CHIN HIN™
Property Development

Chin Hin Group Property Berhad
Registration No. 200101017677 (553434-U)

ANNUAL REPORT
financial period ended 31 December 2021

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LEADERSHIP DRIVEN BY INNOVATION & CREATIVITY

Innovation, technological advancement, keeping abreast with changes, and focus are the qualities that make a market leader. Established since 1977, Chin Hin Group Property Berhad has unveiled its grand mission statement aiming for an extensive breakthrough. Through perseverance, careful planning and execution of its business strategies, we managed to move forward which has created a better competitive position for the Group.

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATUK SERI CHIAU BENG TEIK
Non-Independent Non-Executive Chairman

CHIAU HAW CHOON
Executive Director

DATUK YEO CHUN SING
Executive Director

SHELLY CHIAU YEE WERN
Executive Director

KHOO CHEE SIANG
Independent Non-Executive Director

DATUK CHENG LAI HOCK
Independent Non-Executive Director

DATUK HJ. MOHD YUSRI BIN MD YUSOF
Independent Non-Executive Director

AUDIT COMMITTEE

Chairman
Khoo Chee Siang

Member
Datuk Cheng Lai Hock
Datuk Hj. Mohd Yusri Bin Md Yusof

REMUNERATION COMMITTEE

Chairman
Datuk Cheng Lai Hock

Member
Chiau Haw Choon
Khoo Chee Siang

NOMINATION COMMITTEE

Chairman
Datuk Hj. Mohd Yusri Bin Md Yusof

Member
Datuk Cheng Lai Hock
Khoo Chee Siang

COMPANY SECRETARIES

Chee Wai Hong
(BC/C/1470)
SSM Practicing Certificate No. 202008001804

Tan She Chia
(MAICSA 7055087)
SSM Practicing Certificate No. 202008001923

REGISTERED OFFICE

48, Jalan Chow Thye
10050 George Town, Penang
Tel : 604-226 2188

BUSINESS ADDRESS

1177, Jalan Dato Keramat
14300 Nibong Tebal
Seberang Perai Selatan, Penang
Tel : 604-593 1504
Fax : 604-594 3158
Email : bkgb@boonkoon.com

AUDITORS

Messrs. UHY
(AF 1411) (Chartered Accountants)
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

Tel : 603-2279 3088
Fax : 603-2279 3099

SHARE REGISTRAR

Bina Management (M) Sdn. Bhd.
Lot 10, The Highway Centre
Jalan 51/205, 46050 Petaling Jaya
Selangor Darul Ehsan
Tel : 603-7784 3922
Fax : 603-7784 1988
Email : binawin@binamg168.com

SOLICITORS

Messrs. Chew Kar Meng, Zahardin & Partners
Messrs. Teh & Lee
Messrs. J.M. Chong, Vincent Chee & Co
Messrs. Lim, Ho, Cheng & Lok
Messrs. Allen Chee Ram

PRINCIPAL BANKERS

Ambank Islamic Berhad
OCBC Al-Amin Bank Berhad
OCBC Bank (Malaysia) Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Shares
Stock Code : 7187
Stock Name : CHGP

Warrants
Stock Code : 7187WA
Stock Name : CHGP-WA

WEBSITE ADDRESS

www.chinhinproperty.com

PROFILES OF DIRECTORS

DATUK SERI CHIAU BENG TEIK

Non-Independent Non-Executive Chairman

Nationality	Malaysian
Gender	Male
Aged	61

Datuk Seri Chiau Beng Teik was appointed to the Board as Non-Independent Non-Executive Director on 25 April 2017 and was re-designated as Non-Independent Non-Executive Chairman on 26 May 2017. He finished his primary education at SJK (C) Pei Min, Padang Setar in Alor Setar, Kedah in December 1974.

He started working at his father's hardware shop at the young age of 13 in January 1975. After many years of experience gained from working with his father, he took over the business and ventured into the business of trading building materials and cement transportation under the name of Chop Chin Hin in March 1994. In February 1995, he started a cement distributor trading company named Syarikat Perniagaan dan Pengangkutan Chin Hin Sdn. Bhd. which is now known as PP Chin Hin Sdn Bhd. Over the years, he has played an instrumental role in the growth of Chin Hin Group Berhad and its subsidiaries, expanding the business from a single office in Alor Setar, Kedah to a group of companies with an expansive network of branch offices and factories throughout Peninsular Malaysia.

Currently, he is the Executive Chairman of Chin Hin Group Berhad ("**CHGB**"), the immediate holding company and Non-Independent Non-Executive Chairman of Signature International Berhad, both are public company listed on the Main Market of Bursa Malaysia Securities Berhad. He also serves as Director for a number of subsidiaries within the Group of Chin Hin and also has directorships in various other businesses.

Datuk Seri Chiau Beng Teik is the father of Mr Chiau Haw Choon (the Executive Director and major shareholder of the Company and immediate holding company) and Ms Shelly Chiau Yee Wern (the Executive Director of the Company), spouse of Datin Seri Wong Mee Leng (major shareholder of the Company and immediate holding company). He has no conflict of interest with the Company other than those disclosed in the Company's circular to shareholders dated 29 April 2022. He has no conviction for any offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILES OF DIRECTORS

(CONT'D)

CHIAU HAW CHOON

Executive Director

Nationality	Malaysian
Gender	Male
Aged	38

Mr Chiau Haw Choon was appointed to the Board as Non-Independent Non-Executive Director on 25 April 2017 and was re-designated as Executive Director on 21 February 2019. He graduated from Deakin University, Australia with a Bachelor Degree in Finance and Marketing in April 2009.

He is the Group Managing Director of CHGB, the immediate holding company listed on the Main Market of Bursa Malaysia Securities Berhad. His responsibilities include ensuring board decisions and directions are implemented, providing strong leadership, communicating the vision, management, philosophy and business strategies to the employees, keeping the Board fully informed of all important aspects of CHGB's Group operations and ensuring sufficient information are disseminated to the board, as well as ensuring the day-to-day business of CHGB's Group are effectively managed. He is in charge of the day-to-day operational matters and decisions making of CHGB's Group. Working closely with all the Business Unit Heads, he oversees the implementation and execution of CHGB's Group overall business strategic plans, corporate policies and operations, to ensure the continuous growth of CHGB's Group. He is also responsible for corporate social activities of CHGB's Group.

He is also the Executive Director of Signature International Berhad and Non-Independent Non-Executive Director of Solarvest Holdings Berhad. He also holds directorship in other private limited companies.

He is currently a member of Remuneration Committee of the Company.

Mr Chiau Haw Choon is the son of Datuk Seri Chiau Beng Teik, the Non-Independent Non-Executive Chairman and Datin Seri Wong Mee Leng. Both his parents are major shareholders of the Company and immediate holding company. He is also the brother of Ms. Shelly Chiau Yee Wern, the Executive Director of the Company. He has no conflict of interest with the Company other than those disclosed in the Company's circular to shareholders dated 29 April 2022. He has no conviction for any offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

DATUK YEO CHUN SING

Executive Director

Nationality	Malaysian
Gender	Male
Aged	55

Datuk Yeo Chun Sing is an Executive Director of the Company and was appointed to the Board on 5 May 2017. He graduated from University Science of Malaysia with Bachelor of Science degree in Housing, Building and Planning in 1990 and obtained his Master of Business Administration from University of Malaya in 2000.

He has more than 27 years of experience in the property development industry and held the post of Managing Director of Malaysia Land Properties Sdn Bhd prior to joining Aera Property Group Sdn Bhd ("Aera"). He is currently the Managing Director of Aera and oversees the Aera's Group overall operation, all conceptual, technical design and implementation of the Aera's Group development projects.

Datuk Yeo Chun Sing does not hold any directorships in any other public companies and listed issuers. He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company. He has no conviction for any offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

SHELLY CHIAU YEE WERN

Executive Director

Nationality	Malaysian
Gender	Female
Aged	32

Ms Shelly Chiau Yee Wern was appointed as the Alternate Director to Datuk Seri Chiau Beng Teik on 2 July 2018, subsequently re-designated to Executive Director of the Company on 6 May 2021. She graduated with a Bachelor's Degree, Business Administration in Entrepreneurship from Les Roches International School of Hotel Management Bluche, Switzerland in December 2013.

She started working at Alora Hotel in Penang and Grand Alora Hotel in Alor Setar, Kedah as Hotel General Manager in January 2014. In January 2016, she joined Aera Property Group Sdn Bhd as Sales & Marketing Manager. She is responsible for strategy planning in marketing and sales for a development project name Aera Residence in Petaling Jaya. She resigned from Aera Property Group Sdn Bhd in May 2018. In June 2018, she was appointed as the Chief Operating Officer at BKG Development Sdn Bhd, a wholly-owned subsidiary of the Company.

She is also the Alternate Director to Datuk Seri Chiau Beng Teik of CHGB, the immediate holding company listed in the Main Market of Bursa Malaysia Securities Berhad. She is also the Executive Director of Signature International Berhad and holds directorship in other private limited companies.

Ms Shelly Chiau Yee Wern is the daughter of Datuk Seri Chiau Beng Teik, the Non-Independent Non-Executive Chairman and Datin Seri Wong Mee Leng. Both her parents are major shareholders of the Company and immediate holding company. She is also the sister of Mr Chiau Haw Choon, the Executive Director and a major shareholder of the Company and immediate holding company. She has no conflict of interest with the Company other than those disclosed in the Company's circular to shareholders dated 29 April 2022. She has no conviction for any offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

KHOO CHEE SIANG

Independent Non-Executive Director

Nationality	Malaysian
Gender	Male
Aged	45

Mr Khoo Chee Siang is an Independent Non-Executive Director of the Company and was appointed to the Board on 5 May 2017. He is a Fellow Member of the Association of Chartered Certified Accountants (FCCA).

He was the Executive Director of UHY Advisory (KL) Sdn Bhd, a boutique financial and corporate advisory firm from 2008 to 2016 and subsequently joined Hextar Industries Berhad (formerly known as SCH Group Berhad) as Executive Director to oversee the finance and accounts department and to lead the corporate finance exercise for 2017 and 2018. He started his career in auditing with an international medium accounting firm, Morison Anuarul Azizan Chew & Co and was subsequently promoted to Senior Consultant in Corporate Finance and Advisory Department. He later joined Finmart Alliance Sdn Bhd as an Associate Director in-charge of corporate finance and business advisory services. He has significant experience in corporate finance, initial public offerings, corporate debt restructuring as well as his external auditing experience covered various sectors.

He is currently the Chairman of Audit Committee and a member of Nomination Committee and Remuneration Committee of the Company.

He is a Director of Exsim Ventures Berhad and Exsim Capital Resources Berhad. He is also an Independent Non-Executive Director of SWS Capital Berhad, a public company listed on Main Market of Bursa Malaysia Securities Berhad. He also holds directorship in other private limited companies.

Mr Khoo Chee Siang has no family relationship with any director and/or major shareholder of the Company. He has no conviction for any offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILES OF DIRECTORS

(CONT'D)

DATUK CHENG LAI HOCK

Independent Non-Executive Director

Nationality	Malaysian
Gender	Male
Aged	63

Datuk Cheng Lai Hock is an Independent Non-Executive Director of the Company and was appointed to our Board on 6 May 2021.

Datuk Cheng obtained a Bachelor's degree in Administrative Studies from the University of Dundee, United Kingdom in September 1982. He also obtained his Master's in Business Administration majoring in Accounting from Universiti Utara Malaysia in September 2003. He is a fellow member of the Malaysia Association of Company Secretaries since July 1992, Associate Member of the Association of International Accountants since December 1999 and Associate Member of the Chartered Tax Institute of Malaysia since April 2002. He is also the President of Kedah Chinese Assembly Hall. He has over thirty-six (36) years of experience as company secretary and more than twenty (20) years of experience as a tax consultant.

Datuk Cheng began his career as an Administrative Executive in P. Hand Chemical Sdn Bhd in November 1982. Thereafter, he started his own secretarial firm in October 1984. In November 2000, he was granted a tax agent license by the Ministry of Finance, and he commenced the provision of tax advisory services since then. He is a committee member of the Kedah State Government's Chinese Affairs Committee since September 2008.

He is currently the Chairman of Remuneration Committee and a member of Audit Committee and Nomination Committee of the Company.

Datuk Cheng currently is an Independent Non-Executive Director of CHGB. He has no family relationship with any director and/or major shareholder of the Company. He has no conviction for any offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

DATUK HJ. MOHD YUSRI BIN MD YUSOF

Independent Non-Executive Director

Nationality	Malaysian
Gender	Male
Aged	52

Datuk Hj. Mohd Yusri Bin Md Yusof is an Independent Non-Executive Director of the Company and was appointed to our Board on 6 May 2021. He graduated with Public Administration of Bachelor of Arts from Michigan State University, USA in 1993 and later obtained a Master of Science in Business Leadership from Newcastle Business School, University of Northumbria in 2011.

Prior to 28 February 2020, Datuk Hj. Mohd Yusri was the Managing Director of a public listed entity, i.e Green Ocean Corporation Berhad where he served since 5 December 2017.

Datuk Hj. Mohd Yusri started his career in 1993 in the banking and financial services industry with stints in The Pacific Bank Berhad and EON Bank Group Berhad. In 2001, he joined UEM Group Berhad as Deputy Senior Manager Group Internal Audit and subsequently rose through the ranks to assume the roles of Chief Audit Executive in 2004 and Head of Improvement & Assurance Services Division in 2008. In 2010, he was appointed as the Head of Corporate Performance. He was the Managing Director of PROPEL Berhad, a post he assumed on 1 March 2011.

Datuk Hj. Mohd Yusri was subsequently appointed as the Managing Director of Cement Industries of Malaysia Berhad (CIMA) on 1 August 2012 and as the Chairman of The Cement & Concrete Association of Malaysia in October 2015. He held both posts until October 2017.

Throughout his career, he has gained in-depth exposures in operations, corporate governance, risk management, internal control, quality and innovation practices, strategic planning and performance management. The experience was gained primarily in the banking, investment holding, commodity, building materials, asset & infrastructure management, development and construction sectors.

He is currently the Chairman of Nomination Committee and a member of Audit Committee of the Company.

Datuk Hj. Mohd Yusri currently is an Independent Non-Executive Director of CHGB. He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company. He has no conviction for any offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILES OF KEY SENIOR MANAGEMENT

CHIAU HAW CHOON

Malaysian | Male | Aged 38

Executive Director

Please refer to his profile appearing in page 4 of this Annual Report.

DATUK YEO CHUN SING

Malaysian | Male | Aged 55

Executive Director

Please refer to his profile appearing in page 5 of this Annual Report.

SHELLY CHIAU YEE WERN

Malaysian | Female | Aged 32

Executive Director

Please refer to her profile appearing in page 6 of this Annual Report.

CORPORATE STRUCTURE

CHGP	–	Chin Hin Group Property Berhad
BKVI	–	Boon Koon Vehicles Industries Sdn. Bhd.
BKCV	–	BKCV Sdn. Bhd.
BKA	–	BK Alliance Sdn. Bhd.
BKM	–	Boon Koon Motors Sdn. Bhd.
BKFM	–	Boon Koon Fleet Management Sdn. Bhd.
BK Fleet	–	BK Fleet Management Sdn. Bhd.
BKSP	–	BKSP Autoworld Sdn. Bhd.
BKS	–	BK Sepadu Sdn. Bhd. *(In Members' Voluntary Winding Up)*
BKGD	–	BKG Development Sdn. Bhd.

BKC	–	Boon Koon Commercial Sdn. Bhd.
BKGM	–	BKGM Industries Sdn. Bhd.
BKCAP	–	Boon Koon Capital Sdn. Bhd.
BKHS	–	BKHS Capital Sdn. Bhd.
STSB	–	Stellar Trinity Sdn. Bhd.
CHCSB	–	Chin Hin Construction Sdn. Bhd.
SPSB	–	Stellar Platinum Sdn. Bhd.
S8SB	–	Stellar 8 Sdn. Bhd.
KKSB	–	Kayangan Kemas Sdn. Bhd.
5CSB	–	5th Capital Sdn. Bhd.
WKSB	–	Weida Kayangan Sdn. Bhd.
RSSB	–	R Synergy Sdn. Bhd. *(joint venture company)*

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS OVERVIEW

Chin Hin Group Property Berhad ("**CHGP**") is an investment holding company with a diverse portfolio in the following business segments: -

- Assembling and sales of new commercial vehicles;
- Rebuilding commercial vehicles and bodyworks for sale;
- Provision of commercial vehicles for rental and fleet management services;
- Property development; and
- Construction.

CHGP's commercial vehicles and bodyworks segment focuses on the assembly of new commercial vehicles and rebuilding of used commercial vehicles for sale to customers. We place reliability at the core of our operations and will continue to focus on providing quality commercial vehicles and services to our major customers located in the northern region while we continue to expand our reach to the central and southern region of Peninsular Malaysia. We also provide rental of commercial vehicles and fleet management services to our customers.

Our property development segment mainly consists of development of residential lots and mixed development projects. During the financial period ended 31 December 2021 ("**FP2021**"), we ventured into the construction segment via the acquisition of 65% equity interest in Kayangan Kemas Sdn. Bhd. ("**KKSB**"), a Construction Industry Development Board ("**CIDB**") Grade 7 contractor which we are allow to tender for construction works that are of unlimited value and to undertake construction activities (including government projects) throughout Malaysia. KKSB is primarily engaged in the construction of building projects and our acquisition of KKSB has completed on 23 November 2021.

CHGP will continue to ensure better value creation for our stakeholders by improving our internal processes to deliver better quality commercial vehicles while we continue to expand our land bank and secure more building and infrastructure construction projects.

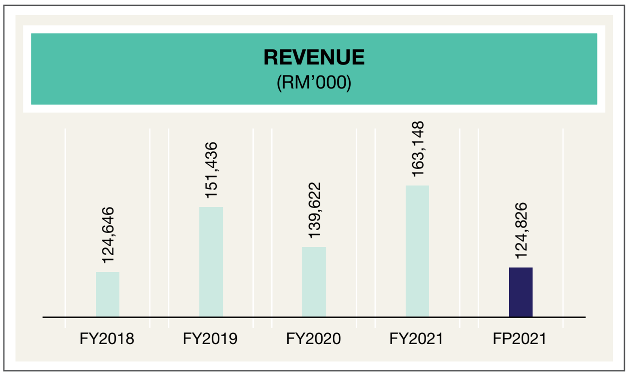
REVIEW OF FINANCIAL PERFORMANCE

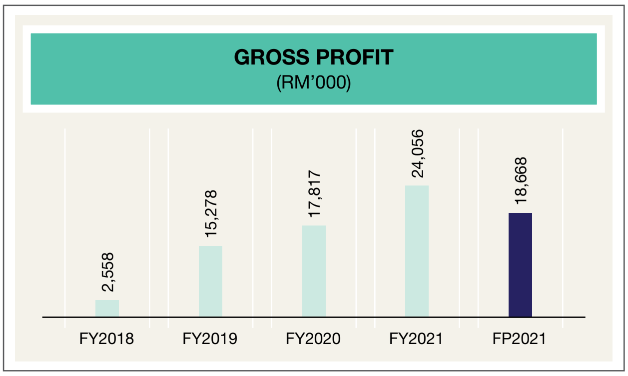
FP2021 remains a challenging year as daily infection cases of the Coronavirus Disease 2019 ("**Covid-19**") in Malaysia increases and many businesses are still battling with the prolonged operational disruptions due to the extension of the Movement Control Order ("**MCO**") as well as imposition of various restrictions which are necessary to curb the spread of the Covid-19. Despite the challenges, our Group still managed to perform satisfactorily during FP2021.

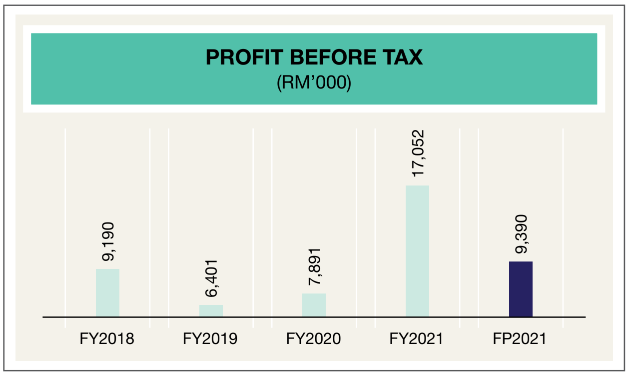
There is no direct comparative figure for the preceding year as our Group's financial year end has changed from March to December. The FP2021 represented a 9 months reporting period from 1 April 2021 to 31 December 2021. Nevertheless, certain FP2021 figures have been annualised ("**AFP2021**") for financial commentary purposes. The annualised figures are derived by average 9 months results multipled by 12 months.

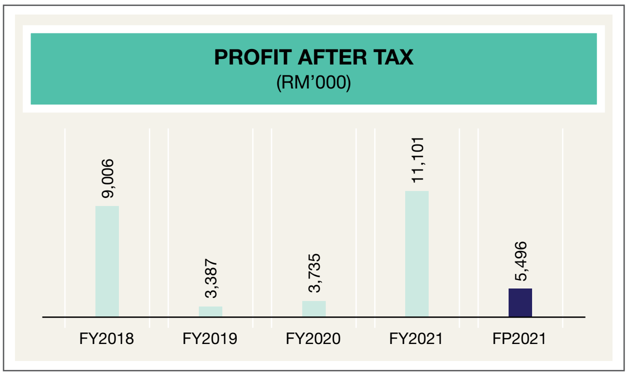
REVIEW OF FINANCIAL PERFORMANCE (CONT'D)

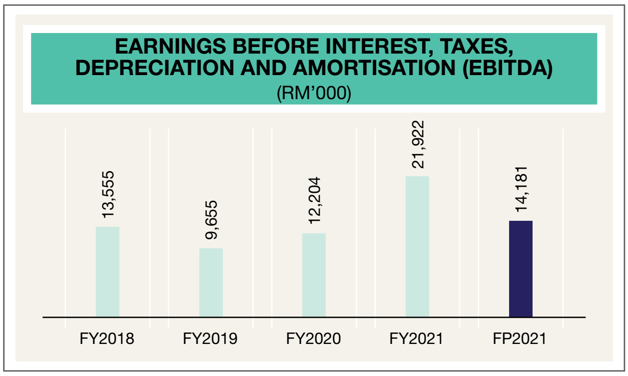
	FP2021 (9 months) RM'000	FY2021 (12 months) RM'000
Revenue	124,826	163,148
Gross profit	18,668	24,056
Profit before tax ("**PBT**")	9,390	17,052
Profit after tax ("**PAT**")	5,496	11,101
Gross profit margin (%)	15.0%	14.7%
PBT Margin (%)	7.5%	10.5%
PAT Margin (%)	4.4%	6.8%











MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

REVIEW OF FINANCIAL PERFORMANCE (CONT'D)

Overall, our Group's revenue increased by RM3.29 million or 2.0% from RM163.15 million in financial year ended 31 March 2021 ("**FY2021**") to RM166.44 million in AFP2021. Commercial vehicles and bodyworks segment was our largest revenue contributor in FP2021, contributing revenue of RM81.27 million or 65.1% of our Group's total revenue. This was followed by the revenue from our construction segment of RM32.43 million constituted 26.0% of our Group's total revenue property development segment of RM8.77 million which constituted 7.0% of our Group's total revenue.

Based on the AFP2021, our Group's gross profit increased by RM0.83 million or 3.4% from RM24.06 million in FY2021 to RM24.89 million in AFP2021. The increase in our gross profit was mainly contributed from higher gross profit recorded from our construction segment. Overall, our gross profit margin in FP2021 remained consistent as compared to FY2021.

Despite the increase in gross profit, our Group recorded a lower PBT of RM4.53 million or 26.6% from RM17.05 million in FY2021 to RM12.52 million in AFP2021 mainly due to higher administrative expenses resulting from impairment of trade receivables, one-off expenses incurred for the Group's corporate exercise and guarantee fee paid for certain construction projects. Accordingly, our profit after tax decreased by RM3.77 million or 34.0% from RM11.10 million in FY2021 to RM7.33 million in AFP2021.

