 4,340 | 1,882 | (1,395) | 21,934 |
| Finance costs | (3,545) | (524) | (508) | (657) | 1,888 | (3,346) |
| Share of results of associate companies | - | 157 | - | - | - | 157 |
| Share of results of joint venture company | 8,619 | (542) | - | - | - | 8,077 |
| Profit before tax | 1,269 | 20,003 | 3,832 | 1,225 | 493 | 26,822 |
| Income tax expense | | | | | | (5,704) |
| Profit for the financial period | | | | | | 21,118 |

6 months ended 30 June 2022 (Previous Financial Period)

| | Property development RM'000 | Construction RM'000 | Commercial vehicles and fleet management RM'000 | Others segment RM'000 | Elimination RM'000 | Consolidated RM'000 |
|---|-----------------------------------|------------------------|---|-----------------------------|-----------------------|------------------------|
| Revenue | 1,279 | 36,729 | 31,443 | 342 | (335) | 69,458 |
| Results | | | | | | |
| Segment results | (2,910) | 4,223 | 2,211 | (548) | (748) | 2,228 |
| Finance costs | (1,517) | (367) | (311) | (844) | 753 | (2,286) |
| Share of results of associate companies | 2,346 | 484 | - | - | - | 2,830 |
| Share of results of joint venture company | - | 867 | - | - | - | 867 |
| (Loss)/ Profit before tax | (2,081) | 5,207 | 1,900 | (1,392) | 5 | 3,639 |
| Income tax expense | | | | | | (895) |
| Profit for the financial period | | | | | | 2,744 |

A10. Valuation of Property, Plant & Equipment and Investment Properties

The Group adopts the fair value model for its investment properties. There is no significant and indicative change in value of the said investment properties since the last balance sheet date.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter ended 30 June 2023 except for the followings :

- a) On 25 August 2022, the Company entered into a share sale agreement with Chan Kin Keong to acquire 3,000,000 ordinary shares in Kayangan Kemas Sdn Bhd (“Kayangan”), representing 30% equity interest in Kayangan for a cash consideration of RM16.70 million.

On 1 January 2023, the proposed acquisition is deemed completed as the Company had fulfilled all its payment obligation under the share sale agreement and obtained control of Kayangan. In accordance with MFRS 3 Business Combinations, the Company’s stake in Kayangan is now deemed as 95%.

On 11 August 2023, the Company announced that the Acquisition of Kayangan is completed.

A12. Contingent Assets and Liabilities

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

| | As at | |
|---|------------------------------------|------------------------------------|
| | 30.6.2023 (Unaudited) RM'000 | 30.6.2022 (Unaudited) RM'000 |
| Unsecured | | |
| - Guarantees given to third parties in respect of trade & contracts | 46,785 | 69,836 |
| - Guarantees given to financial institutions for borrowings | 363,738 | 175,862 |
| | 410,523 | 245,698 |

A13. Capital commitment

| | As at | |
|---|------------------------------------|------------------------------------|
| | 30.6.2023 (Unaudited) RM'000 | 30.6.2022 (Unaudited) RM'000 |
| Approved and contracted for: | | |
| - Acquisition of land held for property development | 50,223 | 126,723 |
| - Acquisition of property, plant and equipment | 207 | 1,351 |
| | 50,430 | 128,074 |

A14. Related party transactions

Our Group's transactions with companies in which our directors or substantial shareholders have an interest for the current financial quarter and financial year to date were as follows:

| | Current quarter | | Cumulative quarter | |
|--|------------------------|--------------------|---------------------------|--------------------|
| | 3 months ended | | 6 months ended | |
| | 30.6.2023 | 30.6.2022 | 30.6.2023 | 30.6.2022 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Progress billing receivables | 19,079 | 463 | 33,565 | 2,322 |
| Purchase of goods | 12,474 | 2,086 | 19,168 | 3,150 |
| Rental paid/ payable | 1,927 | 55 | 1,994 | 109 |
| Road tax and insurance paid | 10 | 2 | 78 | 68 |
| Project management fee received/ receivables | - | 1,304 | 165 | 1,304 |
| Rental income received/ receivables | - | 3 | - | 6 |
| | 33,490 | 3,913 | 54,970 | 6,959 |

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

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
B1. Review of performance
Review of performance against the previous year corresponding period

During the current quarter, the Group recorded a revenue of RM158.74 million and profit before tax of RM9.12 million ended 30 June 2023 as compared to a revenue of RM35.85 million and profit before tax of RM0.93 million in the preceding year quarter ended 30 June 2022. The increases in revenue and profit before tax were mainly due to higher work progress of the construction projects.