REVIEW OF FINANCIAL POSITION

	31 December 2021	31 March 2021	Variance	
	RM'000	RM'000	RM'000	%
Assets				
Non-current Assets	291,393	112,704	178,689	>100.0
Current Assets	254,634	184,635	69,999	37.9
Total Assets	**546,027**	**297,339**	**248,688**	**83.6**
Liabilities				
Non-current Liabilities	(120,592)	(5,318)	(115,274)	>100.0
Current Liabilities	(210,987)	(143,183)	(67,804)	47.4
Total Liabilities	**(331,579)**	**(148,501)**	**(183,078)**	**>100.0**
Net Assets ("NA")	**214,448**	**148,838**	**65,610**	**44.1**
Total Equity	**214,448**	**148,838**	**65,610**	**44.1**
Net assets per shares attributable to ordinary owner of the Company	0.49	0.43		
Current ratio (times)	1.21	1.29		
Gearing ratio (times)	0.99	0.58		

Our Group's total assets increased by RM248.69 million or 83.6% from RM297.34 million as at 31 March 2021 to RM546.03 million as at 31 December 2021. The increase was mainly due to the consolidation of retention sum receivables from construction projects arising from our acquisition of KKSB, goodwill arising from acquisition of KKSB, increase in inventories of land held for property development, and higher trade receivable balances.

Our Group's total liabilities increased by RM183.08 million or 123.3% from RM148.50 million as at 31 March 2021 to RM331.58 million as at 31 December 2021. The increase was mainly due to the consolidation of retention sum payables from construction projects, additional drawdown of term loan and higher trade payable balances.

REVIEW OF FINANCIAL POSITION (CONT'D)

Overall, the Group closed the financial period with a healthy financial position, recording a higher cash and cash equivalents of RM16.48 million (As at 31 March 2021: RM11.90 million), current ratio of 1.21 times and net assets of RM214.45 million despite the overall increase in our gearing ratio by 0.41 times.

Review of Statement of Cash Flows

	31 December 2021	31 March 2021	Variance	
	RM'000	RM'000	RM'000	%
Net cash used in operating activities	(114,412)	(26,164)	(88,248)	>100.0
Net cash (used in)/from investing activities	(18,015)	860	(18,875)	>100.0
Net cash from financing activities	137,006	32,492	104,514	>100.0
Net increase in cash and cash equivalents	4,579	7,188	(2,609)	(36.3)

Overall, our net increase in cash and equivalents of RM4.58 million as at FP2021 was mainly attributed by: -

i) Net cash used in operating activities amounting to RM114.41 million mainly attributed to payment for expenses incurred for properties under development and higher tax paid during FP2021;

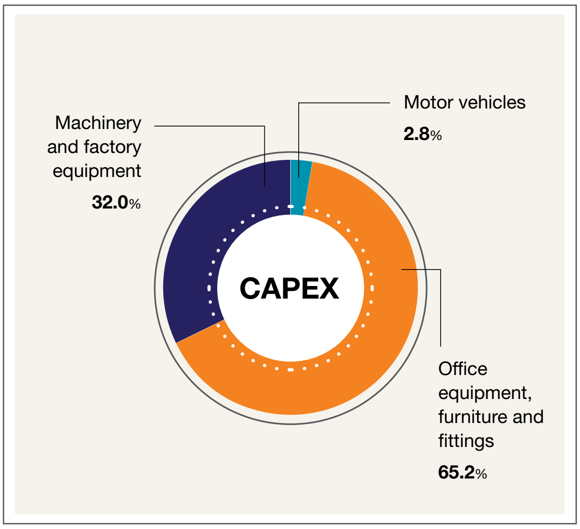
ii) Net cash used in investing activities amounting to RM18.02 million mainly attributed to the acquisition of KKSB and purchase of property, plant and equipment during FP2021; and

iii) Net cash from financing activities amounting to RM137.01 million mainly attributed to the drawdown of term loans, proceeds from the exercise of warrants and issuance of new shares during FP2021.

CAPITAL EXPENDITURE ("CAPEX")

In FP2021, 65.2% of total CAPEX incurred was pertaining to the purchase of office equipment, furniture and fittings such as quarter cabins, desktops, laptops, and software which are mainly used for our property development and construction segments.

Approximately 32.0% of our total CAPEX in FP2021 was incurred to purchase truck, forklift and laser engraving machine used for our commercial vehicles and bodyworks segment.



MANAGEMENT DISCUSSION & ANALYSIS

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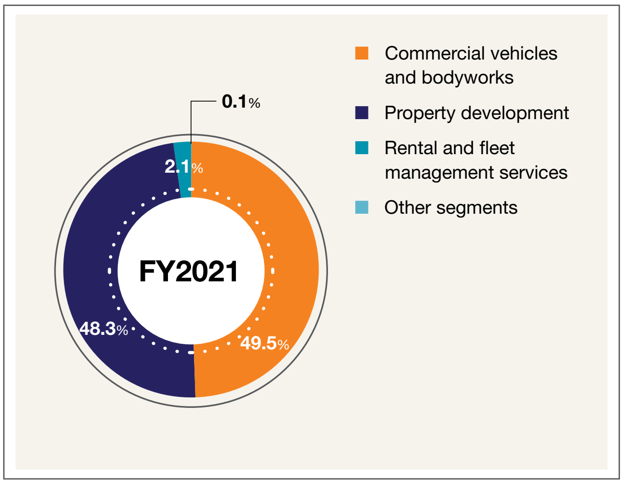
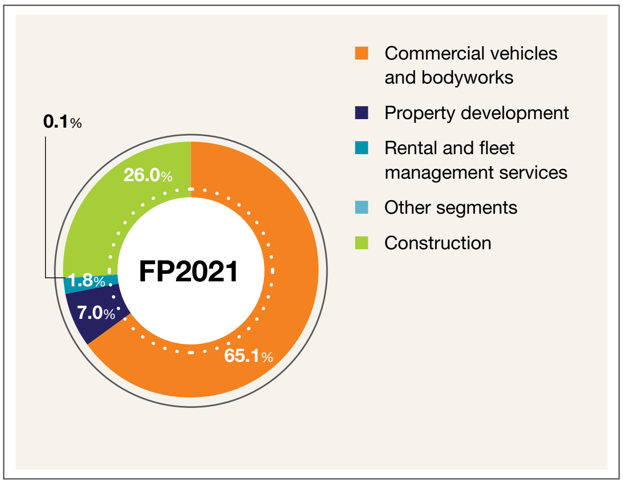
REVIEW OF OPERATING ACTIVITIES





Commercial vehicles and bodyworks, property development and construction activities are our main business segments, collectively contributing a total revenue of RM122.47 million or 98.1% of the Group's total revenue in FP2021 (FYE2021: RM159.64 million or 97.9%).

In FP2021, revenue from our commercial vehicles and body works segment amounted to RM81.27 million or 65.1% to the Group's total revenue (FY2021: RM80.82 million or 49.5%). This followed by revenue from our property development segment and construction segment amounted to RM8.77 million or 7.0% (FY2021: RM78.82 million or 48.3%) and RM32.43 million or 26.0% (FY2021: RM Nil) respectively.

Our Group recorded higher revenue from our commercial vehicles and bodyworks segment by RM27.54 million or 34.1% from RM80.82 million in FY2021 to RM108.36 million in AFP2021 was mainly due to higher demand for rebuilt commercial vehicles as our local economy shows signs of recovery in FP2021.

The sharp decrease in revenue from our property development segment by RM67.12 million or 85.2% from RM78.82 million to RM11.70 million in AFP2021 was mainly due to the completion of Aera Project which was already 95.0% completed in the FY2021. Our new development, 8th & Stellar project is still at its initial stage during FP2021.

Our new construction segment contributed positively to our Group's revenue during FP2021. This segment recorded a revenue of RM32.43 million in FP2021, mainly arising from the construction of a 15-storey enforcement complex for Dewan Bandaraya Kuala Lumpur and the casting of precast concrete beam for Miri Hospital Annex Building located in Sarawak.

ANTICIPATED OR KNOWN RISK

We wish to highlight the following key anticipated or known risks that our Group is exposed to may have material impact on our operations and financial performance. Our plans and strategies to prevent or mitigate the risks are disclosed as follows: -

- **Business risks**

  Our Group is subject to various inherent risks associated to the assembling and rebuilding of commercial vehicles, property development and construction industry. These includes, but not limited to, increase in labour cost, increase in raw materials costs, labour and material supply shortages, availability of skilled worker, changes in economic, social and political conditions, credit conditions as well as any amendments in laws & regulations that are applicable to the industries we operate in.

  However, our Group has taken proactive measures such as prudent financial management and efficient operating procedures to mitigate such risks. We also constantly keep ourselves updated on economic and regulatory changes relating to our business.

- **Operational risks**

  Any interruption to our business operation arising from but not limited to disruption in power supply, breakdown of our assembly and construction machineries or any other form of disruptions to our operation may have an adverse effect to our Group's business and financial performance.

  We ensure that all of our equipment and machineries are constantly monitored and undergoes a schedule maintenance to avoid any major breakdowns which may disruption our operations.

  The emergence of Covid-19 since early 2020 which resulted in various precautionary measures being imposed by the Malaysian government has also brought disruptions to our business. The Group is cognizant of the challenges posed by these developing events and is actively monitoring and taking appropriate and timely measures which includes working closely with the local authorities to support their efforts in containing the spread of Covid-19 in order to minimise the impact of virus on our operations.

- **Foreign currency exchange risks**

  We purchase new/used commercial vehicles from overseas suppliers/sellers. As such, we are exposed to foreign currency exchange risks on purchases. There is no assurance that any foreign currency exchange rate fluctuation will not have an adverse impact on our earnings.

  Although we do not actively hedge our Group's foreign currency exposure, we will continue to assess the need to utilise financial instruments to hedge our currency exposure, taking into consideration factors such as exchange rate fluctuations in foreign currency, exposure period and transaction costs.

MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

FORWARD-LOOKING STATEMENT

The outlook is expected to remain challenging in the view of the resurgence of new Covid-19 variants as well as uncertainties of domestic and global economics. Nevertheless, Our Group is cautiously optimistic that our business will continue to grow when the domestics and global economic activities recovers.

For commercial vehicle segment, the total industry volume ("TIV") in Malaysia registered a growth of 15.9% in 2021 due to increase in demand as higher investment by the companies in the anticipation of an economic rebound (Source: Malaysian Automotive Association ("MAA") Market Review for 2021). As more economic sectors are able to operate as normal, we shall continue to expand our reach to customers located in the central and southern region of Peninsular Malaysia as the normalisation of our local economy is expected to positively impact the demand of commercial vehicles in Malaysia.

Nevertheless, the Group foresees the commercial vehicles segment to remain challenging due to the weakening of Malaysian Ringgit against others currencies which may affect our profitability. However, with the Group's competitive costs advantage strategy, the Group will continue to generate positive earnings, especially on the light-trucks models, as the demand for light-trucks remain strong in logistic and food delivery business. In addition, the Group will also continue to improve its marketing efforts to promote heavy-trucks models in order to increase our market share.

In order to further strengthen our footing in the construction segment, our Group is still in negotiations to acquires 60% equity interest in Makna Setia Sdn. Bhd. ("Makna Setia") and 60% equity interest in Asia Baru Construction Sdn. Bhd. ("Asia Baru Construction"), which both are Grade 7 contractors which is primarily engaged in the construction of infrastructure projects.

As the overall economy recovers, we will also be on the lookout for opportunities to increase our landbank as well as to seek more viable projects to expand our building and infrastructure construction segment. In this regard, barring any unforeseen surprises, we are cautiously confident of our financial performance for the next financial year.

DIVIDEND POLICY

CHGP does not have any explicit dividend policy. The payment of dividends by the Company shall depend on the Group's earnings, working capital and capital expenditure. No dividend was declared or paid in FP2021.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of Chin Hin Group Property Berhad ("CHGP" or "the Company") recognise the importance of maintaining good corporate governance best practices and continues to be committed to ensuring that a high standard of corporate governance is practiced throughout the Company and its subsidiaries ("the Group") as a fundamental part in discharging its responsibilities to protect and enhance long-term shareholder value while safeguarding the interests of all stakeholders.

Set out below in this Annual Report is an overview statement, made pursuant to Paragraph 15.25 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), on the Group's corporate governance practices in accordance with the principles and recommendations set out in the Malaysian Code on Corporate Governance ("MCCG") for the financial period ended 31 December 2021. In addition to this, the application of each of the practices set out in the MCCG is disclosed in our Corporate Governance Report which is available on the Company's website at www.chinhinproperty.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Group is headed by a Board collectively responsible for meeting the Group's long-term goals and objectives. To ensure these are achieved, the Board establishes the strategic directions and targets for the management and monitors the achievement of those goals and targets.

The Board is entrusted with the responsibility to promote the success of the Group by directing and supervising the Group's affairs. Hence, to develop corporate objectives and position descriptions, including the limits to management's responsibilities, which the management is aware and are responsible for meeting.

The Board understands the principal risks of all aspects of the business that the Group is engaged in, recognizing that business decisions require the incurrence of risk. To achieve a proper balance between risks incurred and potential returns to shareholders, the Board ensures that there are in place systems that effectively monitor and manage those risks, with a view to the long-term viability of the Group.

The roles and responsibilities of the Board are clearly defined in the Board Charter, which is available on the Company's website at www.chinhinproperty.com.

The principal roles and responsibility assumed by the Board are as follows:

i) Review and Adopt Strategic Plan of the Group

The Board plays an active role in the development of the Group's overall corporate strategies, marketing plans and financial plans. The Board will be briefed by the Executive Directors with the short and long term strategies of the Group together with its proposed business plans for the forthcoming year. The Board also monitors budgetary exercise which support the Group's business plans and budget plans.

ii) Implementation of Internal Compliance Controls and Justifies Measures to Address Principal Risks

The Board is fully aware of the responsibilities to maintain a proper internal control system. The Board's responsibilities for the Group's system of risk management and internal controls including the financial condition of the business, operational, regulatory compliance.

iii) To formulate and Have in Place an Appropriate Succession Plan

The Board is responsible for formulating and having in place an appropriate succession plan encompassing the appointment, training, and determination of compensation for senior management of the Group, as well as assessing the performance of Directors and Committee members and, where appropriate, retiring and appointing new members of the Board and Executive Directors.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Responsibilities (cont'd)

iv) Developing and Implementing an Investor Relations Program or Shareholder Communications Policy for the Group

The Board recognises that shareholders and other stakeholder are entitled to be informed in a timely and readily accessible manner of all material information concerning the Company through a series of regular disclosure events during the financial year. Hence, the Company's website is the primary medium in providing information to all shareholders and stakeholders.

The roles and responsibilities of the Independent Non-Executive Directors and Executive Directors are clearly defined and adequately segregated. All the Independent Non-Executive Directors are independent of the Executive Directors, management and major shareholders of the Company, and are free from any business or other relationship with the Group that could materially interfere with the exercise of their independent judgment. This offers a strong check and balance on the Board's deliberations.

The Executive Directors are responsible for the overall performance and operations as well as the corporate affairs and administrations of the Group. They are assisted by the management of the Group in managing the business activities of the Group in a manner that is consistent with the policies, standards, guidelines, procedures and/or practices of the Group and in accordance with the specific plans, instructions and directions set by the Board.

The Executive Directors holds the principal obligations in guiding, regulating, managing and controlling as well as communicating the Company's goals and objectives, all significant corporate matters, corporate restructuring plans, business extension plans and proposals. The Executive Directors, assisted by the management, are also responsible for proposing, developing and implementing applicable and relevant new policies and procedures.

The Independent Non-Executive Directors of the Company play a key role in providing unbiased and independent views, advice and contributing their knowledge and experience toward the formulation of policies and in the decision-making process. The Board structure ensures that no individual or group of individuals dominates the Board's decision-making process. Although all the Directors have equal responsibility for the Company and the Group's operations, the role of the Independent Directors are particularly important in ensuring that the strategies proposed by the Executive Directors are deliberated on and have taken into account the interest, not only of the Company, but also that of the shareholders, employees, customers, suppliers and the community.

In discharging its fiduciary duties, the Board has delegated specific tasks to three (3) committees as stated below :

i) Audit Committee;
ii) Nomination Committee; and
iii) Remuneration Committee.

All the Board Committees have its own terms of reference and have the authority to act on behalf of the Board within the authority as laid out in terms of reference and report to the Board with the necessary recommendation.

CHAIRMAN

In line with the recommendation of MCCG, the Chairman of the Board is not a member of the Audit Committee, Nomination Committee or Remuneration Committee of the Company.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Separation of Positions of the Chairman and Executive Directors

During the financial period under review, the Company has complied with the recommendation of the MCCG where the positions of the Chairman and the Executive Directors are held by different individuals, and the Chairman is a non-executive member of the Board.

The Group has a clear distinction and separation of roles between the Chairman and the Executive Directors, with clear division of responsibilities in order to ensure a clear balance of power between the Chairman and the Executive Directors.

The Chairman is primarily responsible for the governance and management of the Board, and also serves as the communication point between the Board and the management. The key responsibilities of the Chairman are as follows :

i) Oversee and lead the Board to ensure effective performance of the Board;
ii) Facilitating the effective contribution of all Directors at Board meetings;
iii) Ensuring all strategic and critical issues are considered by the Board and directors receive the relevant information on a timely basis; and
iv) Ensuring compliance with all relevant regulations and legislation.

The Executive Director and his management team are responsible for implementing the strategic objectives and achieving the targets set by the Group, with clear authority delegated by the Board.

Qualified and Competent Company Secretaries

The Board is supported by qualified and competent Company Secretaries who are responsible for ensuring that the Company's Constitution, procedures and policies and regulations are complied with. The Board is regularly updated and advised by the Company Secretaries on any new statutory and regulatory requirements in relation to their duties and responsibilities. The Board recognises that the Company Secretaries are suitably qualified and capable of carrying out the duties required. The Board is satisfied with the services and support rendered by the Company Secretaries in the discharge of their functions.

The Company Secretaries attend all Board and all Board Committees meetings and ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly.

Information and Support for Directors

Unless otherwise agreed, notice of each meeting confirming the venue, time, date and agendas of the meeting together with relevant Board papers will be forwarded to each director no later than seven (7) days before the date of the meeting. This is to ensure that Board papers, comprising of due notice of issues to be discussed with supporting information and documentations, were provided to the Board sufficiently in advance. Furthermore, Directors are given sufficient time to read the Board papers and seek clarifications as and when needed or further explanation from management and Company Secretaries. The deliberations of the Board, in terms of the issues discussed during the meetings and the Board's conclusions in discharging its duties and responsibilities, are recorded in the minutes of meetings by the Company Secretaries.

The Board has access to all information within the Company to enable them to discharge their duties and responsibilities and is supplied on a timely basis with information and reports on financial, regulatory and audit matters, by way of Board papers, for informed decision making.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Information and Support for Directors (cont'd)

In addition, all Directors have direct access to the advice and services of the Company Secretaries who is responsible for ensuring the Board's meeting procedures are adhered to and that applicable rules and regulations are complied with. External advisers are invited to attend meetings to provide insights and professional views, advice and explanation on specific items on the meeting agenda, when required. The senior management team from different business units will also be invited to participate in the Board meetings to enable the Board members to have equal access to the latest updates and developments of business operations of the Group presented by the management team. The Chairman of the respective Board Committees will brief the Board on matters discussed as well as decisions taken at the meetings of their respective Board Committees meetings.

When necessary, Directors may, whether as a full Board or in their individual capacity, seek independent professional advice, including the internal and external auditors, at the Company's expense, to enable the directors to discharge their duties with adequate knowledge on the matters being deliberated, subject to approval by the Chairman of the Board and depending on the quantum of the fees involved.

Board Charter

As part of the governance process, the Board has adopted a Board Charter which serves as a source of reference for the Directors. The Board Charter establishes the respective roles and responsibilities of the Board, Board Committees and individual directors, providing among others guidance and clarity on the Board's roles and responsibilities as well outlining the issues and decisions which are reserved to be made solely by the authority of the Board.

The Board Charter is reviewed periodically as and when the need arises to ensure that the dynamic needs of the Group are consistently met. A copy of the Board Charter is available on the Company's website at www.chinhinproperty.com.

Code of Conduct and Ethics

The Group has an established Code of Conduct and Ethics ("the Code") that applies to all Directors and employees of the Group. The Code is to assist the directors and all personnel of the Group in defining the ethical standards based on trustworthiness and values as well as uphold the spirit of responsibility in line with the regulations, legislation, and guideline for administration of the Company.

A copy of the Code is available for reference at the Company's website at www.chinhinproperty.com.

Whistleblowing Policy

The Board has established a Whistleblowing Policy to improve the overall organisational effectiveness and uphold the Group's business ethics of honesty, integrity and transparency on 6 July 2018.

The Whistleblowing Policy is intended to provide and facilitate a mechanism for employees and other stakeholders can report their concerns related to any suspected and/or known unethical, unlawful, fraud, corruption or other improper conduct without fear of reprisal or intimidation.

Employees and other stakeholders are encouraged to report genuine concerns of breach of legal obligation, miscarriage of justice, danger of health and safety or to the organisation or to the environment and the cover-up of any of these in the workplace can be reported and email to:

Attention	:	Mr Khoo Chee Siang
Designation	:	Audit Committee Chairman
Email	:	kcsiang@hotmail.com

A copy of the Whistleblowing policy is available at the Group's website at www.chinhinproperty.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Anti-Corruption and Anti-Bribery Policy

In line with the amendments to the Malaysian Anti-Corruption Commission Act 2009 to incorporate a new Section 17A on corporate liability for corruption which took effect on 1 June 2020, the Group had on 29 May 2020 adopted an Anti-Corruption Policy and on 25 February 2021 adopted an enhanced version of the Anti-Corruption and Anti-Bribery Policy ("ACAB Policy").

The Company had also conducted briefings and trainings to all employees of the Group to create awareness on the ACAB Policy to foster commitment of the employees in instill the spirit of integrity and avoid all forms of corruption practices within the organisation.

A copy of the ACAB Policy is available at the Group's website at www.chinhinproperty.com.

Board Composition

The current Board of Directors consists of seven (7) members, comprising a Non-Independent Non-Executive Chairman, three (3) Executive Directors and three (3) Independent Non-Executive Directors. The Company thus complies with Paragraph 15.02 of the MMLR whereby at least two (2) or one-third (1/3) of the Board of Directors, whichever is higher, are Independent Directors. In the event of any vacancy in the Board of Directors resulting in non-compliance with the MMLR, the Board shall fill the vacancy within three (3) months from the date of that event. The profile of each Director is presented separately on pages 3 to 9 of this Annual Report.

The Group believes that a strong composition of the members of the Board would be able to strengthen the decision-making process and influence the ability of the Board to fulfil oversight responsibilities. The current Board members consists of mixtures of skills, knowledge and experience and would be able to contribute significantly to the Group by value adding and to equip the Board to respond to any challenges that may arises.

The Board is mindful of the MCCG's recommendation which stated "at least half of the board shall comprise of Independent Directors. For large Companies, the Board shall comprise a majority independent directors." Notwithstanding this, the Board is of the view that a balance of power and authority exists within its current structure to sufficiently enable it to discharge its duties and objective. The Independent Non-Executive Directors of the Company has played a key role in providing unbiased and independent views, advice and contributing their knowledge and experience toward the formulation of policies in the decision making process.

Further, all the Independent Non-Executive Directors are independent from the Executive Directors, management and major shareholders of the Company, and are free from any business or other relationship with the Group that could materially interfere with the exercise of their independent judgement. This offers a strong check and balance on the Board's deliberations.

Tenure of Independent Directors

The Board Charter has set the policy which limits the tenure of its Independent Directors to nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the re-designation of the said person as a Non-Independent Director. In the event the Board intends to retain such Director as Independent Director, after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek annual shareholders' approval. If the Board continues to retain the Independent Director after the nine (9) years, the Board will seek annual shareholders' approval through a two-tier voting process.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Tenure of Independent Directors (cont'd)

As at 31 December 2021, the tenure of the Independent Non-Executive Directors of the Company are as follows :

	1-3 Years	4-6 Years	7-9 Years	9-12 Years	≥ 12 years
Khoo Chee Siang		√			
Datuk Cheng Lai Hock	√				
Datuk Hj. Mohd Yusri Bin Md Yusof	√				

New Candidates for Board Appointment

The appointment of new Directors is the responsibility of the full Board after considering the recommendations of the Nomination Committee of the Company. As a whole, the Company maintains a very lean number of Board members. The Board appoints its members through a formal and transparent selection process which is consistent with the Constitution of the Company. This process has been reviewed, approved and adopted by the Board. New appointees will be considered and evaluated by the Nomination Committee. The Nomination Committee will then recommend the candidates to be approved and appointed by the Board.

Generally, the Board adopts a flexible approach when selecting and appointing new directors depending on the circumstances and timing of the appointment. The Nomination Committee will assess and recommend to the Board, the candidature of directors, the appointment of directors to board committees, review of Board's succession plans and training programmes for the Board.

Currently, the sources to identify suitably qualified candidates for appointment of directors are on recommendations from existing Board members, the management and/or major shareholders. However, the Board and the Nomination Committee would not hesitate to utilise independent sources to identify suitably qualified candidates, where necessary.

In assessing suitability of candidates, consideration will be given to the core competencies, time commitment, contribution and performance of the candidates to ensure that there is a range of skills, experience and diversity (including gender diversity) represented, in addition to an understanding of the business, the markets and the industry in which the Group operates and the accounting, finance and legal matters.

A familiarisation programme, including visits to the Group's business and operations premises and meetings with the management will be arranged for new Directors to facilitate their understanding of the Group's business operations.

Boardroom Diversity

The Board is aware of the importance of boardroom diversity and is supportive of the recommendation of MCCG to the establishment of boardroom and workforce gender diversity policy. However, the Board does not adopt any formal boardroom diversity policy in the selection of new Board candidates and does not have specific policies on setting the target for female candidates in the Group. The Group basically evaluates the suitability of candidates as a new Board member or as a member of the workforce based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Group, regardless of gender. Equal opportunity is given and does not practice discrimination of any form, whether based on age, gender, race and religion, throughout the organisation.

The Board currently comprises of a female director. In line with the MCCG's recommendation of 30% representation of women on Boards, the Board will evaluate and match the criteria of the potential candidate as well as considering the appointment of female director onto the Board in future to bring about a more diverse perspective.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Time Commitment and Directorship in Other Public Listed Companies

Pursuant to the MMLR, the directorships in other public listed companies in Malaysia held by any Board member at any one time shall not exceed the maximum number as may be prescribed by the relevant authorities. In addition, at the time of appointment, the Board shall obtain the Director's commitment to devote sufficient time to carry out his/her responsibilities.

Directors are required to notify the Chairman before accepting any new directorship(s). Any Director is, while holding office, at liberty to accept other Board appointments in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his/her duty as a Director of the Company.

Each Board member is expected to achieve at least 50% attendance of total Board Meetings in any applicable financial year with appropriate leave of absence be notified to the Chairman and/or Company Secretaries, where applicable.

During the financial period ended 31 December 2021, the Directors have demonstrated their ability to devote sufficient time and commitment to their roles and responsibilities as Directors of the Company. The Board is satisfied with the level of time and commitment given by the Directors of the Company towards fulfilling their duties and responsibilities. This is evidenced by the attendance record of the Directors as set out in the section below.

Board Meetings and Attendance

There were 4 Board of Directors' meetings held during the financial period ended 31 December 2021. Details of the attendance of the Directors at the Board of Directors' meetings are as follow:

Directors	Total Meetings Attended	Percentage of Attendance (%)
Datuk Seri Chiau Beng Teik	4/4	100%
Chiau Haw Choon	4/4	100%
Datuk Yeo Chun Sing	4/4	100%
Shelly Chiau Yee Wern (Re-designated as Executive Director on 6 May 2021)	4/4	100%
Khoo Chee Siang	4/4	100%
Datuk Cheng Lai Hock (Appointed on 6 May 2021)	4/4	100%
Datuk Hj. Mohd Yusri Bin Md Yusof (Appointed on 6 May 2021)	4/4	100%

All the Directors have complied with the minimum 50% attendance requirement in respect of Board meetings held during the financial period from 1 April 2021 to 31 December 2021.

The Board meets on a quarterly basis, with among others, review the operations, financial performance, reports from the various Board Committees and other significant matters of the Group. Where any direction or decisions are required expeditiously or urgently from the Board between the regular meetings, special Board meetings will be convened by the Company Secretaries, after consultation with the Chairman. Additionally, in between Board meetings, the Directors also approved various matters requiring the sanction of the Board by way of circular resolutions.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Continuing Education Programs

All Directors appointed to the Board have undergone the Mandatory Accreditation Program ("MAP") prescribed by Bursa Securities. Although the Board does not have a policy requiring each Director to attend a specific number and types of training sessions each year, the Directors are encouraged to attend continuous education programmes / seminars / conferences and shall as such receive further training from time to time to keep themselves abreast of the latest development in statutory laws, regulations and best practices, where appropriate, in line with the changing business environment and enhance their business acumen and professionalism in discharging their duties to the Group.

Details of seminars/conferences/training programmes attended by the Board members during the financial period as listed below:

Name of Director	Seminars/Conferences/Training Programmes Attended
Chiau Haw Choon	– YPO Forum – Face2Face with Innovators – Uri Levine, Co-Founder of WAZE – GLS 21: Asia-Pacific Summit – Strategy Execution Course
Shelly Chiau Yee Wern	– Procurement and Contract Management – Strategy Execution Course
Khoo Chee Siang	– Stock Trading Strategy – Value Investing – Stock Trading Strategy – Technical Analysis for Investors – Stock Price Prediction Using Machine Learning – Wealth Management – Understanding Your Clients
Datuk Cheng Lai Hock	– Seminar Percukaian Kebangsaan 2021 – Salient Features of OSH and its Impact on the Responsibilities of Directors and Officers – Real Property Gain Tax – Members' Voluntary Winding Up and Company Secretaries – Corporate Talk "HRDF": the Relevance and Significance of PMSB of the Company Act, 2016 – Effective Minutes Writing & Online Meeting
Datuk Hj. Mohd Yusri Bin Md Yusof	– Here's How to Get a Jump Start on the Upcoming Tax Session – E-Commence Marketplace – Spotlight on Malaysia: Every Dark Cloud – Spotlight on Malaysia: Every Dark Cloud has a Silver Lining

During the financial period ended 31 December 2021, Datuk Seri Chiau Beng Teik and Datuk Yeo Chun Sing were unable to attend any training due to their busy work schedule. However, they have constantly been updated with relevant reading materials and techical updates, which will enhance their knowledge and equip them with the necessary skills to effectively discharge their duties as the Directors of the Company.

The Board will on a continuing basis evaluate and determine the training needs of each Director, particularly on relevant new law and regulations and essential practices for effective corporate governance and risk management to enable the Directors to discharge their duties effectively.

In addition to the above, Directors would be updated on recent developments in the areas of statutory and regulatory requirements from the briefing by the External Auditors, the Internal Auditors and Company Secretaries during the Committee and Board Meetings.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Nomination Committee

The Board has established the Nomination Committee which comprise entirely of Independent Non-Executive Directors, with the responsibilities of assessing the balance composition of Board members, nominate the proposed Board member by looking into his skills and expertise for contribution to the Company on an ongoing basis.

The Terms of Reference of the Nomination Committee can be viewed at the Company's website at www.chinhinproperty.com.

The present members of the Nomination Committee of the Company are:

Designation	Name	Directorship
Chairman	Datuk Hj. Mohd Yusri Bin Md Yusof	Independent Non-Executive Director
Member	Datuk Cheng Lai Hock	Independent Non-Executive Director
Member	Khoo Chee Siang	Independent Non-Executive Director

The summary of activities undertaken by the Nomination Committee during the financial period included the following :

i) Reviewed and assessed the effectiveness of the Board, the committees of the Board and the contribution of each individual director, including Independent Non-Executive Directors.
ii) Reviewed and recommended the re-election of Directors who were retiring and seeking for re-election at Nineteenth Annual General Meeting.
iii) Reviewed and assessed the independence of its Independent Non-Executive Directors.
iv) Reviewed the terms of office and performance of an Audit Committee.

Evaluation for Board, Board Committees and Individual Directors

The Nomination Committee has developed criteria to assess the effectiveness of the Board, the Board committees and individual Director. The evaluation on the Board's effectiveness is divided into four sections on the following key areas :

- Adding value
- Conformance
- Stakeholder Relationship
- Performance management

The process also assesses the competencies of each Director in the areas of integrity and ethics, governance, strategic perspective, business acumen, judgement and decision making, teamwork, communication and leadership.

The Nomination Committee also undertakes annual assessment of the independence of its independent directors based on required mix skills, criteria of independence as per requirements of MMLR.

The results of the evaluation were discussed by the Nomination Committee which were then reported to the Board. The Board did not engage any external party to undertake an independent assessment of the Directors.

Based on the assessment conducted for the financial period ended 31 December 2021, the Board and the Nomination Committee is satisfied with the current composition of Board members and believes that it is well balanced with the right mix of high-caliber individuals with the necessary skills and qualifications, credibility and independence to discharge its duties and responsibilities effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Re-Election of Directors

The procedure on the re-election of directors by rotation is set out in the Company's Constitution. Pursuant to the Company's Constitution, all Directors who are appointed by the Board during the year are subject to re-election by shareholders at the first meeting after their appointment. The Company's Constitution also provide at least one-third (1/3) of the remaining Directors are subject to re-election by rotation at each Annual General Meeting and retiring directors can offer themselves for re-election. All Directors shall retire from office at least once in every three (3) years, but shall be eligible for re-election.

Upon the recommendation of the Nomination Committee and the Board, the Directors who are standing for re-election at the forthcoming Annual General Meeting of the Company are as stated in the Notice of Annual General Meeting.

Annual Assessment of Independence

Annual assessments will be conducted by the Nomination Committee on annually basis and the criteria for assessment covers areas such as contributions to interaction, roles and responsibilities and quality of input to enhance the Board's effectiveness. The independence of Independent Directors was assessed based on their relationship with the Group and their involvement in any significant transactions with the Group including their ability to exercise independent judgment at all times and based on the criteria set out in the MMLR.

Based on the assessment carried out for the financial period ended 31 December 2021, the Board and the Nomination Committee is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interests of the Company during the financial period under review, and that each of them continues to fulfil the definition of independence as set out in the MMLR.

Remuneration Committee

The Board has established the Remuneration Committee which comprise majority of Independent Non-Executive Directors, with the responsibilities to establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors.

The Terms of Reference of the Remuneration Committee can be viewed at the Company's website at www.chinhinproperty.com.

The present members of the Remuneration Committee of the Company are:

Designation	Name	Directorship
Chairman	Datuk Cheng Lai Hock	Independent Non-Executive Director
Member	Chiau Haw Choon	Executive Director
Member	Khoo Chee Siang	Independent Non-Executive Director

The summary of activities undertaken by the Remuneration Committee during the financial period included the following :

i) Reviewed and recommended the payment of Directors' fees and other benefits payable to new Directors appointed during the financial period ended 31 December 2021.
ii) Reviewed and recommended the payment of Directors' fees and other benefits payable to Directors.
iii) Reviewed and recommended the remuneration package for the Executive Director of the Company.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Remuneration Policy

The Board believes in a remuneration policy that fairly supports the Directors' responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board's offers a competitive remuneration package in order to attract, develop and retain talented individuals to serve as directors.

The Remuneration Committee's primary responsibilities are to recommend to the Board from time to time, the remuneration package and terms of employment of each Executive Director. Each Executive Director is to abstain from deliberating and voting on the decision in respect of his/her own remuneration package. The Board as a whole decides on the remuneration of the Non-Executive Directors. The individual concerned is to abstain from deliberating his/her own remuneration package. All Directors' fees and other benefits payable to the Directors must be approved by the shareholders at the Annual General Meeting.

The objectives of the Group's policy on Directors' remuneration are to attract and retain Directors of the caliber needed to manage the Group successfully. In the case of Executive Directors, the component parts of their remuneration are structured to link rewards to corporate and individual performances. For Non-Executive Directors, their level of remuneration reflects the experience, expertise and level of responsibilities undertaken by the particular Non-Executive Director concerned.

Directors' Remuneration

Details of the Directors' remuneration paid or payable to all Directors of the Company (both by the Company and the Group) for the financial period ended 31 December 2021 are as follows:

i) The Company

Director	Fees RM	Salary, Allowances, & Bonus RM	Meeting Allowances RM	EPF, SOCSO & EIS RM	Benefit in kinds RM	Total RM
Datuk Seri Chiau Beng Teik	-	-	-	-	-	-
Chiau Haw Choon	-	135,000	-	16,892	-	151,892
Datuk Yeo Chun Sing	27,000	-	2,400	-	-	29,400
Khoo Chee Siang	40,500	-	2,400	-	-	42,900
Shelly Chiau Yee Wern	-	-	-	-	-	-
Datuk Cheng Lai Hock (Appointed on 6 May 2021)	16,000	-	2,400	-	-	18,400
Datuk Hj. Mohd Yusri Bin Md Yusof (Appointed on 6 May 2021)	16,000	-	2,400	-	-	18,400
Dato' Goh Boon Koon (Resigned on 28 April 2021)	-	-	-	-	-	-
Ho Kok Loon (Resigned on 28 April 2021)	2,000	-	-	-	-	2,000
Total	**101,500**	**135,000**	**9,600**	**16,892**	**-**	**262,992**

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Directors' Remuneration (cont'd)

Details of the Directors' remuneration paid or payable to all Directors of the Company (both by the Company and the Group) for the financial period ended 31 December 2021 are as follows: (cont'd)

ii) The Group

Director	Fees RM	Salary, Allowances, & Bonus RM	Meeting Allowances RM	EPF, SOCSO & EIS RM	Benefit in kinds RM	Total RM
Datuk Seri Chiau Beng Teik	-	-	-	-	-	-
Chiau Haw Choon	-	135,000	-	16,892	-	151,892
Datuk Yeo Chun Sing	27,000	-	2,400	-	-	29,400
Khoo Chee Siang	40,500	-	2,400	-	-	42,900
Shelly Chiau Yee Wern	-	215,280	-	26,531	-	241,811
Datuk Cheng Lai Hock (Appointed on 6 May 2021)	16,000	-	2,400	-	-	18,400
Datuk Hj. Mohd Yusri Bin Md Yusof (Appointed on 6 May 2021)	16,000	-	2,400	-	-	18,400
Dato' Goh Boon Koon (Resigned on 28 April 2021)	-	-	-	-	-	-
Ho Kok Loon (Resigned on 28 April 2021)	2,000	-	-	-	-	2,000
Total	**101,500**	**350,280**	**9,600**	**43,423**	**-**	**504,803**

Remuneration of Top Six (6) Senior Management

The top six (6) Senior Management of the Company (including its direct held subsidiary) are Ms Shelly Chiau Yee Wern, Mr. Wee Pang Siang, Mr. Khor Kai Fu, Ms Kan Keat Peng, Mr. Ng Chee Wei and Mr. Khor Choon Wooi. The aggregate remuneration of these top six (6) Senior Management received in financial period ended 31 December 2021 was RM0.87 million representing 14.14% of the total employees' remuneration of the Group.

The remuneration of the aforesaid top six (6) senior management is a combination of annual salary, benefits-in-kind and other emoluments which are determined similarly as other management employee of the Company. This is based on their individual performance and the overall performance of the Company. The basis of determination has been applied consistently from previous year.

The Board is of the opinion that disclosure of remuneration of the Directors of the Board by appropriate components and bands and the top six (6) Senior Management's total combined remuneration package should meet the intended objectives of the MCCG.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Independence of the Audit Committee

The Company recognised the need to uphold the independence of its external auditors and that no possible conflict of interest whatsoever should arise. Currently, none of the members of the Board nor the Audit Committee of the Company were former key audit partners of the external auditors appointed by the Group. As recommended by the MCCG, the Company will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the Audit Committee was a key audit partner of the external auditors of the Group.

Financial Literacy of the Audit Committee Members

Collectively, the members of the Audit Committee have the relevant experience and expertise in finance and accounting, and have carried out their duties in accordance with the Terms of Reference of the Audit Committee. The qualification and experience of the individual Audit Committee members are disclosed in the Profiles of Directors on pages 3 to 9 of this Annual Report. The Audit Committee members continuously keep themselves abreast of the latest development in accounting and auditing standards, statutory laws, regulations and best practices to enable them to discharge their duties effectively.

Compliance with Applicable Financial Reporting Standards

The Board strives to provide shareholders with a balanced and meaningful evaluation of the Group's financial performance, financial position and prospects through the annual audited financial statements, interim financial reports, annual report and announcements to Bursa Securities.

The interim financial reports, annual audited financial statements and annual report of the Group for the financial period ended 31 December 2021 are prepared in accordance with the Malaysian Financial Reporting Standards, MMLR and the Companies Act 2016. The Board is assisted by the Audit Committee in overseeing the financial reporting processes and ensuring the quality of its financial reporting.

The statement by the Board pursuant to Paragraph 15.26(a) of the MMLR on its responsibilities in preparing the financial statements is set out on page 69 of this Annual Report.

Assessment of Suitability and Independence of External Auditors

The Company has established a transparent arrangement with the External Auditors to meet their professional requirements. From time to time, the External Auditors highlight to the Audit Committee and Board of Directors on matters that require the Audit Committee and the Board's attention.

The Audit Committee is responsible for reviewing the audit, recurring audit-related and non-audit services provided by the External Auditors. The Audit Committee has been explicitly accorded the power to communicate directly with both the External Auditors and Internal Auditors. The terms of engagement for services provided by the External Auditors are reviewed by the Audit Committee prior to submission to the Board for approval. The effectiveness and performance of the External Auditors are reviewed annually by the Audit Committee.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Assessment of Suitability and Independence of External Auditors (cont'd)

To assess or determine the suitability and independence of the External Auditors, the Audit Committee has taken into consideration of, among others, the following:

i) the adequacy of the competency, experience and quality of the External Auditors;

ii) the External Auditor's resource capacity and ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;

iii) the nature of the non-audit services provided by the External Auditors and fees paid for such services are immaterial and less than 10%, relative to the Group's audit fee; and

iv) whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the External Auditors.

Annual appointment or re-appointment of the External Auditors is via shareholders' resolution at the Annual General Meeting on the recommendation of the Audit Committee and the Board. The External Auditors are being invited to attend the Annual General Meeting of the Company to respond and reply to the Shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of the audited financial statement.

Where necessary, the Audit Committee will meet with the External Auditors without the presence of Executive Directors and members of management to ensure that the independence and objectivity of the External Auditors are not compromised and matters of concerns expressed by the Audit Committee are duly recorded by the Company Secretaries.

In presenting the Audit Planning Memorandum to the Audit Committee, the External Auditors have highlighted their internal policies and procedures with respect to their audit independence and objectivity which include safeguards and procedures and independent policy adopted by the External Auditors. The External Auditors have also provided the required independence declaration to the Audit Committee and the Board for the financial period ended 31 December 2021.

The Audit Committee is satisfied with the competence and independence of the External Auditors for the financial period under review. Having regard to the outcome of the annual assessment of the External Auditors, the Board approved the Audit Committee's recommendation for the shareholders' approval to be sought at the forthcoming Annual General Meeting on the re-appointment of Messrs. UHY as the External Auditors of the Company for the financial year ending 31 December 2022.

Risk Management and Internal Control

The Board recognises the importance of risk management and internal controls in the overall management processes. The Group has established an internal control system and risk management framework which is adopted by the Group and its business units to ensure the effectiveness of identification, analysis, assessment, monitoring and communication of risks and internal control issues that will allow the Group to safeguard shareholders investments and assets by mitigating losses and maximising opportunities.

As an effort to enhance the system of internal control, the Board together with the assistance of external professional Internal Audit firm adopted on-going monitoring and review to the existing risk management process in place within the various business operations, with the aim of formalising the risk management functions across the Group. This function also acts as a source to assist the Audit Committee and the Board to strengthen and improve current management and operating style in pursuit of best practices.

Whilst acknowledging their responsibility, the Board is aware that such systems and frameworks as designed to manage rather than to eliminate risks and therefore may not be able to provide an absolute assurance against material misstatement or loss.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Risk Management and Internal Control (cont'd)

As an ongoing process, significant business risks faced by the Group are identified and evaluated and consideration is given to the potential impact of achieving the business objectives. This includes examining principal business risks in critical areas, assessing the likelihood of material exposures and identifying the measures taken to mitigate, avoid or eliminate these risks.

The Board noted that the MCCG recommends for the establishing a Risk Management Committee which comprises a majority of independent directors to oversee the Company' risk management framework and policies. The Board, nonetheless, will consider to adopt the Practice 10.3 of the MCCG in future.

The Statement on Risk Management and Internal Control which provides an overview of the Group's state of internal control and risk management is set out in pages 61 to 64 in this report.

Internal Audit Activities

The Group has outsourced its internal audit function to Eco Asia Governance Advisory Sdn Bhd ("Eco Asia"), an independent professional internal audit service provider and the consultancy firm which managed by professionally qualified and experienced staff. For each internal audit review, a team of at least three (3) internal audit personnel led by Mr Woon Soon Fai and Ms Kelly Neng will be assigned by Eco Asia to undertake the review in accordance to the internal audit plan approved by the Audit Committee. Mr Woon Soon Fai is a Fellow Member of The Association of Chartered Certified Accountants ("FACCA"), a Member of Malaysian Institute of Accountants ("MIA") and an Associate Member of The Institute of Internal Auditors Malaysia ("AIIA"). Whereas, Ms Kelly Neng is a Member of FACCA, a Member of MIA and an honors degree holder in Business and Accounting. The internal auditors are free from any relationships which could create conflict of interest and which could impair their objectivity and independence. The internal audit function adopts an internal audit framework with processes based on the standards recommended by the International Professional Practices Framework of the Institute of Internal Auditors.

In order to act independently from the management, Eco Asia will report directly to the Audit Committee and assists the Audit Committee in monitoring and reviewing the effectiveness of the risk management, internal control and governance process within the Group.

The Audit Committee approved the internal audit review plan presented by the external consultant. The internal audit plan is derived based on a risk-based assessment of all units and operations of the Group. The internal audit reports highlight any deficiencies or findings which are discussed with the management and relevant action plans agreed and to be implemented. Significant findings are presented in the Audit Committee meetings for consideration and reporting to the Board. A follow-up audit review is also conducted to determine whether all audit recommendations are effectively implemented.

Further details on the internal audit function are set out in the Statement on Risk Management and Internal Control on pages 61 to 64 of this Annual Report.

During the financial period, the internal audit function covered the areas of internal control systems on Anti-Bribery and Anti-Corruption Policy and practices of the Company and credit control of Boon Koon Vehicles Industries Sdn. Bhd.

Based on the internal audit review conducted by Eco Asia, the Board is of the view that there is no significant breakdown or weaknesses in the systems of internal controls of the Group that may result in material losses incurred by the Group for the financial period ended 31 December 2021.

The Audit Committee and the Board are satisfied with the performance of the outsourced internal audit function and agreed that the internal audit review was done in accordance with the audit plan approved by the Audit Committee and the coverage is adequate.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

Communication with Stakeholders

Along with good corporate governance practices, the Company is committed to provide to investors and the public with comprehensive, accurate and material information on a timely basis.

In line with this commitment and in order to enhance transparency and accountability, the Board has adopted an Internal Corporate Disclosure Policies and Procedures to facilitate the handling and disclosure of material information in a timely and accurate manner.

Information of the Group is also accessible through the Company's website at www.chinhinproperty.com which is updated on a regular basis. Information available in the website includes among others the Group's Annual Report, quarterly financial announcements, major and significant announcements.

While the Group endeavors to provide as much information as possible to its shareholders, the Group is mindful of the legal and regulatory frameworks governing the release of material and price sensitive information.

The Company is not categorised as a large company as defined in the MMLR. The Group's annual report for the financial period ended 31 December 2021 adopted partially the integrated reporting approach which covers the Group's strategy, performance, governance and future business prospects are connected towards achieving value creation for its shareholders.