For the current year to date, the Group recorded a revenue of RM297.18 million and profit before tax of RM26.82 million as compared to a revenue of RM69.46 million and profit before tax of RM3.64 million in the preceding year corresponding period. The performance for this financial period was mainly contributed by several major on-going construction projects.

Tabulated below are the various divisional contributions:

Review of performance

| | Individual Quarter | | Cumulative Period | |
|--|--------------------|---------------|-------------------|---------------|
| | 30 June 2023 | 30 June 2022 | 30 June 2023 | 30 June 2022 |
| | Unaudited | Unaudited | Unaudited | Unaudited |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | | | |
| (a) Property development | 12,965 | 1,279 | 16,595 | 1,279 |
| (b) Construction | 135,724 | 22,081 | 256,713 | 36,729 |
| (c) Commercial vehicles and fleet management | 19,071 | 12,487 | 35,493 | 31,443 |
| (d) Others segment | 169 | 171 | 338 | 342 |
| | <u>167,929</u> | <u>36,018</u> | <u>309,139</u> | <u>69,793</u> |
| Less : Elimination | (9,187) | (167) | (11,964) | (335) |
| Total | <u>158,742</u> | <u>35,851</u> | <u>297,175</u> | <u>69,458</u> |
| Profit before taxation | | | | |
| (a) Property development | (3,882) | (1,637) | (7,350) | (4,427) |
| (b) Construction | 8,416 | 1,164 | 20,388 | 3,856 |
| (c) Commercial vehicles and fleet management | 1,799 | 898 | 3,832 | 1,900 |
| (d) Others segment | (2,276) | (629) | 1,225 | (1,392) |
| | <u>4,057</u> | <u>(204)</u> | <u>18,095</u> | <u>(63)</u> |
| Less : Elimination | (422) | 22 | 493 | 5 |
| | <u>3,635</u> | <u>(182)</u> | <u>18,588</u> | <u>(58)</u> |
| Share of results of associates | (267) | 541 | 157 | 2,830 |
| Share of results of joint venture company | <u>5,756</u> | <u>575</u> | <u>8,077</u> | <u>867</u> |
| Total | <u>9,124</u> | <u>934</u> | <u>26,822</u> | <u>3,639</u> |

B1. Review of performance (cont'd)**Property development**

Revenue for the current quarter increased to RM12.97 million compared to RM1.28 million in the preceding year's corresponding quarter, mainly contributed by Quaver project. Correspondingly, loss before tax increased to RM3.88 million compared to RM1.64 million in the preceding year's corresponding quarter, mainly due to higher marketing cost incurred to prepare for new launch projects such as Ayanna, Avantro and Solarvest Tower.

Revenue for the current year to date increased to RM16.59 million compared to RM1.28 million in the preceding year to date mainly contributed by the newly acquired Quaver project. Loss before tax increased to RM7.35 million compared to RM4.43 million in the preceding year to date mainly due to higher staff cost and marketing cost incurred in the current year.

Construction

In the current quarter, revenue increased to RM135.72 million compared to RM22.08 million in the preceding year's corresponding quarter. Correspondingly, profit before tax increased to RM8.42 million compared to RM1.16 million in the preceding year's corresponding quarter. This was mainly due to higher work progress for the on-going projects.

Revenue for the current year to date increased to RM256.71 million compared to RM36.73 million in the preceding year to date. Profit before tax increased to RM20.39 million compared to RM3.86 million in the preceding year to date, mainly attributed to several major on-going project from private and government sectors.

Commercial vehicles and fleet management

For the current quarter, revenue increased to RM19.08 million compared to RM12.49 million in the preceding year's corresponding quarter. Profit before tax increased to RM1.80 million compared to RM0.90 million in the preceding year's corresponding quarter. This was due to higher demand for rebuilt commercial vehicles in the current quarter.