Dialogue with Shareholders

The Board recognises the value of good investors' relation and endeavours to maintain constant and effective communication with shareholders through timely and comprehensive announcements.

In addition to the dissemination of information to shareholders and other interested parties via announcements to Bursa Securities, its website, circulars and press releases, the Board is of the view that the annual and any extraordinary general meetings as ideal opportunities to communicate with shareholders.

The Chairman or the Executive Directors of the Company will brief shareholders on the Company's projects and elaborate further on proposals for which the approval of shareholders is being sought at the general meeting.

Annual General Meeting

The Annual General Meeting ("AGM") is the principal forum for dialogue with all shareholders. The participation of shareholders, both individuals and institutional, at the Company's AGM are encouraged whilst request for briefings from the press and investment analyst are usually met as a matter of transparency.

As recommended by the MCCG, the Board is endeavored to dispatch its notice of AGM at least twenty-eight (28) days before the meeting and mindful that the sufficient notice and time given would allow the shareholders to make necessary arrangements to attend and participate the AGM. The Notice of AGM, which sets out the business to be transacted at the AGM, is also published in at least a major local newspaper. The Board will ensure that each item of special business included in the notices of the AGM or extraordinary general meeting is accompanied by a full explanation of the effects of any proposed resolution.

The notice of AGM, together with a copy of the Company's Annual Report for the financial period ended 31 December 2021, will be dispatched to shareholders at least twenty-one (21 days) before the meeting as required under Companies Act 2016 and MMLR of Bursa Securities.

At the AGM, the Board will brief the shareholders on the progress and performance of the Group and the shareholders are given the opportunity to raise questions pertaining to the annual report, corporate developments, resolutions and businesses of the Group at the AGM.

In light of the coronavirus outbreak, governmental decrees, and the encouragement of the Securities Commission Malaysia, as well as in the best interest of public health and the health and safety of the Board, employees and shareholders of the Company, the Company's AGM held on 20 September 2021 was conducted by way of fully virtual basis through online meeting platform of Vote2u facilities.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS (CONT'D)

Attendance of Directors at General Meetings

The tentative dates of the AGM will be discussed and fixed by the Board in advance to ensure that each of the Directors is able to make the necessary arrangement to attend the planned AGM.

At the Nineteenth (19th) AGM of the Company held on 20 September 2021, all the Directors have attended the said AGM to engage directly with shareholders, and be accountable for their stewardship of the Company.

Poll Voting

In line with Paragraph 8.29A of the MMLR, the Company will ensure that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. At the same time, the Company will appoint at least one (1) scrutineer to validate the votes cast at the general meeting.

At the commencement of all general meetings, the Chairman will inform the shareholders of their rights to a poll voting. Separate resolutions are proposed for substantially separate issues at the meeting and the Chairman will declare the number of votes received, both for and against for each separate resolution. The outcome of a general meeting will be announced to Bursa Securities on the same meeting day.

Effective Communication and Proactive Engagement

The Group maintains its effective communication with shareholders by adopting timely, comprehensive, and continuing disclosures of information to its shareholders as well as the general investing public and adopts the best practices recommended by the MCCG with regards to strengthening engagement and communication with shareholders.

Shareholders and stakeholders may raise their concerns and queries by contacting the Registered Office of the Group, the details of which as provided under the "Corporate Information" section of this Annual Report. The Share Registrar is also available to attend to administrative matters relating to shareholder interests.

Compliance Statement

Other than as disclosed and/or explained in this Annual Report, the Board is of the view that the Group has complied with and shall remain committed to attain the highest possible standards through the continuous adoption of the principles and best practices set out in MCCG and all other applicable laws, where applicable and appropriate.

OTHER DISCLOSURE REQUIREMENTS

UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

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

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000
Proceeds raised from Special Issue of Shares for lands acquisitions	37,067	37,067	-

During the financial period, there was an issuance of 50,377,400 new ordinary shares arising from the exercise of warrants at an exercise price of RM0.20 per ordinary share.

As at 31 December 2021, the proceeds of RM10,074,480.00 raised from the listing and quotation of 50,377,400 new ordinary shares following the conversion of warrants have been fully utilised by the Group on working capital purposes.

AUDIT AND NON-AUDIT FEE PAID TO EXTERNAL AUDITORS

The amount of audit and non-audit fees paid/payable to the external auditors by the Company and the Group respectively for the financial period ended 31 December 2021 are as follows :

	Company Level RM	Group Level RM
Audit services rendered	38,000	146,533
Non-Audit services Rendered		
(a) Review of statement of risk management and internal control	5,000	5,000

MATERIAL CONTRACTS

There were no other material contracts entered into by the Company and its subsidiaries involving interests of Directors, Chief Executive who is not a Director or major shareholders, either still subsisting as at 31 December 2021 or entered into since the end of the previous financial year.

CONTRACTS RELATING TO LOAN

During the financial period, there were no material contracts relating to loan entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE ("RRPT")

The Company is seeking approval from shareholders for the proposed renewal of existing shareholders' mandate for the Group to enter into RRPT(s) of a revenue or trading nature pursuant at the forthcoming Annual General meeting to be held on 3 June 2022.

Recurrent Related Party Transactions of a Revenue and Trading Nature ("RRPT") (Cont'd)

The details of RRPTs of a revenue or trading nature of the Group for the financial period ended 31 December 2021 were as follows :

Related Party	Chin Hin Group Property Berhad ("CHGP") Group - Transacting Party	Nature of Transaction with CHGP Group	Value of Transaction (RM'000)	Nature of relationship between CHGP Group and the Related Party
Chin Hin Group Berhad ("**Chin Hin**") and its subsidiary companies	CHGP Group	• Rental paid to CHGP Group for motor vehicles rented	NIL	• Datuk Seri Chiau Beng Teik is the Non-Independent Non-Executive Chairman and a Major Shareholder of CHGP. He is also the Executive Chairman and a Major Shareholder of Chin Hin. He is the spouse of Datin Seri Wong Mee Leng and father of Chiau Haw Choon and Shelly Chiau Yee Wern. • Chiau Haw Choon is an Executive Director and a Major Shareholder of CHGP. He is also the Group Managing Director and a Major Shareholder of Chin Hin. He is the son of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and brother of Shelly Chiau Yee Wern. • Shelly Chiau Yee Wern is the Executive Director in CHGP. She is also the Alternate Director of Datuk Seri Chiau Beng Teik in Chin Hin. She is the daughter of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and sister of Chiau Haw Choon.
		• Sale of motor vehicles to Chin Hin Group based on prevailing market price	NIL	
		• Supply by CHGP Group and/or purchase from Chin Hin Group of materials based on prevailing market price.	283	
		• Provision of insurance and other administrative services by Chin Hin Group based on prevailing market price.	55	
		• Provision of construction services to and/or by Chin Hin Group based on prevailing market price.	NIL	
		• Leasing / renting / letting of office premises to and/or from Chin Hin Group based on market value and is payable on an equal pro-rated monthly basis.	19	

OTHER DISCLOSURE REQUIREMENTS

(CONT'D)

Recurrent Related Party Transactions of a Revenue and Trading Nature ("RRPT") (Cont'd)

Related Party	CHGP Group - Transacting Party	Nature of Transaction with CHGP Group	Value of Transaction (RM'000)	Nature of relationship between CHGP Group and the Related Party
Chin Hin Group Berhad ("**Chin Hin**") and its subsidiary companies (Cont'd)	CHGP Group (Cont'd)			• Chin Hin is a Major Shareholder of CHGP and holding company of CHGP. • Divine Inventions Sdn. Bhd. is a Major Shareholder of CHGP and Chin Hin. Divine Inventions Sdn. Bhd. is a wholly-owned subsidiary of PP Chin Hin Realty Sdn. Bhd. • Datin Seri Wong Mee Leng is a Major Shareholder of CHGP and Chin Hin. She is the spouse of Datuk Seri Chiau Beng Teik and mother of Chiau Haw Choon and Shelly Chiau Yee Wern. • PP Chin Hin Realty Sdn. Bhd. is a Major Shareholder of CHGP and Chin Hin. PP Chin Hin Realty Sdn. Bhd. is a person connected to Datuk Seri Chiau Beng Teik, Chiau Haw Choon and Datin Seri Wong Mee Leng.

Recurrent Related Party Transactions of a Revenue and Trading Nature ("RRPT") (Cont'd)

Related Party	CHGP Group - Transacting Party	Nature of Transaction with CHGP Group	Value of Transaction (RM'000)	Nature of relationship between CHGP Group and the Related Party
Aera Property Group Sdn Bhd ("**Aera Property**") and its subsidiary companies	CHGP Group	• Provision of construction services to and/or by Aera Property Group based on prevailing market price.	19,863	• Datuk Seri Chiau Beng Teik is the Non-Independent Non-Executive Chairman and a Major Shareholder of CHGP. He is the spouse of Datin Seri Wong Mee Leng and father of Chiau Haw Choon and Shelly Chiau Yee Wern. • Chiau Haw Choon is an Executive Director and a Major Shareholder of CHGP. He is the son of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and brother of Shelly Chiau Yee Wern. • Datin Seri Wong Mee Leng is a Major Shareholder of CHGP. She is the spouse of Datuk Seri Chiau Beng Teik and mother of Chiau Haw Choon and Shelly Chiau Yee Wern. • Shelly Chiau Yee Wern is the Executive Director in CHGP. She is the daughter of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and sister of Chiau Haw Choon. • Datuk Seri Chiau Beng Teik and Chiau Haw Choon are directors and substantial shareholders of Aera Property.

OTHER DISCLOSURE REQUIREMENTS

(CONT'D)

Recurrent Related Party Transactions of a Revenue and Trading Nature ("RRPT") (Cont'd)

Related Party	CHGP Group - Transacting Party	Nature of Transaction with CHGP Group	Value of Transaction (RM'000)	Nature of relationship between CHGP Group and the Related Party
Aera Property Group Sdn Bhd ("**Aera Property**") and its subsidiary companies (Cont'd)	CHGP Group (Cont'd)			• Chin Hin is a Major Shareholder of CHGP and holding company of CHGP. • Divine Inventions Sdn. Bhd. is a Major Shareholder of CHGP. Divine Inventions Sdn. Bhd. is a wholly-owned subsidiary of PP Chin Hin Realty Sdn. Bhd. • PP Chin Hin Realty Sdn. Bhd. is a Major Shareholder of CHGP. PP Chin Hin Realty Sdn. Bhd. is the holding company of Aera Property and is a person connected to Datuk Seri Chiau Beng Teik, Datin Seri Wong Mee Leng and Chiau Haw Choon. Datuk Seri Chiau Beng Teik and Chiau Haw Choon are also the directors of PP Chin Hin Realty Sdn. Bhd.
CHL Logistic Sdn. Bhd.	CHGP Group	• Sales of motor vehicles to CHL Logistic Sdn. Bhd. based on prevailing market price.	NIL	• Datuk Seri Chiau Beng Teik is the Non-Independent Non-Executive Chairman and a Major Shareholder of CHGP. He is the spouse of Datin Seri Wong Mee Leng and father of Chiau Haw Choon and Shelly Chiau Yee Wern. • Chiau Haw Choon is an Executive Director and a Major Shareholder of CHGP. He is the son of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and brother of Shelly Chiau Yee Wern.
		• Supply by CHGP Group and/or purchase from CHL Logistic Sdn. Bhd. of materials based on prevailing market price.	NIL	

Recurrent Related Party Transactions of a Revenue and Trading Nature ("RRPT") (Cont'd)

Related Party	CHGP Group - Transacting Party	Nature of Transaction with CHGP Group	Value of Transaction (RM'000)	Nature of relationship between CHGP Group and the Related Party
CHL Logistic Sdn. Bhd. (Cont'd)	CHGP Group (Cont'd)			• Datin Seri Wong Mee Leng is a Major Shareholder of CHGP. She is the spouse of Datuk Seri Chiau Beng Teik and mother of Chiau Haw Choon and Shelly Chiau Yee Wern. • Chiau Haw Loon, the son of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and brother of Chiau Haw Choon and Shelly Chiau Yee Wern, is the director and substantial shareholder of CHL Logistic Sdn. Bhd. • Shelly Chiau Yee Wern is the Executive Director in CHGP. She is the daughter of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and sister of Chiau Haw Choon. • Chin Hin is a Major Shareholder of CHGP and holding company of CHGP. • Divine Inventions Sdn. Bhd. is a Major Shareholder of CHGP. Divine Inventions Sdn. Bhd. is a wholly-owned subsidiary of PP Chin Hin Realty Sdn. Bhd. • PP Chin Hin Realty Sdn. Bhd. is a Major Shareholder of CHGP. PP Chin Hin Realty Sdn. Bhd. is a person connected to Datuk Seri Chiau Beng Teik, Datin Seri Wong Mee Leng and Chiau Haw Choon.

Recurrent Related Party Transactions of a Revenue and Trading Nature ("RRPT") (Cont'd)

Related Party	CHGP Group - Transacting Party	Nature of Transaction with CHGP Group	Value of Transaction (RM'000)	Nature of relationship between CHGP Group and the Related Party
Midas Signature Sdn. Bhd.	CHGP Group	• Leasing / renting of office premises from Midas Signature Sdn. Bhd. based on market value and is payable on an equal prorated monthly basis.	83	• Datuk Seri Chiau Beng Teik is the Non-Independent Non-Executive Chairman and a Major Shareholder of CHGP. He is the spouse of Datin Seri Wong Mee Leng and father of Chiau Haw Choon and Shelly Chiau Yee Wern. • Chiau Haw Choon is an Executive Director and a Major Shareholder of CHGP. He is the son of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and brother of Shelly Chiau Yee Wern. • Datin Seri Wong Mee Leng is a Major Shareholder of CHGP. She is the spouse of Datuk Seri Chiau Beng Teik and mother of Chiau Haw Choon and Shelly Chiau Yee Wern. • Shelly Chiau Yee Wern is the Executive Director in CHGP. She is the daughter of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and sister of Chiau Haw Choon. • Datuk Seri Chiau Beng Teik and Chiau Haw Choon are directors of Midas Signature Sdn Bhd., which in turn is an indirect wholly-owned subsidiary of PP Chin Hin Realty Sdn. Bhd. • Chin Hin is a Major Shareholder of CHGP and holding company of CHGP.

Recurrent Related Party Transactions of a Revenue and Trading Nature ("RRPT") (Cont'd)

Related Party	CHGP Group - Transacting Party	Nature of Transaction with CHGP Group	Value of Transaction (RM'000)	Nature of relationship between CHGP Group and the Related Party
Midas Signature Sdn. Bhd. (Cont'd)	CHGP Group (Cont'd)			• Divine Inventions Sdn. Bhd. is a Major Shareholder of CHGP. Divine Inventions Sdn. Bhd. is a wholly-owned subsidiary of PP Chin Hin Realty Sdn. Bhd. • PP Chin Hin Realty Sdn. Bhd. is a Major Shareholder of CHGP. PP Chin Hin Realty Sdn. Bhd. is the holding company of Aera Property. Aera Property is the holding company of Midas Signature Sdn. Bhd. and is a person connected to Datuk Seri Chiau Beng Teik, Datin Seri Wong Mee Leng and Chiau Haw Choon. Datuk Seri Chiau Beng Teik and Chiau Haw Choon are also the directors of PP Chin Hin Realty Sdn. Bhd.
Chin Hin Gypsum Sdn. Bhd.	CHGP Group	• Leasing / renting of office premises from Chin Hin Gypsum Sdn. Bhd. based on market value and is payable on an equal pro-rated monthly basis.	68	• Datuk Seri Chiau Beng Teik is the Non-Independent Non-Executive Chairman and a Major Shareholder of CHGP. He is the spouse of Datin Seri Wong Mee Leng and father of Chiau Haw Choon and Shelly Chiau Yee Wern. • Chiau Haw Choon is an Executive Director and a Major Shareholder of CHGP. He is the son of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and brother of Shelly Chiau Yee Wern.

OTHER DISCLOSURE REQUIREMENTS

(CONT'D)

Recurrent Related Party Transactions of a Revenue and Trading Nature ("RRPT") (Cont'd)

Related Party	CHGP Group - Transacting Party	Nature of Transaction with CHGP Group	Value of Transaction (RM'000)	Nature of relationship between CHGP Group and the Related Party
Chin Hin Gypsum Sdn. Bhd. (Cont'd)	CHGP Group (Cont'd)			• Datin Seri Wong Mee Leng is a Major Shareholder of CHGP. She is the spouse of Datuk Seri Chiau Beng Teik and mother of Chiau Haw Choon and Shelly Chiau Yee Wern. • Shelly Chiau Yee Wern is the Executive Director in CHGP. She is the daughter of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and sister of Chiau Haw Choon. • Datuk Seri Chiau Beng Teik is the director and substantial shareholder of Chin Hin Gypsum Sdn. Bhd. • Chin Hin is a Major Shareholder of CHGP and holding company of CHGP. • Divine Inventions Sdn. Bhd. is a Major Shareholder of CHGP. Divine Inventions Sdn. Bhd. is a wholly-owned subsidiary of PP Chin Hin Realty Sdn. Bhd. • PP Chin Hin Realty Sdn. Bhd. is a Major Shareholder of CHGP. PP Chin Hin Realty Sdn. Bhd. is a person connected to Datuk Seri Chiau Beng Teik, Datin Seri Wong Mee Leng and Chiau Haw Choon.

SUSTAINABILITY STATEMENT 2021

CONSTRUCTING PROPERTY, BUILDING SUSTAINABILITY

The concept of sustainability has become increasingly essential to property development and construction in recent years. The aim of sustainability in this context is to allow future generations to reap the benefits from current property developments and constructions, while at the same time not to be disadvantaged due to the effects of the current development and construction activities.

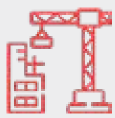
Chin Hin Group Property Berhad (**"CHGP"** or **"the Company"**) and its subsidiaries (**"CHGP Group"** or **"the Group"**) is cognisant of its responsibility to embrace the principle of sustainability into the business operations for long-term value creation to all stakeholders as well as for the benefits of the future generations.

The Board of Directors (**"the Board"**) is pleased to present this Sustainability Statement (**"Statement"**) to demonstrate our strategic approaches in addressing sustainability challenges and opportunities within the contexts of Economic, Environmental and Social.

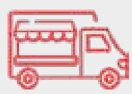
SCOPE OF THIS STATEMENT

This Statement covers the sustainability efforts and performances in CHGP Group's business operations within Malaysia for the financial period from 1 April 2021 to 31 December 2021 ("FPE 2021"), unless otherwise specified. The Group's business activities comprise four (4) major segments as follows : -

Property Development



Construction



Commercial Vehicles and Bodyworks

Rental and Fleet Management Services

BASIS OF THIS STATEMENT

This Statement was prepared based on all available internal information with reference to the Main Market Listing Requirements ("MMLR") relating to Sustainability Statements and Sustainability Reporting Guide 2nd Edition as prescribed by the Bursa Malaysia Securities Berhad ("Bursa Securities").

FEEDBACK

As part of our continuous effort to improve our sustainability performance and reporting standard, we welcome stakeholders' feedback on this Statement and any of the matters covered. Any relevant feedbacks, enquiries and comments can be directed to enquiry@chgp.my.

COMMITMENT TO SUSTAINABILITY

We started our business journey since 2001 under the name of Boon Koon Group Berhad, principally engaged in manufacturing and sale of commercial vehicles. We were then listed on the Second Board of Bursa Securities in 2004 and transferred to the Main Board of Bursa Securities in 2005, indicating our robust growth and standing in the industry.

Aligned with Sustainable Development Goal ("SDG") Target 8.2, we have taken a further step to tap into property development industry in 2018 as part of our business growth and sustainability strategy via diversification. To date, we have expanded our business operations to cover construction activities as well. We will continue to steer the Group's business towards greater heights in a sustainable way so as to deliver long-term values to our various stakeholders.

Sustainability has always been the underlying principle of our business which was incorporated to our vision and missions as follows: -

Our Vision

To be the organisation that best understands the products it offers and satisfying the needs and desires of our customers.

Our Missions

To develop products which are in accordance to the actual needs and requirements of the end users.

To ensure products developed can achieve the productivity and performance required, bearing in mind the industry and regional geographical conditions of the end-users.

To develop comprehensive commercial vehicles that are able to operate under tropical environment and subsequently to be an established global manufacturing hub for such products.

Ensuring high customer satisfaction by providing quality residence and commercial properties that meet the evolving needs of our customers.

The Group is committed to build and maintain a sustainable business and ensure a sustainable future for the next generation. We are dedicated to endeavour positive impacts to the local economy, environment and community while simultaneously reduce the negative impacts from our business operations.

SUSTAINABILITY GOVERNANCE STRUCTURE

Board of Directors

Overall responsibilities to steer the Group's sustainability initiatives and strategies

Audit Committee	Nomination Committee	Remuneration Committee
To monitor the Group's internal control system and risk management affairs	To identify and assess suitable new candidates for the Board and Senior Management	To develop remuneration policy and competitive remuneration packages to motivate and retain right talents for the Board and Senior Management

In CHGP Group, the Board with the assistance from Senior Management, is ultimately accountable for the integration of the Group's sustainability initiatives into business operations and to oversee relevant sustainability affairs. In order to ensure effective discharge of duties, the Board has delegated certain responsibilities to the Board Committees.

Audit Committee is tasked to review the adequacy of the Group's risk management and internal controls systems as these systems play an important role to govern and sustain the business operations. Nomination Committee and Remuneration Committee on the other hand are tasked to track the Board's overall performance in ensuring good corporate governance, which are essential to business sustainability as well.

STAKEHOLDERS ENGAGEMENT

We recognise the importance of having regular engagement with our various stakeholders in order to understand their requirements and expectations so as to develop more robust and sustainable business strategies that allow us to capitalise on prospects amidst the prevalent challenges. Our interactions with various stakeholders in FPE 2021 are as follows : -

Stakeholders	Stakeholders' Concerns / Material Matters	Engagement Approaches
Shareholders	• Financial and operational performance • Business strategy and sustainability • Return on investment	• General meetings • Quarterly financial results and annual report • Company website • Bursa announcements

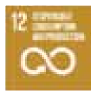
STAKEHOLDERS ENGAGEMENT (CONT'D)

Stakeholders	Stakeholders' Concerns / Material Matters	Engagement Approaches
Government/ Regulators	• Regulatory compliance • Permits and licenses • Corporate governance • Occupational safety and health	• Meetings and visits • Compliance audit • Ad-hoc report submissions as and when required • Bursa announcements
The Board	• Business strategy and sustainability • Financial and operational performance • Corporate governance and risk management • Interest of shareholders and other stakeholders	• Board meetings • General meetings
Employees	• Career advancement • Continuous training and development • Talent and performance management • Succession planning • Occupational safety and health • Competitive compensation and benefit packages	• Induction training • Regular learning programs and on-job trainings • Internal communication • Performance appraisals
Customers	• Product quality assurance • Customer satisfaction • Product development and technology innovation • Competitive pricing and on-time delivery	• Regular meetings • Customer feedback survey • Company website and social media • Advertisement and marketing events
Suppliers	• Sustainable business relationship • Sourcing of quality materials • Supplier selection and credit terms	• Face-to-face interaction • Email communication
Community	• Local job creation • Environmental impact from operations • Domestic economic support	• Company website and social media
Analyst/Media	• Financial and operational performance • Business strategy and future prospects • Corporate governance	• Quarterly financial results and annual report • General meetings • Interviews • Company website • Bursa announcements

SUSTAINABILITY STRATEGIES AND MATERIALITY ASSESSMENT

With the insights gained from our engagement with stakeholders, we have formulated our sustainability strategies categorised base on three (3) sustainability pillars, namely Economic, Environmental and Social. This year, we have further taken into consideration the 17 SDGs introduced by United Nations Member States in formulating our business sustainability strategies. The SDGs aim to address the global challenges of poverty, inequality, climate change, environmental degradation, peace and justice among others. Out of the 17 SDGs, we have selected seven (7) SDGs which are most relevant to the Group for the formulation of our sustainability strategies.

In FPE 2021, we have reassessed our material matters and ranked ten (10) key areas which matter the most to the Group and our stakeholders. We have mapped the seven (7) SDGs to our material matters and depicted the relevant sustainability strategies as follows: -

	ECONOMIC	ENVIRONMENTAL	SOCIAL
Material Matters	1 Sustainable Business Growth 2 Quality Assurance 3 Customer Satisfaction 4 Corporate Governance and Ethical Business	5 Effluents and Waste Management 6 Water and Energy Management	7 Workforce Diversity 8 Employee Welfare 9 Employee Training and Development 10 Occupational Health and Safety
SDG			
Sustainability Strategies	• To grow sustainable business by delivering quality products and services • To drive value creation to various shareholders and stakeholders • To promote and maintain good corporate governance	• To minimise environmental damaging effects arising from operations • To promote green actions for environmental preservation	• To provide safe and healthy workplace for employees • To nourish our employees' well-being

Identification

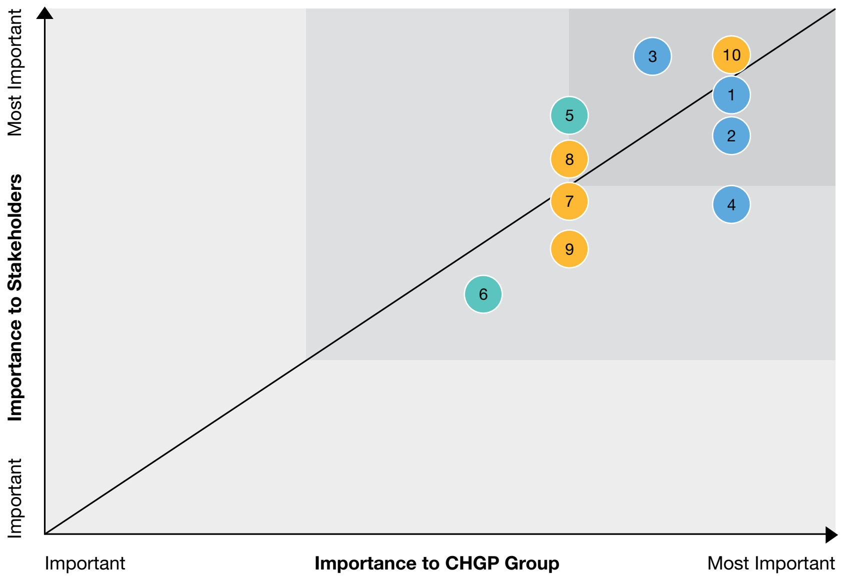
Identify material matters across the Group's business operations

Assessment

Assess the material matters from both business and stakeholder perspectives

Prioritisation

Rank each material matters by prioritising according to the analysis of stakeholder impact and business impact



ECONOMIC

Economic is more than just about money. In CHGP, we promote inclusive and sustainable economic development for prosperity and long-term value creation to all stakeholders.

SUSTAINABLE BUSINESS GROWTH

Commercial Vehicles

During FPE 2021, recession in economy was still on-going in view of the resurgence of Covid-19 cases as well as the re-enforcement of Movement Control Order ("MCO"). Yet, we are gratified that we have sustained our business in commercial vehicle segment with growing demand for light trucks in logistics and food delivery industries throughout the Covid-19 pandemic period. Notably, we have secured a contract for rental of Viflex to a food delivery service company.

In December 2021, we have imported motor homes from Japan, a new product to be introduced to the market in Malaysia. We discover growing trends and demands from local community, especially those are living in the fast-paced cities like Kuala Lumpur and Selangor, who wish to have a short gateway during weekends or holidays with the motor homes. In line with our vision, we believe that the motor home is able to meet the demand and requirement of our customers and thereby improve our business performance further in future.

As our commercial vehicles segment is serving only the market in Peninsular Malaysia currently, we are actively exploring opportunities to expand the business to Sabah and Sarawak. At the same time, while we sustain our light trucks business portfolio, we will place greater emphasis on marketing efforts to promote our heavy trucks portfolio as well. Hopefully these initiatives shall bring greater heights to our business in future.

Property Development and Construction

Despite a general softening in property market due to economic downturn as a result of the Covid-19 pandemic, the Group has leveraged on social media platform and Zoom Application to boost our sales for the "8th & Stellar" joint developments project via video marketing strategy. As at 31 December 2021, we have successfully boosted the sales up to 86.55%.

On the other hand, it is worth to mention that we have successfully sold off all the units for our Aera Project in FPE 2021. The vacant possession of the Aera Project units are expected to be delivered to end purchasers by the second quarter of financial year ending 31 December 2022.

ECONOMIC (CONT'D)

SUSTAINABLE BUSINESS GROWTH (CONT'D)

Property Development and Construction (Cont'd)

Property and land markets are generally softened with reduced market price in recent two (2) years due to the Covid-19 pandemic. In anticipating a market recovery from 2022 onwards, the Group has seized the opportunity to increase the landbank via acquisition of seven (7) freehold lands within Hulu Selangor, Cyberjaya and Puchong areas at a lower market price in FPE 2021. We will continue to identify golden opportunities and suitable lands to grow our property development business further.

FPE 2021 marked another significant milestone for the Group as we have diversified into construction industry via 65% acquisition of Kayangan Kemas Sdn. Bhd. ("KKSB"). KKSB is a well-established construction company with Grade 7 ("G7") certification registered under both the Construction Industry Development Board ("CIDB") and Sijil Perolehan Kontrak Kerajaan ("SPKK"). With such recognitions, KKSB is capable to tender for construction works with unlimited size and value and to undertake government awarded projects within Malaysia.

The capabilities of KKSB are proven by the extensive track records with various construction portfolio such as schools, nursing college, hospitals, high rise apartments and government quarters, hotels, shopping mall, factories and commercial units, as well as infrastructure projects such as upgrading of roads and highways. KKSB has completed more than RM1.0 billion worth of projects all over Malaysia, covering from private sectors projects to government projects.

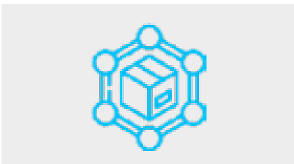
The Company had also, via KKSB, proposed acquisition of 60% interest of Makna Setia Sdn. Bhd. ("Makna Setia") on 10 December 2021. This proposed acquisition was subsequently novated to Chin Hin Construction Sdn. Bhd. on 15 April 2022. Makna Setia is principally engaged in the construction of public infrastructure such as bridge, rail tracks and highways. Makna Setia is also a G7 contractor registered with CIDB. Since its incorporation, it has completed approximately RM127.6 million worth of projects. Notable projects such as Mass Rapid Transit ("MRT") Package V210, Pan Borneo Highway, West Coast Expressway and SUKE Highway are within the portfolio of Makna Setia.

As a key player in property industry, such acquisition and diversification into construction industry has marked our focus and contribution to SDG 8 and SDG 11. We see synergy benefits with the inclusion of construction capabilities to our existing property development business. Specifically, this acquisition allows us to immediately own an in-house construction team and have access to KKSB's ongoing and future projects.

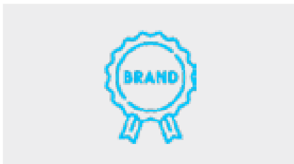
On a separate note, we are optimistic towards the upcoming property market as we believe that various economic stimulation packages initiated by the Malaysian government via National Economy Recovery Plan 2020 such as stamp duty exemption and the launching of National Affordable Housing Policy and Rent-to-Own scheme will contribute to the speedy recovery of the property market in near future.

In tandem with the arising opportunity, we may enjoy the following benefits by transforming into a total property solutions provider with construction capabilities: -

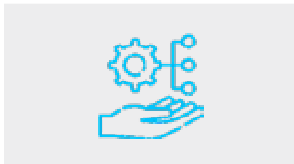
Cost Effective with Higher Profit Margin



Quality Control in Materials Specification and Supply



Branding Enhancement



Resources and Data Integration

ECONOMIC (CONT'D)

QUALITY ASSURANCE

In CHGP, we uphold our mission to deliver high quality products and services to our customers as part of our business sustainability strategies in today's dynamic and competitive business environment. We have implemented stringent quality control in our business operations in an effort to fulfil our customers' expectation and satisfaction. To this end, our Quality Management System in commercial vehicle segment has been accredited with ISO 9001:2015, under the scope of "rebuilding of commercial vehicles, manufacturing of bodyworks, and remanufacturing of parts and components", since 2004.

UKAS QUALITY MANAGEMENT

CUSTOMER SATISFACTION

Our heavy emphasis on customer satisfaction is clearly stated in our vision and mission. We are required to satisfy our customers' needs and desires and ensure high customer satisfaction rate at all times. The assessment on customers' satisfaction level enables us to identify any weakness and improvements needed in order to maintain our competitive edge in the industries.

Regardless positive or negative, we take all feedbacks and comments constructively as our motivation to improve further. All feedbacks and comments are addressed by our people properly and promptly. We are glad to highlight that we are maintaining a high level of customer satisfaction where no customer complaint was received during FPE 2021.

CORPORATE GOVERNANCE AND ETHICAL BUSINESS

As a responsible entity, we are committed to a high standard of corporate governance. We advocate integrity and ethical practices in all business dealings as we believe that business sustainability is underpinned by a strong corporate governance.

We are cognisant of the SDG 16 to promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. We uphold ethical values and professional conducts in accordance to our Code of Conduct ("the Code") focusing on the following areas: -

Directors

- Standard of conduct
- Conflicts of interest
- Corporate opportunities
- Confidentiality
- Fair dealings
- Protection and proper usage of assets
- Compliance with law, rules and regulations
- Report of illegal or unethical behaviour
- Conduct during meetings

Employees

- Professional integrity
- Accurate and complete accounting
- Bribes and kickbacks
- Gifts and entertainment
- Conflicts of interest
- Diverting
- Confidentiality
- Political and charitable contributions
- Administration of Code

To align with SDG Target 16.5 - to substantially reduce corruption and bribery in all their forms, we have established an Anti-Corruption and Anti-Bribery Policy ("ACAB Policy") to uphold our zero-tolerance principle against any form of bribery and corruption.

ECONOMIC (CONT'D)

CORPORATE GOVERNANCE AND ETHICAL BUSINESS (CONT'D)

In addition, as an effort to support our commitments towards high standards of business integrity, Whistle Blowing Policy is in place to provide an avenue for all employees and stakeholders to report any improper conduct or violence against the Code, ACAB Policy or any other applicable laws and regulations. All the Code, ACAB Policy and Whistle Blowing Policy are published on the Company's website at *https://chinhinproperty.com/corporate-governance/*.

We are pleased to highlight that no employees had been disciplined or dismissed, no contracts with suppliers or customers being terminated, nor have any public cases been brought against CHGP and its employees due to non-compliance to the Code, ACAB Policy and/or any relevant laws and regulations in Malaysia in FPE 2021. As such, no relevant fines, penalties or settlements were imposed or made during the financial period under review.

ENVIRONMENTAL

Environmental sustainability is interacting with the mother earth responsibly to maintain natural resources and avoid jeopardising the ability for future generations to meet their needs.

EFFLUENTS AND WASTE MANAGEMENT

CHGP Group understands that our business impacts from property development, construction and commercial vehicles segments to the environment is far-reaching. We are committed to minimise any adverse environmental impact arising from our business operations.

In our commercial vehicles segment, scheduled waste such as SW305 spent lubricating oil is generated from the assembly, rebuilt of commercial vehicles and bodyworks and maintenance services. As a responsible entity, we support SDG Target 12.4 - to achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment.

In CHGP Group, we have proper procedures for disposal of scheduled waste. We store scheduled waste at a designated area in our operation site in compliance to the guideline prescribed by Department of Environment ("DOE") Malaysia in order to prevent any leakage to the environment. Scheduled waste is then properly disposed through scheduled waste contractor approved by the DOE periodically.

In FPE 2021, a total of 1,600kg spent lubricating oil is generated from our operations. All scheduled waste is collected and disposed in a proper manner. In addition, we also submit the scheduled waste report to DOE Malaysia on a monthly basis in accordance to requirement set by Environmental Quality (Scheduled Wastes) Regulations 2005.

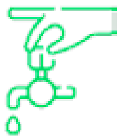
On the other hand, ambient dust is generated from our property development and construction activities in various phases such as excavation, demolition, hacking, carpentry works and vehicles movement. In an effort to minimise pollutions to the environment, we required our contractors to monitor and control the ambient dust generated in accordance to the local environmental pollution control regulations.

In FPE 2021, we are pleased to highlight that no environmental compliance related fine or penalty was imposed to the Group by the relevant authorities.

ENVIRONMENTAL (CONT'D)

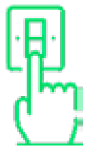
WATER AND ENERGY MANAGEMENT

Apart from effluents and waste management, we practice water and energy management as part of our environmental sustainability efforts. In line with SDG Target 12.2 to achieve sustainable management and efficient use of natural resources, we adopt responsible consumption of water and energy on best effort basis. During FPE 2021, we have minimised our water and energy consumptions with following initiatives taken: -



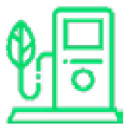
Switching off Water Tap when Not in Use

- Switch off water tap in the office and factory, whenever not in use.



Switching off Electricity when Not in Use

- Switch off compressor during lunch hour and after working hours; and
- Switch off batching plant lighting at night, especially spotlights.



Minimising Business Travelling

- Share transportation to attend business meeting; and
- Conduct meetings virtually, whenever possible.

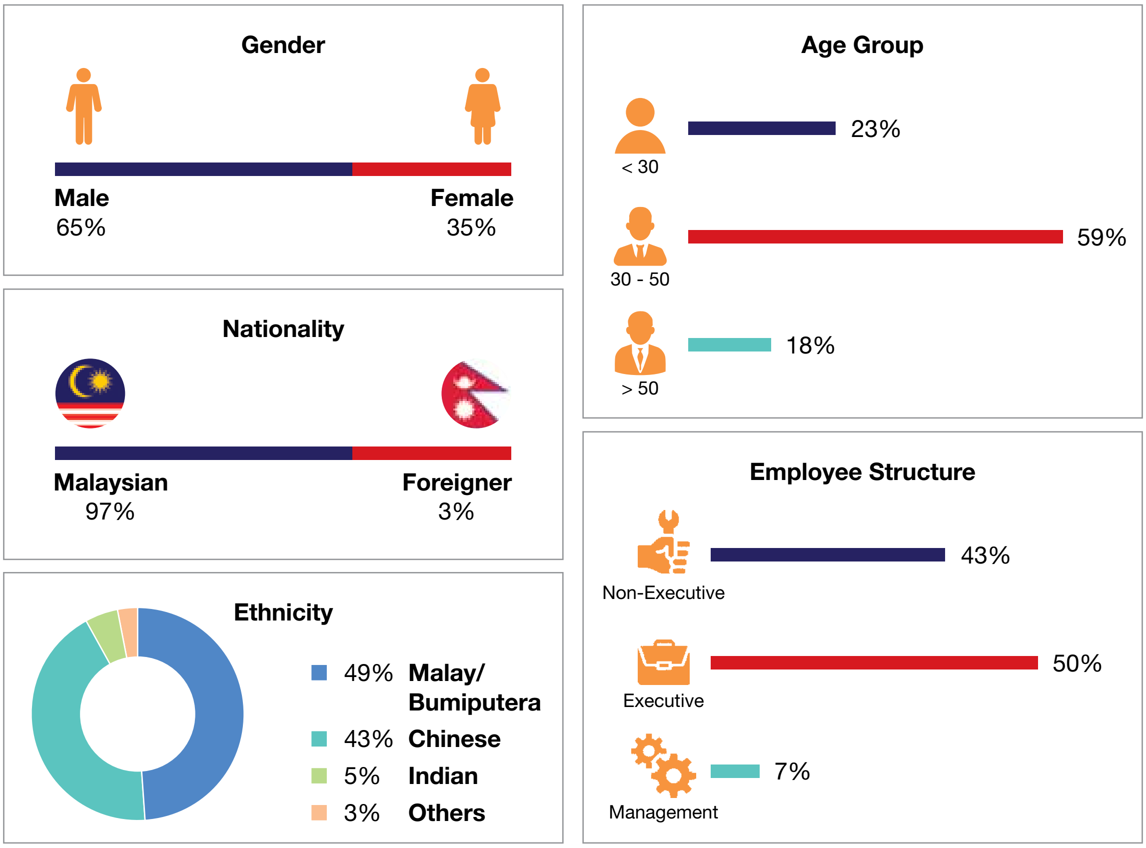
SOCIAL

We embrace our employees with a sense of belonging. Coming together is a beginning, keeping together is a progress, while working together is the success.

WORKFORCE DIVERSITY

In CHGP Group, we embrace the beauty of workforce diversity as we believe that multicultural working environment may inspire creativity and drive towards greater production and innovation. In this regard, we strive to provide equal opportunity and growth potentials to all our talented employees.

As at 31 December 2021, we have a total of 190 employees in the Group. The Group's employee demographics are as follows: -



We are well aware that employees' loyalty to the Group plays an important role in business sustainability. We strive to retain employees as much as possible and maintain an annual employee turnover rate of 20% or below. During FPE 2021, we have reported an employee turnover rate of 8%. We endeavour to continue attract and retain the right talent by creating a dynamic, motivative and conducive working environment.

SOCIAL (CONT'D)

EMPLOYEE WELFARE

In advocating SDG 10 to reduce inequality and promote well-being among our people, any form of discrimination, including but not limited to gender, age, religion, ethnicity, culture and nationality, are strictly prohibited in CHGP Group. We always ensure that we comply strictly to the Malaysia Employment Act 1955 to protect our people's right. We are glad to report that there were no breaches against any labour related laws and regulations in FPE 2021.

We view our people as the Group's greatest asset and endeavour to nurture their well-being so as to inspire a high-performance working culture. As part of our strategies to develop sustainable human resources in the Group, we cultivate workplace by embracing empowerment and equality with the following principles: -

DO'S

- ✔ Ensure fair recruitment procedures, based on the merit and guided by respect, integrity, diversity and accountability.
- ✔ Ensure employee's wages and compensation comply with all applicable laws and to be paid on timely basis.
- ✔ Provide safe and healthy working environment.
- ✔ Respect freedom of association and rights of employees and employers to bargain collectively.

DONT'S

- ✖ Child labour and under-age workers are forbidden.
- ✖ Do not use forced, prison, indentured, bonded or involuntary labour.
- ✖ Strictly prohibit discrimination, physical abuse, harassment and threat within working environment.

SOCIAL (CONT'D)

EMPLOYEE TRAINING AND DEVELOPMENT

Our employees' development is critical to our sustainable business growth and success. Hence, we are committed to enhance their knowledge and capabilities in order to cope for the ever-changing requirements and demands within the industries.

We provide equal opportunity to all employees for continuous training and development. We have also recommended certain training programs to suit for specific needs of our employees in performing their respective job scopes or for their career advancement.

Due to various restriction arising from Covid-19 pandemic and MCOs, our employees can only start to attend training from August 2021 onwards. Thus, there were only limited training and development programs attended by our employees in FPE 2021 as follows: -

Training Programs Attended in FPE 2021	
24 & 25 August 2021	Building Coaching Culture & Competencies
13 September 2021	Understanding Tax Deductibility of Expenses
30 September 2021	QLASSIC Awareness Training
6 December 2021	Budget 2022 Seminar
10 December 2021	Financial Reporting beyond Covid-19 Selected Issues
20 & 21 December 2021	KIWA Training MS2697: 2018 Motor Vehicle Aftermarket (4R2S)

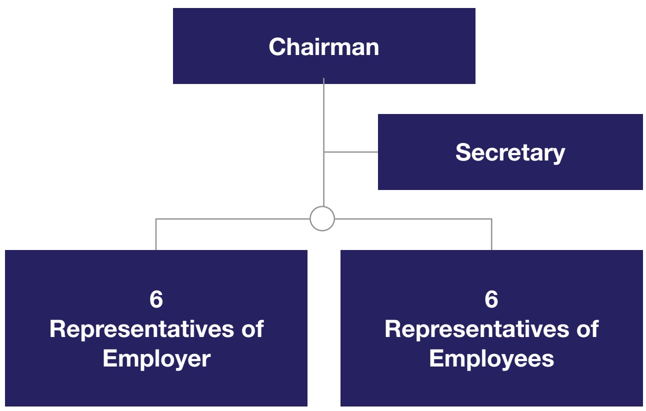
We shall continue to push for more training and development programs to our employees following the progression from pandemic to endemic phases in 2022.

OCCUPATIONAL HEALTH AND SAFETY ("OSH")

To align with SDG 3 - to ensure healthy lives and promote well-being for all, great emphasis is placed on OSH and we endeavour to provide a safe and healthy working environment to our employees.

The Group is dedicated to maintain a robust OSH management in our daily operations. In this regard, we have implemented a Safety and Health Policy to serve as a guidance to our employees on safety and health matters.

Meanwhile, all OSH matters are being governed by our Safety and Health Committee.



SOCIAL (CONT'D)

OCCUPATIONAL HEALTH AND SAFETY ("OSH") (CONT'D)

Safety and Health Policy

01
Understand and comply to the Occupational Safety and Health Act 1994.

02
Ensure safety, health and welfare of employees are the primary responsibility of the Group.

03
Encourage a calm working environment both physiology and psychology.

04
Protect and alert people at work place other than those who are working on accident or health risks arising from work activities.

05
Always ensure that approved regulatory and industry regulatory systems are being practiced at all time.

06
Try to maintain a safe and healthy working environment to the extent practicable without risk to personal health.

07
Provide information, instruction, training and supervision from time to time to ensure the safety and health of workers are assured.

We are delighted to highlight that, under our stringent OSH management and control, we have maintained a zero-injury working environment in FPE 2021. We will continue to protect our people's health and safety with our stringent OSH management at workplace.

Pursuant to the Prevention and Control of Infectious Diseases Act 1988, it is our responsibility to ensure that our employees are working in a reasonably safe workplace, e.g.: safe from Covid-19 exposure. To this end, we have conducted an in-house training on precaution of Covid-19 and the relevant Standard Operating Procedures ("SOPs") to 25 production workers in May 2021. In addition, we have taken the following precautionary measures to prevent the spread of Covid-19 viruses at our workplace: -

- Body Temperature Screening
- Employee Self Declaration
- Visitors and Contractors Self Declaration
- Education and Awareness
- Social Distancing
- Disinfection and Sanitisation
- Emergency Response
- Disinfection Tunnel
- Monthly Antigen Rapid Test Kit (RTK-Ag) Swab or Saliva Test

SOCIAL (CONT'D)

OCCUPATIONAL HEALTH AND SAFETY ("OSH") (CONT'D)

In advocating SDG Target 6.2 to achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, we have placed special attention on frequent sanitisation at our workplace as follows: -

Our Covid-19 Precautionary Measures

Disinfection Tunnel

Sanitising Office Area

Sanitising Production Area

The total cost incurred for Covid-19 related expenses for the FPE 2021 is approximately RM0.01 million. Although SOPs and precautionary measures were put in place at our workplace, we regret to inform that we have thirteen (13) employees infected with Covid-19 during FPE 2021. However, we are glad that all of them have fully recovered.

As at 31 December 2021, 100% of our employees were vaccinated with at least two (2) compulsory doses. We will continue to encourage employees to get booster dose in order to lower down the infection rate and lessen the severity in the case of infection.

We can now see lights at the end of the tunnel with the announcement on transition from pandemic to endemic phases come April 2022. Nevertheless, we will continue to ensure good workplace hygiene and protect our people on best effort basis.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance ("the Code") emphasised on the responsibilities of the Board of Directors ("the Board") to ensure implementation of appropriate internal controls and effective risk management within the Group so as to safeguard shareholders' investment, stakeholders' interest and the Group's assets.

The Board is pleased to issue the following Statement on Risk Management and Internal Control (the "Statement") pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD'S RESPONSIBILITIES

The Board of Chin Hin Group Property Berhad ("CHGP") recognises the importance of good risk management practices and sound internal controls as a platform to good corporate governance. The Board affirms its overall responsibilities for maintaining a sound system of risk management and internal control, and for reviewing its adequacy and integrity periodically.