Revenue for the current year to date increased to RM35.49 million compared to RM31.44 million in the preceding year to date. Profit before tax increased to RM3.83 million compared to RM1.90 million in the preceding year to date, mainly due to contributed by commercial vehicle division.

B2. Financial review for current quarter compared with immediate preceding quarter

Analysis of performance of the respective business segments are as follows:-

Review of performance

| | Current Quarter 30 June 2023 Unaudited RM'000 | Immediate Preceding Quarter 31 March 2023 Unaudited RM'000 |
|--|--|---|
| Revenue | | |
| (a) Property development | 12,965 | 3,630 |
| (b) Construction | 135,724 | 120,989 |
| (c) Commercial vehicles and fleet management | 19,071 | 16,422 |
| (d) Others segment | 169 | 169 |
| | 167,929 | 141,210 |
| Less : Elimination | (9,187) | (2,777) |
| Total | 158,742 | 138,433 |
| Profit before taxation | | |
| (a) Property development | (3,882) | (3,468) |
| (b) Construction | 8,416 | 11,972 |
| (c) Commercial vehicles and fleet management | 1,799 | 2,033 |
| (d) Others segment | (2,276) | 3,500 |
| | 4,057 | 14,037 |
| Less : Elimination | (422) | 915 |
| | 3,635 | 14,952 |
| Share of results of associates | (267) | 424 |
| Share of results of joint venture company | 5,756 | 2,321 |
| Total | 9,124 | 17,697 |

Material changes in the current quarter's result compared to the preceding quarter

The Group's revenue increased to RM158.74 million in the current quarter compared to RM138.43 million in the preceding quarter mainly due to higher work progress for on-going construction projects and development project in the current quarter. Profit before tax decreased to RM9.12 million compared to RM17.70 million in the preceding quarter. The decrease in profit before tax was mainly due to higher administrative expenses and marketing cost incurred in the current quarter.

B3. Commentary on prospects

For our *property development segment*, the Group is to launch two (2) new property development projects, namely Ayanna Resort Residence at Bukit Jalil and Avantro Residences at Bandar Kinrara in 2023 with an estimate total Gross Development Value (“GDV”) of RM1.14 billion. Within the year, the Group is expected to launch its commercial development, the Solarvest Tower at KL Gateway with an estimated GDV of RM234.78 million.

Our *construction segment* is expecting a gradual improvement in contract flows. The construction division’s outstanding order book stands at RM1.16 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 market for *commercial vehicles* is anticipated to experience continuous challenges. In addition, the weakening of the Malaysia Ringgit against other major currencies placed pressure on the profit margin of this segment. Nevertheless, the Group remains cautiously optimistic about the prospect of this segment due to the strong demand for light/ big truck models and prime movers from the logistics and food delivery businesses. The Group will continue to explore for more option available and expanding its sales and marketing for the Cergas Van which was targeted for the Tourism & Commercial Industry.

The Group will continue to exercise prudence in its business dealings and enhance productivity excellence with cost optimization to create value for shareholder and achieve sustainable growth of business in the long term.

B4. Profit forecast

Not applicable as there was no profit forecast published.

B5. Disclosure on selected expenses/ income items as required by the Listing Requirements

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

| | Current quarter | | Cumulative quarter | |
|--|-----------------|-------------|--------------------|-------------|
| | 3 months ended | | 6 months ended | |
| | 30.6.2023 | 30.6.2022 | 30.6.2023 | 30.6.2022 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Gain on disposal of plant and equipment | - | 42 | 55 | 123 |
| Reversal of impairment loss on trade receivables | 1 | 271 | 267 | 1,193 |
| Gain on disposal of held for sales | 34 | - | 34 | - |
| Fair value (loss)/ gain on equity instrument | (1,441) | - | 2,707 | - |
| Interest income | 152 | 60 | 292 | 156 |
| Interest expense | (2,116) | (1,144) | (3,346) | (2,286) |
| Depreciation and amortisation | (1,542) | (772) | (2,915) | (1,478) |
| Unrealised gain foreign exchange | 104 | 1,083 | 335 | 952 |
| Share of results of associates companies | (267) | 541 | 157 | 2,830 |
| Share of results of joint venture company | 5,756 | 575 | 8,077 | 867 |