The Board is assisted by the management team in implementing the Board approved policies and procedures on risk and internal controls by identifying and analysing risk information, designing and operating suitable internal controls and monitoring the effectiveness of risk management and control activities.

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group in its achievement of objectives and strategies. The Board is of the view that the risk management and internal control system is in place for the period under review and up to the date of issuance of the annual report.

It should be noted that these systems are designed to manage, rather than to eliminate risks that may impede the achievement of the Group's business objectives. Therefore, the risk management and internal control system in place can only provide reasonable and not absolute assurance against material misstatements or errors.

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Key elements that have been established in the Group's risk management and internal control system are described below :

1. Risk Management

The Group's risk management framework comprises of the following key elements:

- identify risk that could affect the achievement of the Group's business objective;
- assessment and analysis of likelihood, impact and consequences of risk identified;
- evaluation on the effectiveness and adequacy of existing controls;
- determine appropriate response strategy or additional controls; and
- monitoring and report of risks across the Group.

At strategic level, business plans, strategies and investment proposals with risk consideration are formulated by the management team and presented to the Board for review and deliberation to ensure proposed plans and strategies are in line with the Group's risk appetite.

Any changes in the key operational risks or emergence of new key business risks are identified through daily operational management, controls and review of financial and operational reports by the respective level of management. Any critical and material risks shall be highlighted to the Board for final decision on the formulation and implementation of effective internal controls.

The Group's risk monitoring and management is enhanced by the internal audit function, in which risk-based internal audit review was carried out based on the internal audit plan approved by the Audit Committee after considering the risk areas of the Group.

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

2. Internal Controls

The key salient features of the Group's system of internal controls are as follows :

Board of Directors/ Board Committees

Board Committees (i.e. Audit Committee, Nomination Committee and Remuneration Committee) have been established to carry out duties and responsibilities delegated by the Board and are governed by written terms of references as stated in the Group's website at www.chinhinproperty.com.

Meetings of the Board and respective Board Committees are carried out on quarterly basis and as and when required to review the performance of the Group, from financial to operational perspectives. The quarterly financial performance review containing key financial results and previous corresponding financial results are presented to the Audit Committee for review and the Board for approval for public release.

Standard Operating Procedures

The Group has a set of well-established standard operating procedures covering all critical and significant facets of the Group's operating process at its subsidiary level.

The standard operating procedures are being reviewed periodically or as and when circumstances warrants to ensure that these documentations remain current and relevant. Compliance with these procedures is an essential element of the risk management and internal control framework.

Organisation Structure and Authorisation Procedure

The Group has a formal organisation structure in place to ensure appropriate level of authority and responsibilities are delegated appropriately to competent staffs so as to achieve operational effectiveness and efficiency.

The authorisation requirements of the key internal control points of key business processes are included in the standard operating procedures of the Group.

The Board of Directors does not regularly review the internal control system of its associate companies, as the Board of Directors does not have any direct control over their operations. The Group's interests are served through representations on the Boards of the respective associate companies and the review of their management accounts, and enquiries thereon. These representatives also provide the Board with information and timely decision-making on the continuity of the Group's investment based on the performance of the associate companies.

Reporting and Communication

At operational level, clear reporting lines established across the Group. Discussions are held periodically for operational and financial aspects of the business. These discussions usually involve the review of financial performance, operational and business issues including risk management and internal control matters.

Action-plans are constructed for issues identified during the discussions. Follow-up discussions are conducted to monitor progress of the implementation and if necessary, amendments are done to the implementation so that the planned action achieves its purpose.

Matters that require the Board and Senior Management's attention are highlighted for review, deliberation and decision on a timely manner.

Communication with external stakeholders are channelled through the Group's website, annual reports and announcements made in Bursa Securities' website.

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

3. Internal Audit Function

The Board recognises the importance of a sound system of risk management and internal control to safeguard the shareholders' investment, stakeholders' interest and the Group's assets. To ensure the system of internal control is functioning effectively, the internal audit function of the Group has been outsourced to a professional services firm. The external professional services firm shall provide the Audit Committee and the Board an independent professional assessment on the adequacy, efficiency and effectiveness of the Group's internal control systems.

The outsourced internal auditor reports directly to the Audit Committee and the internal audit plans are tabled to the Audit Committee for review and approval to ensure adequate coverage.

Generally, internal control review procedures performed by our outsourced internal auditor are designed to review related controls so as to determine the adequacy of risk management and control structures and to formulate recommendations for improvement thereon.

The internal audit reports which consist of internal audit findings, recommendations, as well as management responses and action plans were presented and deliberated by the Audit Committee. Updates on the follow-up status of the action plans identified in the previous internal audit report were also presented to the Audit Committee.

During the financial period, the internal audit function covered the areas of Anti-Bribery and Anti-Corruption Policy and practices of the Company and credit control of Boon Koon Vehicles Industries Sdn. Bhd.

Based on the internal audit review conducted by the outsourced internal auditor, none of the weaknesses noted has resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Report.

The professional fee incurred in maintaining the outsourced internal audit function for the financial period ended 31 December 2021 is RM21,000.

MANAGEMENT'S ASSURANCE

The Executive Directors have given reasonable assurance to the Board that the Group's risk management and internal control systems are adequate and effective, in all material aspects, based on the risk management and internal controls adopted by the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control pursuant to the scope set out in Recommended Practice Guide AAPG 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the period ended 31 December 2021, and reported to the Board that nothing has come to their attention that causes them to believe the statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Guidelines, nor is the Statement factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. The report from the External Auditors was made solely for, and directed solely to the Board of Directors in connection with their compliance with the Listing Requirements of Bursa Malaysia Securities Berhad and for no other purposes or parties. The External Auditors do not assume responsibility to any person other than the Board of Directors in respect of any aspect of this report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

CONCLUSION

For the financial period under review, the Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system and there were no significant internal control deficiencies or material weaknesses resulting in material losses or contingencies requiring disclosure in the Annual Report. However, the Board is also cognisant of the fact that the Group's system of risk management and internal control practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board, will, when necessary, put in place appropriate action plans to further enhance the Group's system of internal control and risk management framework.

The Group's system of internal control does not extend to associate companies as the Group does not have full management control over them. However, the Group's interest is represented through the Board of these associate companies.

This statement is made in accordance with the resolution of the Board dated 15 April 2022.

AUDIT COMMITTEE REPORT

In line with the best practices of MCCG, the Board has set up the Audit Committee which comprises exclusively of Independent Non-Executive Directors and the Chairman of the Audit Committee is not the Chairman of the Board.

The present members of the Audit Committee are as follows:

Designation	Name	Directorship
Chairman	Khoo Chee Siang	Independent Non-Executive Director
Member	Datuk Cheng Lai Hock *(Appointed on 6 May 2021)*	Independent Non-Executive Director
Member	Datuk Hj. Mohd Yusri Bin Md Yusof *(Appointed on 6 May 2021)*	Independent Non-Executive Director

The members of the Audit Committee of the Company had complied with the MMLR of which at least one (1) member with the requisite accounting qualification.

The primary objective of the Audit Committee is to establish a documented, formal and transparent procedure to assists the Board in fulfilling its fiduciary responsibilities relating to corporate accounting, financial reporting practices, a system of risk management and internal control, the audit process and the process of monitoring compliance with laws and regulations.

Terms of Reference

The terms of reference of the Audit Committee which laid down its duties and responsibilities are accessible via the Company's website at www.chinhinproperty.com.

Attendance of Meetings

During the financial period ended 31 December 2021, the Audit Committee held 4 meetings and the details of the attendance are as follows:

Members	Meeting Attendance
Khoo Chee Siang	4/4
Datuk Cheng Lai Hock (Appointed on 6 May 2021)	4/4
Datuk Hj. Mohd Yusri Bin Md Yusof (Appointed on 6 May 2021)	4/4

Summary of Activities of the Audit Committee

The Audit Committee had during the financial period ended 31 December 2021 discharged the following duties as set out in its terms of reference :

i) Reviewed the quarterly unaudited financial results and made recommendations to the Board for approval.

ii) Reviewed the draft audited financial statements with external auditors prior to the submission to the Board for approval.

iii) Reviewed the audit findings of the external auditors and their reports.

iv) Reviewed the audit planning memorandum from external auditors.

v) Reviewed and recommended the re-appointment of external auditors and their fees to the Board for consideration and approval.

vi) Dialogue session with external auditors without the presence of Executive Director and Management to discuss any issues of concern to the External Auditors arising from the annual statutory audit.

AUDIT COMMITTEE REPORT

(CONT'D)

Summary of Activities of the Audit Committee (cont'd)

vii) Reviewed the internal audit reports of the Group.

viii) Discussed and recommended to the Board for approval, the Audit Committee Report for inclusive in the Annual Report 2021.

ix) Reviewed the internal audit plan from internal auditors.

x) Reviewed the circular to shareholders.

xi) Reviewed the related party transactions / recurrent related party transactions within the Company and the Group.

xii) Reviewed and evaluated the performance and independence of external auditors. The Audit Committee was satisfied with the performance and independence of the external auditors and recommended their re-appointment to the Board.

xiii) Discussed and reviewed with external auditors the applicability of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board.

xiv) Assessed the internal audit function of the Group.

How the Audit Committee Discharged and Met its Responsibilities During the Financial Period

a) Financial Reporting

The Audit Committee reviewed the quarterly unaudited financial results and the annual financial statements of the Company and of the Group and made recommendations to the Board for approval and for announcement to Bursa Securities as follows:

Date of Meetings	Financial Statements
27 May 2021	Unaudited Interim Financial Report for the quarter ended 31 March 2021
3 September 2021	Unaudited Interim Financial Report for the quarter ended 30 June 2021
25 August 2021	Draft Audited financial statements for the financial year ended 31 March 2021
26 November 2021	Unaudited Interim Financial Report for the quarter ended 30 September 2021

The Audit Committee reviewed the annual audited financial statements with the External Auditors and finance team to ensure that the financial statements give a true and fair view of the financial position and performance of the Group are in compliance with the relevant accounting standards, other legal requirements and to ensure compliance with the provisions of the Companies Act 2016 and the MMLR.

b) External Auditors

(i) The Audit Committee met 3 times with the External Auditors on 27 May 2021, 25 August 2021 and 26 November 2021 respectively without the presence of any Executive Director or Management of the Company to review on the issues relating to financial controls and operational efficiencies of the Company and its subsidiaries arising from the audit. Significant matters requiring follow up were highlighted in the management letter by the External Auditors and enquired on the adequacy and effectiveness of remedial actions taken by management in resolving these issues.

(ii) On 27 May 2021, the Audit Committee reviewed the External Auditors' Audit Review Memorandum for the financial year ended 31 March 2021.

How the Audit Committee Discharged and Met its Responsibilities During the Financial Period (cont'd)

b) External Auditors (cont'd)

(iii) On 25 August 2021, the Audit Committee also evaluated the performance and independence of the External Auditors covering areas such as calibre, quality processes/performance, audit team, independence and objectivity, audit scope and planning, audit fees as well as the audit communications of the External Auditors. The Audit Committee has been satisfied with the independence and performance of UHY, had recommended the re-appointment of Messrs. UHY ("UHY") as External Auditors to the Board for consideration and tabled to the shareholders for approval at the Nineteenth Annual General Meeting.

(iv) On 26 November 2021, the Audit Committee reviewed and evaluated the audit planning memorandum prepared by UHY for the financial period ended 31 December 2021 which covered the following subject matters :

- audit objective;
- engagement and reporting responsibilities;
- audit approach, areas of audit emphasis and possible key audit matters;
- legal updates on Malaysian Financial Reporting Standards ("MFRS"); and
- engagement team, proposed reporting schedule, proposed fees and fraud risk questionnaires.

(v) The proposed audit fees for the External Auditors in respect of their audit of the financial statements of the Company and its subsidiaries were analysed and reviewed by the Audit Committee for recommendation to the Board for approval.

c) Internal Audit

On 27 May 2021, the Audit Committee reviewed and evaluated the Internal Audit Reports ("IAR") on internal control systems on Anti-Bribery and Anti-Corruption Policy and practices of Chin Hin Group Property Berhad for the quarter ended 31 March 2021 prepared by Eco Asia Governance Advisory Sdn. Bhd. ("Eco Asia"), the outsourced Internal Auditors of the Company. Eco Asia's IAR covered the following:-

a) <u>Anti-Bribery and Anti-Corruption Policy and Practices</u>

- Procedures and practices in accordance to the Anti-Bribery and Anti-Corruption Policy

On 25 August 2021, the Audit Committee evaluated the performance of the internal audit function of the Company covering the adequacy of scope, competency and resources of the internal audit function and that it has the necessary authority to carry out its work.

On 26 November 2021, the Audit Committee reviewed and evaluated the IAR on internal control systems on credit control of Boon Koon Vehicles Industries Sdn. Bhd. for the quarter ended 30 September 2021 prepared by Eco Asia. Eco Asia's IAR covered the following:-

a) <u>Credit Control</u>

- Customer credit evaluation
- Monitoring of overdue accounts; and
- Long-outstanding debts management

The IAR on audit findings, description, implications, recommendation to improve any weaknesses or non-compliance and the management action plan and comments thereto were tabled to the Audit Committee for their review and deliberations. The management was invited to attend the meetings as and when necessary to brief the Audit Committee on matters relating to their areas of responsibility.

AUDIT COMMITTEE REPORT

(CONT'D)

c) Internal Audit cont'd)

a) Credit Control (cont'd)

Some weaknesses in internal control were identified for the year under review and measures have been or are being taken to address these weaknesses. The Internal Auditors monitored the implementation of management's action plan on outstanding issues through follow up reports to ensure that all key risks and control weaknesses are being properly addressed.

d) Related Party Transaction

The Audit Committee also reviewed the draft circular to shareholders in respect of the proposed renewal and new shareholders' mandate for recurrent related party transactions of a revenue or trading nature on 25 August 2021.

e) Other matters considered by Audit Committee

On 25 August 2021, the Audit Committee reviewed the Audit Committee Report for inclusion in the Annual Report for the financial year ended 31 March 2021 and recommended to the Board for approval.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards so as to give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cash flows of the Group and Company for the financial year.

The Directors are responsible for ensuring that the Company keeps proper accounting records with reasonable accuracy of the financial position of the Company. The Directors are to ensure that the financial statements comply with mandatory provisions of the Companies Act 2016, the Malaysian Financial Reporting Standards and the MMLR of Bursa Securities. The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and to minimise fraud and other irregularities.

The Directors are satisfied that in preparing the financial statements of the Group for the financial period ended 31 December 2021, the Group has used the appropriate accounting policies and applied them consistently and supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting of the Company will be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting ("**RPV**") Facilities from the broadcast venue at Chin Hin Culture Centre, No. F-0-1 and F-0-2, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur on Friday, 3 June 2022 at 10.00 a.m. for the following purposes :-

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements of the Company for the financial period from 1 April 2021 to 31 December 2021 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors' fees and Directors' benefits of RM161,500 for the period from 1 April 2022 to 31 December 2022. **Ordinary Resolution 1**
3. To re-elect Mr Chiau Haw Choon who retires in accordance with the Article 95 of the Company's Constitution. **Ordinary Resolution 2**
4. To re-elect Datuk Yeo Chun Sing who retires in accordance with the Article 95 of the Company's Constitution. **Ordinary Resolution 3**
5. To re-appoint Messrs. UHY as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **Ordinary Resolution 4**

AS SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modifications the following resolutions :-

6.1 ORDINARY RESOLUTION
AUTHORITY TO ISSUE SHARES

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 ("**the Act**"), Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") and/or the approval of the relevant regulatory authorities, where required, the Directors be and are hereby empowered to issue and allot shares in the Company, at such time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company for the time being ("**Proposed 20% General Mandate**").

THAT such approval on the Proposed 20% General Mandate shall continue to be in force until 31 December 2022, or a later date allowed by the relevant authorities, whichever is later.

THAT with effect from 1 January 2023, or a later date allowed by the relevant authorities, whichever is later, the general mandate shall be reinstated from a 20% limit to a 10% limit ("**Proposed 10% General Mandate**") and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

(The Proposed 20% General Mandate and Proposed 10% General Mandate shall hereinafter refer to as "**Proposed General Mandate**".)

AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued pursuant to the Proposed General Mandate." **Ordinary Resolution 5**

6.2 ORDINARY RESOLUTION
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")

"THAT subject always to the Main Market Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and/or its subsidiaries ("**CHGP Group**") to enter into and give effect to specified recurrent related party transactions of a revenue or trading nature of CHGP Group with specified classes of Related Parties (as defined in the Main Market Listing Requirements of Bursa Securities) as specified in Section 2.4, Part A of the Circular to Shareholders dated 29 April 2022, which are necessary for the day-to-day operations of CHGP Group provided that the transactions are in the ordinary course of business and are carried out at arms' length basis on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public as well as are not detrimental to the minority shareholders of the Company and such approval, shall continue to be in force until:-

(a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company, at which time the mandate will lapse, unless the mandate is renewed by a resolution passed at that meeting;
(b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
(c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier.

AND THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities and to deal with all matters in relation thereto and to take such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the transactions contemplated and/or authorised by this Ordinary Resolution." **Ordinary Resolution 6**

6.3 ORDINARY RESOLUTION
PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

"THAT subject to Sections 112, 113 and 127 of the Act, the provisions of the Main Market Listing Requirements of the Bursa Securities ("**Listing Requirements**") and all other applicable laws, rules, regulations and guidelines for the time being in force, the Directors of the Company be and are hereby authorised, to make purchase(s) of ordinary shares in the Company on Bursa Securities subject to the following:-

(a) The maximum number of shares which may be purchased and/or held by the Company shall not exceed 10% of the total number of issued shares of the Company for the time being;
(b) The maximum fund to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits of the Company; and

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

(c) Upon completion of the purchase by the Company of its own shares, the Directors of the Company are authorised to deal with the shares so bought-back in their absolute discretion in any of the following manner:-
   (i) cancel the shares so purchased; or
   (ii) retain the shares so purchased as treasury shares and held by the Company; or
   (iii) retain part of the shares so purchased as treasury shares and cancel the remainder; or,
   (iv) distribute the treasury shares as dividends to shareholders and/or resell on Bursa Securities and/or cancel all or part of them; or
   (v) transfer all or part of the treasury shares for purposes of an employees' share scheme, and/or as purchase consideration; or

   in any other manner as prescribed by the Act, rules, regulations and guidelines pursuant to the Act, the Listing Requirements and other relevant guidelines issued by Bursa Securities and any other relevant authority for the time being in force;

AND THAT the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and shall continue to be in force until:-

(a) the conclusion of the next AGM of the Company following this AGM at which such resolution was passed, at which time the authority will lapse unless renewed by ordinary resolution passed at the AGM either unconditionally or subject to conditions; or
(b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
(c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the Listing Requirements and other relevant guidelines issued by the Bursa Securities or any other relevant authorities.

AND THAT the Directors of the Company be and are authorised to take all such steps to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back Authority with full power to assent to any conditions, modifications, revaluations and/or amendments as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter in accordance with the Act, the Listing Requirements and other relevant guidelines issued by Bursa Securities and any other relevant authorities." **Ordinary Resolution 7**

7. To transact any other business of which due notices shall have been given in accordance with the Companies Act 2016.

BY ORDER OF THE BOARD

CHEE WAI HONG (BC/C/1470)
SSM PC NO. 202008001804
TAN SHE CHIA (MAICSA 7055087)
SSM PC NO. 202008001923

Company Secretaries

Penang

Date: 29 April 2022

NOTES:

1. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.

2. The proxy form must be duly completed and deposited at the Registered Office of the Company, 48, Jalan Chow Thye, 10050 George Town, Penang not less than forty-eight (48) hours before the time appointed for holding the meeting.

3. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.

4. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

5. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.

6. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares to the credit of the said securities account.

7. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

8. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to the Article 69 of the Company's Constitution and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("**ROD**") as at 27 May 2022 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.

9. All resolutions as set out in this notice of Twentieth Annual General Meeting are to be voted by poll.

Explanatory Notes on Ordinary Business

Item 1 of the Agenda
To receive the Audited Financial Statements of the Company for the financial period from 1 April 2021 to 31 December 2021 together with the Reports of the Directors and Auditors thereon

The item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require shareholders' approval for the audited financial statements. Therefore, this item will not be put forward for voting.

Ordinary Resolution 1 – Payment of Directors' fees and Directors' benefits for the period from 1 April 2022 to 31 December 2022

Ordinary Resolution 1 is to facilitate payment of Directors' fees and Directors' benefits for the period from 1 April 2022 to 31 December 2022, calculated based on the number of scheduled Board and Committee meetings for period from 1 April 2022 to 31 December 2022 and assuming that all Directors will hold office during the said period. In the event the Directors' fees and Directors' benefits proposed is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees and benefits to meet the shortfall.

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

Ordinary Resolution 2 and 3 – Re-election of Directors

The following Directors are standing for re-election as Directors of the Company pursuant to Article 95 of the Company's Constitution at the 20th Annual General Meeting of the Company and being eligible have offered themselves for re-election in accordance with the Company's Constitution :-

a) Mr Chiau Haw Choon
b) Datuk Yeo Chun Sing
(collectively referred to as "**Retiring Directors**")

The Nomination Committee ("**NC**") has assessed the performance and contribution of each of the Retiring Directors. Based on the results of the Board annual evaluation conducted for the financial period ended 31 December 2021, the performance of each of the Retiring Directors was found to be satisfactory.

The Board has endorsed the NC's recommendation to seek shareholders' approval for the re-election of the Retiring Directors. The details and profiles of the Retiring Directors are provided in the Profiles of Directors section on pages 4 and 5 of the Annual Report 2022.

Explanatory Notes on Special Business

Ordinary Resolution 5 – Authority to Issue Shares

The proposed Ordinary Resolution 5, if passed, will give authority to the Board of Directors of the Company to issue and allot shares in the Company up to an amount not exceeding 20% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company without convening a general meeting. This would avoid any delay and costs in convening a general meeting to specifically approve such an issue of shares. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next Annual General Meeting.

On 28 October 2021, the Company had through its Adviser, M&A Securities Sdn. Bhd. announced on the proposed private placement of up to 49,535,100 new ordinary shares or representing up to 10% of the issued shares of the Company to third party investor(s) to be identified at a later date ("**Proposed Private Placement**"), pursuant to general authority which was approved by shareholders at 19th Annual General Meeting held on 20 September 2021.

Bursa Securities had vide 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. Please refer to the Company's announcement dated 30 November 2021 on the conditions imposed by Bursa Securities.

As at the date of this Notice, the Company has not issued any new shares pursuant to the general authority granted to the Directors at the 19th Annual General Meeting held on 20 September 2021 and which will lapse at the conclusion of the 20th Annual General Meeting to be held on 3 June 2022. A renewal of this authority is being sought at the Twentieth Annual General Meeting under proposed Ordinary Resolution 5.

Bursa Securities had vide its letter dated 23 December 2021 granted an extension to the additional temporary relief measures to Listed Issuers, amongst others, an increased general mandate limit for new issue of securities from the existing 10% to not more than 20% of the total number of issued shares (excluding treasury shares) ("**20% General Mandate**") to assist and support listed issuers in these trying and challenging times due to the COVID-19 pandemic. Pursuant to the 20% General Mandate, Bursa Securities has also mandated that the 20% General Mandate may be utilised by a listed issuers to issue new securities until 31 December 2022 and thereafter, the 10% general mandate will be reinstated.

This authority if granted will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital, acquisition(s) and/or settlement of banking facility(ies).

The Board, having considered the current economic climate arising from the global COVID-19 pandemic, current financial position, strategic planning and capacity of the Group, is of the opinion that the 20% General Mandate is in the best interest of the Company and its shareholders.

Ordinary Resolution 6 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature

The proposed Ordinary Resolution 6, if passed, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties which are necessary for the Group's day-to-day operations and are in the ordinary course of business which carried out on an arm's length basis based on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. The details of the proposal are set out in the Circular to Shareholders dated 29 April 2022.

Ordinary Resolution 7 – Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 7, if passed, will allow the Directors of the Company to exercise the power of the Company to purchase up to 10% of the total number of issued shares of the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Securities.

PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof) and in order for the Company (or it agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"). (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming Annual General Meeting.

The Company will seek shareholders' approval on the general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the proposed Ordinary Resolution 5 as stated in the Notice of Annual General Meeting of the Company for the details.

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DIRECTORS' REPORT

The Directors of Chin Hin Group Property Berhad have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial period from 1 April 2021 to 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and the provision of management services. The principal activities of its subsidiary companies are disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities during the financial period.

CHANGE IN FINANCIAL YEAR END

The financial year end of the Group and of the Company was changed from 31 March to 31 December as to be coterminous with the financial year end of its holding company as required by the Companies Act 2016. Accordingly, the current financial statements are prepared for nine months from 1 April 2021 to 31 December 2021. As a result, the comparative figures stated in the statement of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not comparable.

FINANCIAL RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial period	5,495,592	(1,603,518)
Attributable to:		
Owners of the parent	3,601,152	(1,603,518)
Non-controlling interests	1,894,440	–
	5,495,592	(1,603,518)

In the opinion of the Directors, the results of operations of the Group and of the Company during the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature other than the changes in accounting policies as disclosed in Note 2(a) to the financial statements and significant event during the period as disclosed in Note 41 to the financial statements.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period other than as disclosed in the financial statements.

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial period.

DIRECTORS' REPORT

(CONT'D)

ISSUE OF SHARES AND DEBENTURES

During the financial period, the Company issued:

(a) 30,226,000 new ordinary shares at issue price of RM0.74 for a total cash consideration of RM22,367,240 for working capital purposes;

(b) 11,000,000 new ordinary shares at issue price of RM0.80 for a total cash consideration of RM8,800,000 for the acquisition of new subsidiary, Kayangan Kemas Sdn. Bhd.; and

(c) 50,377,400 new ordinary shares through conversion of Warrants at an exercise price of RM0.20 for a total cash consideration of RM10,075,480.

The new ordinary shares issued during the financial period ranked pari passu in all respects with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial period.

TREASURY SHARES

As at 31 December 2021, the total shares held as treasury shares amounted to 700,000 ordinary shares at a total cost of RM255,208. Further relevant details are disclosed in Note 19 to the financial statements.

WARRANTS 2013/2023

The Warrants were constituted under the Deed Poll dated 27 May 2013.

A total of 138,375,000 warrants were issued on the basis of one (1) rights share together with one (1) free warrant for every one (1) share held on 12 June 2013. Each warrants entitles the holder to subscribe for one (1) new share at the exercise price of RM0.20.

The salient features and other terms of the Warrants are disclosed in Note 20 (a) to the financial statements.

As at 31 December 2021, the total numbers of Warrants that remained unexercised were 65,957,100 (31.3.2021: 116,334,500).

SHARES OPTIONS

No options were granted to any person to take up unissued shares of the Company during the financial period.

DIRECTORS

The Directors of the Company in office during the financial period and during the period from the end of the financial period to the date of this report are:

Datuk Seri Chiau Beng Teik*	
Chiau Haw Choon*	
Khoo Chee Siang*	
Datuk Yeo Chun Sing	
Shelly Chiau Yee Wern	
Datuk Hj. Mohd Yusri bin Md Yusof^	(Appointed on 6.5.2021)
Datuk Cheng Lai Hock^	(Appointed on 6.5.2021)
Dato' Goh Boon Koon#	(Resigned on 28.4.2021)
Ho Kok Loon#	(Resigned on 28.4.2021)

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) during the financial period and during the period from the end of the financial period to the date of this report are:

Ng Chee Wei	
Khor Choon Wooi	
Koay Chun Yeong	
Alvin Tan Jit Kwong	
Ong Tong Ing	
Kan Keat Peng	
Datuk Arif Shah Bin Osmar Shah	
Chan Kin Keong	
Khor Chee Yong	
Khor Kai Fu^	(Appointed on 24.12.2021)
Roger Lim Swee Kiat^	(Appointed on 24.12.2021)

* Directors of the Company and of its subsidiary companies
^ Directors appointed during/after the financial period
# Directors resigned during/after the financial period

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

DIRECTORS' REPORT

(CONT'D)

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares and warrants of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial period end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.4.2021	Bought	Sold	At 31.12.2021
Interests in the Company				
Direct interests:				
Datuk Seri Chiau Beng Teik	52,141,000	–	52,141,000	–
Chiau Haw Choon	7,859,000	–	7,859,000	–
Datuk Cheng Lai Hock	1,000,000	–	–	1,000,000
Datuk Hj Mohd Yusri Bin Md Yusof	1,000,000	–	130,000	870,000
Indirect interests:				
Datuk Seri Chiau Beng Teik [1]	116,608,435	242,300,135	116,608,435	242,300,135
Chiau Haw Choon [1]	116,608,435	242,300,135	116,608,435	242,300,135

	Number of Warrants				
	At 1.4.2021	Bought	Execised	Sold	At 31.12.2021
Interests in the Company					
Direct interests:					
Datuk Seri Chiau Beng Teik	34,774,000	18,301,600	–	53,075,600	–
Datuk Yeo Chun Sing	100,000	–	–	–	100,000
Datuk Cheng Lai Hock	318,500	–	–	–	318,500
Datuk Hj Mohd Yusri Bin Md Yusof	1,000,000	–	–	–	1,000,000
Indirect interests:					
Datuk Seri Chiau Beng Teik [1]	2,787,700	37,561,700	37,561,700	2,787,000	–
Chiau Haw Choon [1]	2,787,700	37,561,700	37,561,000	2,787,000	–

Notes

1 *Deemed interest through Chin Hin Group Berhad and PP Chin Hin Realty Sdn. Bhd., which is the holding company of Divine Inventions Sdn. Bhd. by virtue of his shareholdings of not less than 20% in Chin Hin Group Berhad pursuant to Section 8 of the Act.*

By virtue of their interests in the shares of the Company, Datuk Seri Chiau Beng Teik and Chiau Haw Choon are also deemed interested in the shares of all the subsidiary companies during the financial period to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

None of the other directors in office at the end of the financial period held shares or had beneficial interest in the shares of the Company or its related corporation during or at the beginning and end of the financial period.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 35(c) to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than Director who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business to a firm in which a Director is a member as disclosed in Note 35(b) to the financial statements.

During and at the end of the financial period, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE COSTS

During the financial period, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Company were RM10,000,000 and RM14,000 respectively.

There was no indemnity given to or insurance effected for auditors of the Group in accordance with Section 289 of the Companies Act 2016.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

  (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and

  (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

  (i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

  (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

  (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

  (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

  (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; or

  (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial period.

(d) In the opinion of the Directors:

  (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due;

  (ii) the results of the operations of the Group and of the Company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and

  (iii) there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made.

DIRECTORS' REPORT

(CONT'D)

SUBSIDIARY COMPANIES

The details of the subsidiary companies are disclosed in Note 8 to the financial statements.

SIGNIFICANT EVENTS

The details of the significant events are disclosed in Note 41 to the financial statements.

SUBSEQUENT EVENTS

The details of the subsequent events are disclosed in Note 42 to the financial statements.

AUDITORS

The Auditors, UHY, have indicated their willingness to continue in office.

AUDITORS' REMUNERATION

The amount paid as remuneration of the auditors for the financial period ended 31 December 2021 is as disclosed in Note 29 to the financial statements.

Signed on behalf of the Board, as approved by the Board in accordance with a resolution of the Directors,

DATUK SERI CHIAU BENG TEIK

CHIAU HAW CHOON

KUALA LUMPUR

25 April 2022

STATEMENT BY DIRECTORS

The Directors of the Chin Hin Group Property Berhad, state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of the financial performance and cash flows of the Group and of the Company for the financial period ended on that date.

Signed in accordance with a resolution of the Directors,

____

DATUK SERI CHIAU BENG TEIK

____

CHIAU HAW CHOON

KUALA LUMPUR

25 April 2022

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, Chiau Haw Choon, being the Director primarily responsible for the financial management of Chin Hin Group Property Berhad, do solemnly and sincerely declare the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

____

CHIAU HAW CHOON

Subscribed and solemnly declared by the abovenamed Chiau Haw Choon at Kuala Lumpur in the Federal Territory, this 25 April 2022.

Before me,

No. W790
ZAINUL ABIDIN BIN AHMAD
COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Chin Hin Group Property Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 89 to 182.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By- Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial period. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How we addressed the key audit matters
1. Revenue and cost recognition for property development activity and construction contracts	
The Group is involved in construction and property development activities which span more than one accounting period. The revenue from construction and property development activities is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation by reference to the costs incurred to date as a percentage of the estimated total costs of the project. We identified revenue, construction and property development costs as key audit matter as significant management judgement and estimates are involved in estimating the total construction and property development costs.	We evaluated whether the accounting policy adopted by the management is consistent with the requirements of MFRS 15 Revenue from Contracts with Customers. We performed a range of audit procedures which included reviewing contract documentation, variation orders and enquiring of key personnel regarding status of on-going contracts, adjustments for job costing and potential impairment losses. In relation to construction and property development revenue or costs, we, amongst others and where applicable, agreed this to original signed contracts, letter of awards and approved variation orders. We evaluated the project progress and recovery of cost to supporting evidences including but not limited to verification of third party surveyors' certificates, progress report and interviews with project team.

Key Audit Matters (Cont'd)

Key audit matters	How we addressed the key audit matters
1. Revenue and cost recognition for property development activity and construction contracts (Cont'd)	
Key management judgements include: (a) Estimating the budgeted costs to complete the project; (b) The future profitability of the project; and (c) The percentage of completion at the end of the reporting period. Changes in these judgements could lead to a material change in the value of revenue recognised.	In assessing management's assumptions in estimating the costs to completion for contracts, we verified the budgeted cost to sub-contractors' contracts. We verified the construction and property development costs incurred to date to sub-contractors' progress claims and recalculating the percentage of completion at the reporting date. We have considered the adequacy of the Group's disclosures regarding these revenue stream and whether they are in accordance with MFRS 15 *Revenue from Contracts with Customers.*
2. Net valuation of inventories	
As at 31 December 2021, the Group held other inventories of RM17,661,049. As described in the Accounting Policies in Note 3 to the financial statements, inventories are carried at the lower of cost and net realisable value. We focused on this area due to Group holds significant amount of inventories which exposed the Group to a risk that the inventories may become slow moving or obsolete and eventually non-saleable or selling below their carrying value.	We reviewed the valuation method of inventories in accordance with MFRS 102 *Inventories*. We reviewed the Group's policy and the consistency of the application of the Group's policy in write-down of inventory. We reviewed the stock movement report and stock aging report to identify slow moving aged items. We reviewed the net realisable value on selected samples of inventory items to test management's evaluation and ensuring that the inventories have been written down. We attended year end physical inventory count to observe physical existence and condition of commercial vehicles and forklift and assessed the implementation of controls during the count. We evaluated the reasonableness and adequacy of the allowance for inventories recognised in the financial statements.

INDEPENDENT AUDITORS' REPORT

(CONT'D)

Key Audit Matters (Cont'd)

Key audit matters	How we addressed the key audit matters
3. Assessment of the carrying value of trade receivables, other receivables and contract assets	
Refer to significant accounting policies Note 3(q)(ii), significant accounting judgements, estimates and assumptions Note 2(d) and Note 13 Trade Receivables. We focused on this area due to the Group has significant trade and other receivables and contract assets as at 31 December 2021 and it is subject to credit risk exposure. The impairment assessment involves significant judgements and there is inherent uncertainty in the assumptions applied by the management to determine the level of allowance. This is considered a key audit matter due to the inherent subjectivity that is involved in making judgement in relation to the recoverability of receivables and contract assets.	Where objective evidence of impairment had been identified by the Group and impairment loss was individually calculated, we examined both the quantum and timing of future cash flows used by the Group in the impairment loss calculation and considered whether the estimates made were reasonable given the receivables' circumstances. We evaluated and challenged management's assessment of the recoverability of the Group's aged trade receivables which are past due but not impaired as at the reporting date. We evaluated the reasonableness and adequacy of the impairment of receivables. We enquired with management on the reasons for the delay in payments on certain aged trade receivables and the appropriateness of any allowance for impairment loss to be made, by considering amongst others, factors such as subsequent cash receipts, past payment practices and the ongoing business relationship with the receivables involved. We assessed the adequacy and reasonableness of the disclosures in the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

(CONT'D)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary company of which we have not acted as auditors are disclosed in Note 8 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY
Firm Number: AF 1411
Chartered Accountants

LIM WAN YINN
Approved Number: 03262/04/2023 J
Chartered Accountant

KUALA LUMPUR

25 April 2022

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

		Group		Company	
	Note	31.12.2021 RM	31.3.2021 RM	31.12.2021 RM	31.3.2021 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	40,864,872	39,285,060	6,658	9,179
Right-of-use assets	5	3,447,944	2,965,948	209,380	273,373
Investment properties	6	31,610,000	28,800,000	28,800,000	28,800,000
Goodwill on consolidation	7	3,458,970	–	–	–
Investments in subsidiary companies	8	–	–	103,652,771	41,148,771
Investments in associate companies	9	47,625,594	40,475,826	–	–
Investment in joint venture company	10	1,590,226	–	–	–
Other investment	11	70,000	–	–	–
Inventories	12	159,539,724	884,475	–	–
Trade receivables	13	3,185,712	–	–	–
Deferred tax assets	14	–	292,605	–	–
		291,393,042	112,703,914	132,668,809	70,231,323
Current Assets					
Inventories	12	19,274,132	30,547,770	–	–
Contract assets	15	19,288,485	–	–	–
Trade receivables	13	131,553,649	109,087,050	–	–
Other receivables	16	50,661,415	33,091,335	20,171	87,991
Amount due from subsidiary companies	17	–	–	49,674,571	43,211,481
Tax recoverable		11,056	10,414	–	141
Fixed deposits with licensed banks	18	12,505,088	–	–	–
Cash and bank balances		21,340,562	11,898,063	2,150,755	1,248,178
		254,634,387	184,634,632	51,845,497	44,547,791
Total Assets		546,027,429	297,338,546	184,514,306	114,779,114

STATEMENTS OF FINANCIAL POSITION

(CONT'D)

		Group		Company	
		31.12.2021	31.3.2021	31.12.2021	31.3.2021
	Note	RM	RM	RM	RM
EQUITY					
Share capital	19	124,479,577	80,190,781	124,479,577	80,190,781
Treasury shares	19	(255,208)	(255,208)	(255,208)	(255,208)
Reserves	20	18,420,382	21,592,363	3,988,103	7,034,179
Retained earnings		51,190,162	47,133,410	9,767,555	11,371,073
Equity attributable to owners of the parent		193,834,913	148,661,346	137,980,027	98,340,825
Non-controlling interests		20,613,077	176,239	–	–
Total Equity		214,447,990	148,837,585	137,980,027	98,340,825
LIABILITIES					
Non-Current Liabilities					
Contract liabilities	15	24,613	34,725	–	–
Trade payables	21	6,681,175	–	–	–
Bank borrowings	22	108,764,303	746,145	19,438,000	–
Lease liabilities	23	1,289,338	1,112,043	148,615	202,442
Deferred tax liabilities	14	3,833,111	3,424,995	1,087,574	1,087,574
		120,592,540	5,317,908	20,674,189	1,290,016
Current Liabilities					
Contract liabilities	15	13,724	289,445	–	–
Trade payables	21	57,199,172	14,949,036	–	–
Other payables	24	61,919,712	39,511,230	275,200	164,566
Amount due to holding company	25	9,500,349	–	9,500,349	-
Amount due to subsidiary companies	17	–	–	12,597,252	14,898,214
Amount due to related companies	26	273,781	–	–	–
Bank borrowings	22	79,903,144	84,188,415	3,288,000	–
Lease liabilities	23	1,004,933	531,310	75,578	85,493
Tax payable		1,172,084	3,713,617	123,711	–
		210,986,899	143,183,053	25,860,090	15,148,273
Total Liabilities		331,579,439	148,500,961	46,534,279	16,438,289
Total Equity and Liabilities		546,027,429	297,338,546	184,514,306	114,779,114

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021

		Group		Company	
	Note	1.4.2021 to 31.12.2021 RM	1.4.2020 to 31.3.2021 RM	1.4.2021 to 31.12.2021 RM	1.4.2020 to 31.3.2021 RM
Revenue	27	124,826,369	163,148,455	514,865	694,153
Cost of sales		(106,157,677)	(139,092,117)	–	–
Gross profit		18,668,692	24,056,338	514,865	694,153
Other income		868,416	1,318,705	516,133	21,500,048
Administrative expenses		(8,289,231)	(7,156,510)	(2,280,338)	(1,874,485)
Selling and distribution expenses		(912,224)	(1,256,487)	–	–
Other expenses		(712,812)	–	–	–
Net loss on impairment of financial instruments		(2,459,539)	(779,738)	(4,554)	(4,200,118)
Profit/(Loss) from operations		7,163,302	16,182,308	(1,253,894)	16,119,598
Finance costs	28	(3,505,668)	(3,064,628)	(225,726)	(15,625)
Share of results of associate companies		5,461,738	3,934,182	–	–
Share of results of joint venture company		270,544	–	–	–
Profit/(Loss) before tax	29	9,389,916	17,051,862	(1,479,620)	16,103,973
Taxation	30	(3,894,324)	(5,951,099)	(123,898)	–
Profit/(Loss) for the financial period/year		5,495,592	11,100,763	(1,603,518)	16,103,973
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss:					
Exchange translation differrences for foreign operations		–	(296)	–	–
Other comprehensive loss for the financial period/year		–	(296)	–	–
Total comprehensive income/(loss) for the financial period/year		5,495,592	11,100,467	(1,603,518)	16,103,973
Profit/(Loss) for the financial period/year attributable to:					
Owners of the parent		3,601,152	11,101,980	(1,603,518)	16,103,973
Non-controlling interests		1,894,440	(1,217)	–	–
		5,495,592	11,100,763	(1,603,518)	16,103,973
Total comprehensive income/(loss) for the financial period/year attributable to:					
Owners of the parent		3,601,152	11,101,684	(1,603,518)	16,103,973
Non-controlling interests		1,894,440	(1,217)	–	–
		5,495,592	11,100,467	(1,603,518)	16,103,973
Earnings per share:					
Basic (sen)	31	0.93	3.45		
Diluted (sen)	31	0.83	2.82		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021

		Attributable to Owners of the Parent									
		Non-Distributable					Distributable				
Group	Note	Share Capital RM	Treasury Shares RM	Warrant Reserve RM	Foreign Currency Translation Reserve RM	Capital Reserve RM	Revaluation Reserve RM	Retained Earnings RM	Total RM	Non-Controlling Interests RM	Total Equity RM
At 1 April 2021		80,190,781	(255,208)	7,034,179	176,013	(27,934)	14,410,105	47,133,410	148,661,346	176,239	148,837,585
Profit for the financial period, representing total comprehensive income for the financial period		–	–	–	–	–	–	3,601,152	3,601,152	1,894,440	5,495,592
Realisation of revaluation surplus		–	–	–	–	–	(125,905)	125,905	–	–	–
Transactions with owners:											
Issuance of ordinary shares	19	31,167,240	–	–	–	–	–	–	31,167,240	–	31,167,240
Exercise of warrants	19	13,121,556	–	(3,046,076)	–	–	–	–	10,075,480	–	10,075,480
Acquisition of equity interest of NCI		–	–	–	–	–	–	–	–	18,572,093	18,572,093
Disposal of equity interest to NCI		–	–	–	–	–	–	329,695	329,695	(29,695)	300,000
Total transactions with owners of the Company		44,288,796	–	(3,046,076)	–	–	–	329,695	41,572,415	18,542,398	60,114,813
At 31 December 2021		124,479,577	(255,208)	3,988,103	176,013	(27,934)	14,284,200	51,190,162	193,834,913	20,613,077	214,447,990
At 1 April 2020		62,535,726	(255,208)	7,720,174	176,309	(27,934)	14,577,978	34,559,755	119,286,800	256,258	119,543,058
Profit for the financial year		–	–	–	–	–	–	11,101,980	11,101,980	(1,217)	11,100,763
Other comprehensive loss for the financial year		–	–	–	(296)	–	–	–	(296)	–	(296)
Total comprehensive income for the financial year		–	–	–	(296)	–	–	11,101,980	11,101,684	(1,217)	11,100,467
Realisation of revaluation surplus		–	–	–	–	–	(167,873)	167,873	–	–	–
Transactions with owners:											
Issuance of ordinary shares	19	14,700,000	–	–	–	–	–	–	14,700,000	–	14,700,000
Exercise of warrants	19	2,955,055	–	(685,995)	–	–	–	–	2,269,060	–	2,269,060
Disposal of equity interest of NCI		–	–	–	–	–	–	1,303,802	1,303,802	(78,802)	1,225,000
Total transactions with owners of the Company		17,655,055	–	(685,995)	–	–	–	1,303,802	18,272,862	(78,802)	18,194,060
At 31 March 2021		80,190,781	(255,208)	7,034,179	176,013	(27,934)	14,410,105	47,133,410	148,661,346	176,239	148,837,585

STATEMENTS OF CHANGES IN EQUITY

(CONT'D)

		Non-Distributable			Distributable	
Company	**Note**	**Share Capital RM**	**Treasury Shares RM**	**Warrant Reserve RM**	**Retained Earnings RM**	**Total Equity RM**
At 1 April 2021		80,190,781	(255,208)	7,034,179	11,371,073	98,340,825
Loss for the financial period, representing total comprehensive loss for the financial period		–	–	–	(1,603,518)	(1,603,518)
Transactions with owners:						
Issuance of ordinary shares	19	31,167,240	–	–	–	31,167,240
Exercise of warrants	19	13,121,556	–	(3,046,076)	–	10,075,480
Total transaction with owners		44,288,796	–	(3,046,076)	–	41,242,720
At 31 December 2021		124,479,577	(255,208)	3,988,103	9,767,555	137,980,027
At 1 April 2020		62,535,726	(255,208)	7,720,174	(4,732,900)	65,267,792
Profit for the financial year, representing total comprehensive income for the financial year		–	–	–	16,103,973	16,103,973
Transactions with owners:						
Issuance of ordinary shares	19	14,700,000	–	–	–	14,700,000
Exercise of warrants	19	2,955,055	–	(685,995)	–	2,269,060
Total transaction with owners		17,655,055	–	(685,995)	–	16,969,060
At 31 March 2021		80,190,781	(255,208)	7,034,179	11,371,073	98,340,825

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021

	Note	Group 1.4.2021 to 31.12.2021 RM	Group 1.4.2020 to 31.3.2021 RM	Company 1.4.2021 to 31.12.2021 RM	Company 1.4.2020 to 31.3.2021 RM
Cash Flows from Operating Activities					
Profit/(Loss) before tax		9,389,916	17,051,862	(1,479,620)	16,103,973
Adjustments for:					
Bad debt written off		–	–	–	460,561
Depreciation of:					
- property, plant and equipment		765,100	1,065,197	2,521	6,305
- right-of-use assets		520,048	740,597	63,993	85,323
Dividend income		–	–	–	(18,000,000)
(Gain)/Loss on disposal of:					
- property, plant and equipment		(95,874)	(75,000)	–	–
- right-of-use assets		36,438	(60,000)	–	–
Gain on lease modification		(2,888)	(23,824)	–	–
Gain on disposal of investment in subsidiary companies		–	–	–	(3,449,994)
Impairment loss on:					
- trade receivables		2,354,967	1,875,265	–	–
- other receivables		423,168	405,000	–	–
- amount due from subsidiary companies		–	–	4,554	4,669,224
Interest expense		3,353,393	3,064,628	225,726	15,625
Interest income		(55,264)	(12,989)	(517,485)	(9,553)
Inventories written down		252,325	1,087,501	–	–
Inventories written off		56,236	–	–	–
Gain on disposal of an associate company		(1)	–	–	–
Net effect of unwinding of interest from discounting arising from:					
- trade receivables		(252,541)	–	–	–
- trade payables		152,275	–	–	–
Reversal of impairment loss on:					
- amount due from subsidiary companies		–	–	–	(469,106)
- investment in subsidiary companies		–	–	–	(50,006)
- trade receivables		(318,594)	(1,500,527)	–	–
Share of result of:					
- associate companies		(5,461,738)	(3,934,182)	–	–
- joint venture company		(270,544)	–	–	–
Waiver of debt by an associate company		-	(8,373)	–	–
Unrealised loss/(gain) on foreign exchange		461,212	(42,583)	(64)	451
Operating profit/(loss) before working capital changes		11,307,634	19,632,572	(1,700,375)	(637,197)
Changes in working capital:					
Inventories		(147,704,385)	26,145,402	–	–
Receivables		3,607,337	(67,079,340)	67,820	(72,304)
Payables		32,893,322	1,975,313	110,634	103,029
Contract asset/liabilities		(6,573,472)	(29,775)	–	–
		(117,777,198)	(38,988,400)	178,454	30,725
Cash used in operations		(106,469,564)	(19,355,828)	(1,521,921)	(606,472)
Interest received		1,415	9,553	1,415	9,553
Interest paid		(3,353,044)	(3,098,008)	(99,254)	(15,625)
Tax paid		(4,591,065)	(3,720,232)	(46)	(66)
		(7,942,694)	(6,808,687)	(97,885)	(6,138)
Net cash used in operating activities		(114,412,258)	(26,164,515)	(1,619,806)	(612,610)