B6. Income tax expense

Taxation is provided at the prevailing statutory rate based on the operating profit for the quarter as follows:

| | Current quarter | | Cumulative quarter | |
|---|-----------------|-------------|--------------------|-------------|
| | 3 months ended | | 6 months ended | |
| | 30.6.2023 | 30.6.2022 | 30.6.2023 | 30.6.2022 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax: | | | | |
| -Malaysian income tax | (2,514) | (429) | (5,704) | (694) |
| Deferred tax | | | | |
| - relating to origination and reversal of temporary differences | - | (100) | - | (201) |
| Total income tax expense | (2,514) | (529) | (5,704) | (895) |

The effective tax rate for the financial period ended 30 June 2023 is lower than the statutory tax rate due to unabsorbed tax losses brought forward.

B7. Corporate proposal

Saved as disclosed below, there were no other corporate proposals that the Company had announced and are pending completion as of to date:

(a) Proposed acquisition of a parcel of land from SMD Real Estate Sdn Bhd (“Proposed Acquisition 1”)

On 8 February 2021, the Company announced that Boon Koon Capital Sdn Bhd (“BKC”), a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement (“SPA 1”) with SMD Real Estate Sdn Bhd to purchase a parcel of land identified as HSD 52600, PT No 65618, Bandar Cyberjaya, Daerah Sepang, Negeri Selangor for cash consideration of RM50,223,329.60.

On 6 December 2021, the parties agreed to extend the conditional period of the SPA 1 to 5 June 2022. On 3 June 2022, the parties agreed to further extend the conditional period to 6 March 2023.

On 8 August 2023, the Company announced that the conditional period for the SPA has lapsed and the SPA is of no further effect. As such, the transaction is deemed aborted.

B7. Corporate proposal (cont'd)

On 25 August 2022, the Company announced to propose to undertake the followings:-

(b) Multiple Proposals

(i) Proposed Acquisition of Kayangan Kemas Sdn Bhd (“Kayangan”)

CHGP, on 25 August 2022 entered into a share sale agreement with Chan Kin Keong to acquire 3,000,000 ordinary shares in Kayangan, representing 30% equity interest in Kayangan for a cash consideration of RM16.70 million.

On 1 January 2023, the proposed acquisition is deemed completed as the Company had fulfilled all its payment obligation under the share sale agreement and obtained control of Kayangan. In accordance with MFRS 3 Business Combinations, the Company’s stake in Kayangan is now deemed as 95%.

On 11 August 2023, the Company announced that the Acquisition of Kayangan is completed.

(ii) Proposed Private Placement

CHGP proposed to undertake a private placement of up to 15% of its issued ordinary shares.

On 29 November 2022, Bursa Securities approved the listing and quotation of up to 75,952,650 new CHGP Shares to be issued pursuant to the Private Placement.

On 17 January 2023, the first tranche of the Private Placement shares of 8,500,000 was issued at an issue price of RM1.00 per share, total proceeds raised is RM8,500,000.

On 22 February 2023, the second tranche of the Private Placement shares of 7,680,000 was issued at an issue price of RM0.95 per share, total proceeds raised is RM7,296,000.

On 4 April 2023, the third tranche of the Private Placement shares of 17,000,000 was issued at an issue price of RM0.90 per share, total proceeds raised is RM15,300,000.

On 20 April 2023, the fourth tranche of the Private Placement shares of 11,987,620 was issued at an issue price of RM0.93 per share, total proceeds raised is RM11,148,486.60.

Private Placement is completed following the listing of 45,167,620 new shares on the Main Market of Bursa Securities.

(c) Joint Development Agreement

On 3 May 2023, Stellar Platinum Sdn Bhd, a wholly-owned subsidiary of the Company entered into a Joint Development Agreement (“Agreement”) with Ivory Meadows Sdn Bhd for a proposed development of serviced residence located in Bandar Tanjung Pinang, Daerah Timor Laut, Negeri Penang known as “Crown Penang”, with an estimated gross development value of RM475 million. The said Joint Development Agreement is subject to condition precedents to be met by 5 November 2023.

B8. Utilisation of proceeds – Private Placement

| Purpose | Proposed Utilisation RM'000 | Actual proceeds received as at 30 June 2023 RM'000 | Actual utilisation as at 30 June 2023 RM'000 | Balance unutilised as at 30 June 2023 RM'000 | Intended timeframe for utilisation from the date of listing |
|--|--------------------------------|---|---|---|---|
| Proposed Acquisition of Quaver | 1,250 | 1,250 | (1,250) | - | Completed |
| Proposed Settlement | 23,085 | 23,085 | (23,085) | - | Completed |
| Proposed Acquisition of Kayangan | 16,700 | 16,700 | (16,700) | - | Completed |
| Working capital | 12,500 | 459 | (459) | - | Completed |
| Expenses relating to the Private Placement | 750 | 750 | (750) | - | Completed |
| Total | 54,285 | 42,244 | (42,244) | - | |

B9. Borrowings

The total borrowings incurred by the Group and outstanding as at end of the current quarter are as follows:

| | As at | |
|---|------------------------------------|------------------------------------|
| | 30.6.2023 (Unaudited) RM'000 | 30.6.2022 (Unaudited) RM'000 |
| Short term borrowings - Secured: | | |
| Banker's acceptances | 20,252 | 15,450 |
| Revolving credits | 20,182 | 60,000 |
| Term loans | 4,411 | 3,545 |
| Bill discounting facilities | 1,718 | - |
| Margin facilities | 18,866 | - |
| Bank overdrafts | 7,555 | 9,406 |
| Trust receipts | - | 1,094 |
| | 72,984 | 89,495 |
| Long term borrowings - Secured: | | |
| Term loans | 251,711 | 106,991 |
| Total borrowings - Secured: | | |
| Banker's acceptances | 20,252 | 15,450 |
| Revolving credits | 20,182 | 60,000 |
| Term loans | 256,122 | 110,536 |
| Bill discounting facilities | 1,718 | - |
| Margin facilities | 18,866 | - |
| Bank overdrafts | 7,555 | 9,406 |
| Trust receipts | - | 1,094 |
| | 324,695 | 196,486 |

B10. Lease liabilities

| | As at | |
|---|------------------------------------|------------------------------------|
| | 30.6.2023 (Unaudited) RM'000 | 30.6.2022 (Unaudited) RM'000 |
| Present value of minimum lease payments:- | | |
| - Repayable within twelve months | 1,572 | 1,455 |
| - Repayable after twelve months | 2,847 | 2,041 |
| | 4,419 | 3,496 |

B11. Disclosure of derivatives

The Group did not enter into any derivative contract and accordingly, there were no outstanding derivatives (including financial instruments designated as hedging instruments) as at 30 June 2023.

B12. Changes in material litigation

There are no pending material litigations as at the date of this report.

B13. Earnings per share

a) Basic

| | Current quarter 3 months ended | | Cumulative quarter 6 months ended | |
|--|-----------------------------------|--------------------------|--------------------------------------|--------------------------|
| | 30.6.2023 (Unaudited) | 30.6.2022 (Unaudited) | 30.6.2023 (Unaudited) | 30.6.2022 (Unaudited) |
| Profit attributable to the owners of the Company (RM'000) | 5,831 | 64 | 19,506 | 1,370 |
| Weighted average number of ordinary shares in issue ('000) | 493,720 | 440,699 | 493,720 | 440,699 |
| Basic earnings per share (sen) | 1.18 | 0.01 | 3.95 | 0.31 |

B13. Earnings per share (cont'd)

b) Diluted

| | Current quarter | | Cumulative quarter | |
|--|-----------------|----------------|--------------------|----------------|
| | 3 months ended | 3 months ended | 6 months ended | 6 months ended |
| | 30.6.2023 | 30.6.2022 | 30.6.2023 | 30.6.2022 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Profit attributable to the owners of the Company (RM'000) | 5,831 | 64 | 19,506 | 1,370 |
| Weighted average number of ordinary shares as above ('000) | 493,720 | 440,699 | 493,720 | 440,699 |
| Adjustment for assumed conversion of warrants ('000) | 554 | 24,289 | 554 | 24,289 |
| Weighted average number of ordinary shares ('000) | 494,274 | 464,988 | 494,274 | 464,988 |
| Diluted earnings per share (sen) | 1.18 | 0.01 | 3.95 | 0.29 |