STATEMENTS OF CASH FLOWS

(CONT'D)

	Note	Group 1.4.2021 to 31.12.2021 RM	Group 1.4.2020 to 31.3.2021 RM	Company 1.4.2021 to 31.12.2021 RM	Company 1.4.2020 to 31.3.2021 RM
Cash Flows from Investing Activities					
Advances to subsidiary companies		–	–	(5,951,574)	(19,730,843)
Acquisition of subsidiary company, net of cash acquired		(18,095,105)	–	–	–
Dividend received		–	–	–	18,000,000
Purchase of:					
- property, plant and equipment		(387,096)	(503,029)	–	–
- right-of-use assets		(60,598)	–	–	–
Proceeds from disposals of:					
- property, plant and equipment		163,400	75,000	–	–
- right-of-use assets		11,000	60,000	–	–
- investment in subsidiary companies		–	–	3,846,000	3,600,000
- investment in associate company		1	–	–	–
Interest received		53,849	3,436	–	–
Investment in subsidiary companies		–	–	(57,550,000)	–
Proceeds from disposal of equity interest to non-controlling interests		300,000	1,225,000	–	–
Net cash (used in)/from investing activities		(18,014,549)	860,407	(59,655,574)	1,869,157
Cash Flows from Financing Activities					
Advance from holding company		9,500,000	–	9,500,000	–
Repayment to subsidiary companies		–	–	(2,427,085)	(17,164,519)
Advance from related companies		273,781	–	–	–
Increase in fixed deposits pledged		(2,628,238)	–	–	–
Payment of lease liabilities		(482,412)	(693,097)	(63,742)	(81,575)
Net changes in banker's acceptances		(4,150,000)	(10,265,000)	–	–
Net changes in revolving credit		(9,000,000)	26,500,000	–	–
Net changes in trust receipt		516,132	–	–	–
Drawndown of term loans		110,835,920	–	23,000,000	–
Repayment of term loans		(301,883)	(19,116)	(274,000)	–
Proceeds from issuance of share capital		22,367,240	14,700,000	22,367,240	14,700,000
Proceeds from exercise of warrants		10,075,480	2,269,060	10,075,480	2,269,060
Net cash from/(used in) financing activities		137,006,020	32,491,847	62,177,893	(277,034)
Net increase in cash and cash equivalents		4,579,213	7,187,739	902,513	979,513
Cash and cash equivalents at the beginning of the financial period/year		11,898,063	4,710,436	1,248,178	269,116
Effect of exchange translation difference on cash and cash equivalents		2,568	(112)	64	(451)
Cash and cash equivalents at the end of the financial period/year		16,479,844	11,898,063	2,150,755	1,248,178
Cash and cash equivalents at the end of the financial period/year comprises:					
Cash and bank balances		21,340,562	11,898,063	2,150,755	1,248,178
Fixed deposits with licensed banks	18	12,505,088	–	–	–
Bank overdrafts	22	(4,860,718)	–	–	–
		28,984,932	11,898,063	2,150,755	1,248,178
Less: Fixed deposits pledged with licensed banks	18	(12,505,088)	–	–	–
		16,479,844	11,898,063	2,150,755	1,248,178

STATEMENTS OF CASH FLOWS

(CONT'D)

	Note	Group 1.4.2021 to 31.12.2021 RM	Group 1.4.2020 to 31.3.2021 RM	Company 1.4.2021 to 31.12.2021 RM	Company 1.4.2020 to 31.3.2021 RM
Cash outflows for leases for a lessee					
Included in net cash from operating activities:					
Interest paid in relation to lease liabilities		(61,099)	(80,076)	(9,158)	(15,625)
Lease expenses relating to short-term lease:					
- Motor vehicle		(41,600)	–	–	–
- Building		(34,600)	(36,500)	–	–
Lease expenses relating to low-value assset:					
- Photocopy machine		(9,785)	(11,598)	–	–
Included in net cash from financing activities:					
Payment of lease liabilities		(482,412)	(693,097)	(63,742)	(81,575)
Total cash outflows for leases		(629,496)	(821,271)	(72,900)	(97,200)

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 48, Jalan Chow Thye, 10050 Georgetown, Penang.

The principal place of business of the Company is located at 1177, Jalan Dato Keramat, 14300 Nibong Tebal, Seberang Perai Selatan, Penang.

The principal activities of the Company consist of investment holding and the provision of management services. The principal activities of its subsidiary companies are disclosed in Note 8. There have been no significant changes in the nature of these activities during the financial period.

The holding company is Chin Hin Group Berhad, a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

2. Basis of Preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial year end of the Group and of the Company was changed from 31 March to 31 December so as to be coterminous with the financial year end of its holding company as required by the Companies Act 2016. Accordingly, the current financial statements are prepared for nine months from 1 April 2021 to 31 December 2021. As a result, the comparative figures stated in the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows and the related notes are not comparable.

Adoption of new and amended standards

During the financial period, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial period:

Amendments to MFRS 16	Covid-19 – Related Rent Concessions
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current – Deferral of Effective Date
Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139	Interest rate benchmark reform – Phase 2
IFRIC Agenda Decision on MFRS 123	Borrowing Costs

The adoption of the amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following new MFRSs and amendments to MFRSs that have been issued by MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 16	Covid-19 – Related Rent Concessions beyond 30 June 2021	1 April 2021
Annual Improvements to MFRSs Standards 2018 - 2020 • Amendments to MFRS 1 • Amendments to MFRS 9 • Amendments to MFRS 16 • Amendments to MFRS 141		1 January 2022
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above MFRSs and amendments to MFRSs when they become effective.

The initial application of the above-mentioned MFRSs is not expected to have any significant impacts on the financial statements of the Group and of the Company.

(b) Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis other than those as disclosed in Note 3.

2. Basis of Preparation (Cont'd)

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

(d) Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

<u>Classification between investment properties and property, plant and equipment</u>

The Group has developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are significant that a property does not qualify as investment property.

<u>Satisfaction of performance obligations in relation to contracts with customers</u>

The Group and the Company are required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations:

The Group and the Company recognise revenue over time in the following circumstances:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Group performs;

(b) the Group and the Company do not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and

(c) the Group's and the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group and the Company assess each contract with customers to determine when the performance obligation of the Group and of the Company under the contract is satisfied.

2. Basis of Preparation (Cont'd)

(d) Significant accounting judgements, estimates and assumptions (Cont'd)

Judgements (Cont'd)

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Company have several lease contracts that include extension and termination options. The Group and the Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group and the Company include the renewal period as part of the lease term for leases of land and building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives of property, plant and equipment and right-of-use ("ROU") assets

The Group and the Company regularly review the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU assets. The carrying amount at the reporting date for property, plant and equipment and ROU assets are disclosed in Notes 4 and 5 respectively.

Revaluation of property, plant and equipment and ROU assets

The Group engaged an independent valuation specialist to reassess fair value of freehold land and buildings and leasehold buildings as at 16 December 2019. Freehold land was carried at revalued amounts with changes in fair value being recognised in other comprehensive income. Freehold land was valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property. Freehold and leasehold buildings are carried at revalued amounts with changes in fair value being recognised in other comprehensive income. The fair value of buildings was determined using the depreciated replacement cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.

The key assumptions used to determine the fair value of the property, plant and equipment and ROU assets are provided in Notes 4 and 5 respectively.

2. Basis of Preparation (Cont'd)

(d) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Fair value of investment properties

The Group engaged an independent valuation specialist to assess fair value of investment properties as at 31 December 2021. Investment properties are carried at fair value, with changes in fair value being recognised in profit or loss. The fair values of the investment properties have been derived using the sales comparison approach.

The key assumptions used to determine the fair value of the investment properties is disclosed in Note 6.

Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value-in-use is disclosed in Note 7.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 12(c).

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 14.

Impairment of investment in subsidiary companies

The Company reviews its investments in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the reporting date for investments in subsidiary companies is disclosed in Note 8.

Determination of transaction prices

The Group and the Company are required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods or services are based on invoiced values. Discounts are not considered as they are not only given in rare circumstances.

2. Basis of Preparation (Cont'd)

(d) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Revenue from property development contract

Revenue is recognised when the control of the asset is transferred to the customers and, depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time.

If control of the asset transfers over time, the Group recognises property development revenue and costs over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation at the reporting date. This is measure based on the proportion of property development costs incurred for work performed up to end of the reporting period as a percentage of the estimated total property development costs of the contract.

Significant judgements are used to estimate these total property development costs to complete the contracts. In making these estimates, management relies on past experience, the work of specialists and a continuous monitoring mechanism.

The carrying amount of assets and liabilities of the Group arising from property development activities are disclosed in Note 15.

Revenue from construction contracts

Construction revenue and costs are recognised over the period of the contract in the profit or loss by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of performance obligation is measured based on the physical proportion of contract work-to-date certified by professional consultants. Significant judgement is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the estimated total construction costs. The total estimated construction costs are based on approved budgets, which require assessments and judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, the Group evaluates based on past experience, the work of specialists and a continuous monitoring mechanism.

The details of construction contracts are disclosed in Note 15.

Provision for expected credit loss of financial assets at amortised cost

The Group and the Company review the recoverability of its receivables, include trade and other receivables, contract assets and amounts due from subsidiary companies at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and on the Company's past history, existing market conditions at the end of each reporting period.

The carrying amounts at the reporting date for receivables are disclosed in Notes 13, 15, 16 and 17 respectively.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group and the Company use the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group and the Company would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group and the Company estimate the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

2. Basis of Preparation (Cont'd)

(d) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 December 2021, the Group has tax recoverable of RM11,056 (31.3.2021: RM10,414) and tax payable of RM1,172,084 (31.3.2021: RM3,713,617) respectively. The Company has tax payable of RM123,711 (31.3.2021: tax recoverable of RM141).

3. Significant Accounting Policies

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 139 *Financial Instruments*, is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The policy of recognition and measurement of impairment losses is in accordance with Note 3(q)(i).

(ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. The policy of recognition and measurement of impairment losses is in accordance to Note 3(q)(i).

3. Significant Accounting Policies (Cont'd)

(b) Investments in associate companies

An associate company is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

On acquisition of an investment in an associate company, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associated company's profit or loss for the period in which the investment is acquired.

An associate company is accounted for either at cost or equity method as described in MFRS 128 from the date on which the investee becomes an associate company. Under the equity method, on initial recognition the investment in an associate company is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associate company after the date of acquisition. When the Group's share of losses in an associate company equals or exceeds its interest in the associate company, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate company.

Profits or losses resulting from upstream and downstream transactions between the Group and its associate company are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associate company. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

The financial statements of the associate companies are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The requirements of MFRS 136 *Impairment of Assets* are applied to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associated company. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 as a single asset, by comparing its recoverable amount (higher of value-in-use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of significant influence over the associate company, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate company upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investments in associate company are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(q)(i) to the financial statements on impairment of non-financial assets.

3. Significant Accounting Policies (Cont'd)

(c) Investments in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

On acquisition of an investment in a joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of joint venture's profit or loss for the period in which the investment is acquired.

A joint venture is equity accounted for from the date on which the investee becomes a joint venture. Under the equity method, on initial recognition the investment in a joint venture is recognised at cost, and the carrying amounts is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the joint venture after the date of acquisition. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Profits or losses resulting from upstream and downstream transactions between the Group and its joint venture are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

The financial statements of the joint ventures are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The requirement of MFRS 136 Impairment of Assets are applied determines whether it is necessary to recognise any impairment loss with respect to its investment in the joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the carrying amount of the investment in the joint venture is tested for impairment in accordance with MFRS 136 as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investments in joint ventures are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The policy of recognition and measurement of impairment losses is in accordance with Note 3(q)(i).

3. Significant Accounting Policies (Cont'd)

(d) Interest in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the MFRSs applicable to the particular assets, liabilities, revenues and expenses.

Profits and losses resulting from transactions between the Group and its joint operation are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the joint operation.

(e) Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM are translated at the rate of exchange prevailing at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly owned subsidiary company, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed off such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related foreign operations reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

3. Significant Accounting Policies (Cont'd)

(f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(q)(i).

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss. On disposal of a revalued asset, the amounts in revaluation reserve relating to those assets are transferred to retained earnings.

Land and buildings are measured at fair value less accumulated depreciation on leasehold land and buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity, usually every two to five years, to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the end of the reporting period.

As at the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Any revaluation surplus arising upon appraisal of land and buildings are recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land and buildings are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to other comprehensive income.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

3. Significant Accounting Policies (Cont'd)

(f) Property, plant and equipment (Cont'd)

(iii) Depreciation

Depreciation is recognised in the profit or loss on a straight-line basis to write off the cost or valuation of each asset to its residual value over its estimated useful life. Freehold land is not depreciated. Leased assets are depreciated over the shorter of the lease term and their useful lives. Capital work-in-progress are not depreciated until the assets are ready for its intended use.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Buildings	50 years
Machinery and factory equipment	5 - 10 years
Office equipment, furniture and fittings	3 - 12 years
Motor vehicles	5 - 6 years

The residual values, useful lives and depreciation method are reviewed at each reporting period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in property, plant and equipment.

(g) Leases

As lessee

The Group and the Company recognise a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(q)(i) to the financial statements.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Leasehold land	63 years
Machinery and factory equipment	7 years
Motor vehicles	5 years
Lease of shophouse and building	4 - 6 years
Lease of office and factory	2.5 - 6 years

The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

3. Significant Accounting Policies (Cont'd)

(g) Leases (Cont'd)

As lessee (Cont'd)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group or the Company changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group and the Company recognise assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group and the Company use the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(h) Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequently, investment properties are measured at fair value which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

3. Significant Accounting Policies (Cont'd)

(h) Investment properties (Cont'd)

Investment properties are valued by independent professionally qualified valuers, having appropriate recognised professional qualifications and recent experience in the locations and segments of the investment properties valued. The management team reviewed and discussed the valuations, including valuation processes, performed by the independent valuers for financial reporting purposes.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the reporting period of retirement or disposal.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(i) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at FVTPL, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include trade and other receivables, amounts due from subsidiary companies and cash and bank balances.

Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group and the Company have not designated any financial assets at FVOCI and FVTPL.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

3. Significant Accounting Policies (Cont'd)

(j) Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(k) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

(l) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(m) Inventories

Inventories are stated at the lower of cost and net realisable value.

(i) Land held for property development

Land held for property development consists of purchase price of land, professional fees, stamp duties, commissions, conversion fees, other relevant levies and direct development cost incurred in preparing the land for development.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale. If net realisable value cannot be determined reliably, these inventories will be stated at the lower of cost or fair value costs to see. Fair value is the amount the inventory can be sold in an arm's length transaction.

Land held for property development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current asset.

Land held for property development is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

3. Significant Accounting Policies (Cont'd)

(m) Inventories (Cont'd)

(ii) Property development costs

Cost is determined based on specific identification basis. Property development costs comprise costs of land, professional fees, direct materials, direct labour, other direct costs, attributable overhead, payments to subcontractors and borrowing costs capitalised for qualifying assets that incurred during the development period. The asset is subsequently recognised as an expense in profit or loss when and as the control of the asset is transferred to the customer.

Properties development costs attributable to unsold properties, upon completion, are transferred to completed properties held for sale.

The cost of completed properties held for sale includes costs of land and related development cost or its purchase costs and incidental cost of acquisition. Cost is determined on a specific identification basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses.

(iii) Other inventories

Raw materials, work-in-progress and finished goods are stated at the lower of cost and net realisable value.

Cost of raw material comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on first-in-first-out basis. Cost of finished goods and work-in-progress consists of direct material, direct labour and an appropriate proportion of production overheads (based on normal operating capacity) are stated on a first-in-first-out.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(n) Construction contracts

Construction contracts are contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Cost incurred to fulfil the contracts, comprising cost of direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors are recognised as an asset and amortised over to profit or loss systematically to reflect the transfer of the contracted service to the customer.

The Group uses the efforts or inputs to the satisfaction of the performance obligations to determine the appropriate amount to recognise in a given period. This is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the financial year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature. When the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive in exchange of the contracted asset, an impairment loss is recognised in profit or loss.

The Group presents as an asset the gross amount due from customers for contract work in progress for which costs incurred plus recognised profits (less recognised losses) exceed contract liabilities. Contract liabilities not yet paid by customers and retention monies are included within receivables and contract assets. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which contract liabilities exceed costs incurred plus recognised profits (less recognised losses).

3. Significant Accounting Policies (Cont'd)

(o) Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, deposits with banks and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of pledged deposits.

(q) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, deferred tax assets and investment property measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill that have indefinite useful lives, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

3. Significant Accounting Policies (Cont'd)

(q) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables, other receivables and inter-company balances, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(r) Share capital

(i) Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(ii) Warrant

Warrants are classified as equity instruments. The issuance of ordinary shares upon exercise of warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

Upon exercise of the warrants, the proceeds are credited to share capital and the related warrant reserves are reversed. The warrant reserves in relation to unexercised warrants at the expiry of the warrants will be reversed into retained earnings.

3. Significant Accounting Policies (Cont'd)

(r) Share capital (Cont'd)

(iii) Treasury shares

When issued shares of the Company are repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity as treasury shares until the shares are cancelled, reissued or disposed of. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of the treasury shares. When treasury shares are distributed as share dividends, the cost of the treasury shares is deducted against the retained earnings of the Company. When treasury shares are sold or reissued subsequently, the difference between the sales consideration, net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(s) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

(t) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensation absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employees Provident Fund ("EPF"). The Group's foreign subsidiary company also make contributions to its country statutory pension scheme. Such contributions are recognised as an expense in the profit and loss as incurred. Once the contribution has been paid, the Group has no further payment obligation.

3. Significant Accounting Policies (Cont'd)

(u) Revenue Recognition

(i) Revenue from contracts with customers

Revenue is recognised when the Group and the Company satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The Group and the Company recognise revenue from the following major sources:

(a) Revenue from property development

Property development contracts with customers may include multiple promises to customers and are accounted for as separate performance obligations. Transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost-plus margin.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's and the Company's performance does not create an asset with an alternative use to the Group and to the Company and the Group and the Company have an enforceable right to payment for performance completed to-date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by using an input method which is based on cost incurred to-date relative to the total expected cost to the satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group and the Company recognise sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers.

(b) Revenue from construction contracts

The Group recognises revenue from construction contracts over time when control over the asset has been transferred to the customers. The assets have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to date. Revenue from construction contracts is measured at the transaction price agreed under the construction contracts.

Revenue is recognised over the period of the contract using the input method to measure the progress towards complete satisfaction of the performance obligations under the construction contract, i.e. based on the proportion of contract costs incurred for the work performed up to the end of the reporting period as a percentage of the estimated total costs of the construction contracts.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. Significant Accounting Policies (Cont'd)

(u) Revenue Recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

(c) Sale of goods

Revenue from contract with customers is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the control of the goods or services underlying the particular performance obligation is transferred to the customer.

Revenue from the sale of goods is recognised upon delivery of goods where control of the goods has been transferred to the customer. Revenue is recognised based on the price specified in the contract, net of rebates and discounts.

(d) Rendering of services

Revenue from services and management fees are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

(e) Sale of other services

The Group offers its customers the option of purchasing other services along with the purchase of merchandise. Revenue is allocated to the service obligations and recognised over the period of performance of services to customers. When consideration is collected from customer in advance of services being performed, a contract liability is recognised. The contract liability would be recognised as revenue when the related services is rendered.

(f) Rental and fleet management service income

Rental and fleet management service income are recognised on a straight-line basis over lease term.

(g) Management fee

Management fee is recognised on accrual basis when services are rendered.

(ii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(iii) Rental income

Rental and fleet management service income are recognised on a straight-line basis over lease term.

<u>Significant financing component</u>

The Group receives short-term advances from its customers. Using the practical expedient in MFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that goods or service will be one year or less.

3. Significant Accounting Policies (Cont'd)

(v) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for theirs intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(w) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial period, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3. Significant Accounting Policies (Cont'd)

(x) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(y) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

(z) Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. Property, Plant and Equipment

	At valuation/cost								
	Freehold land RM	Buildings RM	Buildings under construction RM	Freehold agriculture land RM	Machinery and factory equipment RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Computer Software RM	Total RM
Group									
31.12.2021									
Valuation									
At 1 April 2021 /31 December 2021	20,300,000	18,200,000	–	–	–	–	–	–	38,500,000
Cost									
At 1 April 2021	–	–	–	–	19,521,519	4,795,845	8,060,701	–	32,378,065
Acquisitions through business combination	–	–	482,153	1,350,000	2,381,758	873,142	2,268,041	–	7,355,094
Additions	–	–	–	–	123,721	194,063	10,800	58,512	387,096
Transfer from inventories	–	–	–	–	14,213	–	–	–	14,213
Disposals	–	–	–	–	(234,372)	(2,900)	–	–	(237,272)
At 31 December 2021	–	–	482,153	1,350,000	21,806,839	5,860,150	10,339,542	58,512	39,897,196
Accumulated depreciation									
At 1 April 2021	–	983,785	–	–	18,641,983	4,082,008	7,827,045	–	31,534,821
Acquisitions through business combination	–	–	–	–	2,381,758	757,990	2,204,217	–	5,343,965
Charge for the financial period	–	368,919	–	–	157,596	105,019	130,640	2,926	765,100
Disposals	–	–	–	–	(169,746)	–	–	–	(169,746)
At 31 December 2021	–	1,352,704	–	–	21,011,591	4,945,017	10,161,902	2,926	37,474,140
Accumulated impairment loss									
At 1 April 2021 /31 December 2021	–	–	–	–	58,184	–	–	–	58,184
Carrying amount									
At 31 December 2021	20,300,000	16,847,296	482,153	1,350,000	737,064	915,133	177,640	55,586	40,864,872

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

4. Property, Plant and Equipment (Cont'd)

	At valuation/cost					
	Freehold land RM	Buildings RM	Machinery and factory equipment RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Total RM
Group						
31.3.2021						
Valuation						
At 1 April 2020 /31 March 2021	20,300,000	18,200,000	–	–	–	38,500,000
Cost						
At 1 April 2020	–	–	19,095,404	4,772,872	7,921,201	31,789,477
Additions	–	–	340,556	22,973	139,500	503,029
Transfer from inventories	–	–	186,559	–	–	186,559
Disposals	–	–	(101,000)	–	–	(101,000)
At 31 March 2021	–	–	19,521,519	4,795,845	8,060,701	32,378,065
Accumulated depreciation						
At 1 April 2020	–	491,893	18,415,936	3,951,946	7,710,849	30,570,624
Charge for the financial year	–	491,892	327,047	130,062	116,196	1,065,197
Disposals	–	–	(101,000)	–	–	(101,000)
At 31 March 2021	–	983,785	18,641,983	4,082,008	7,827,045	31,534,821
Accumulated impairment loss						
At 1 April 2020 /31 March 2021	–	–	58,184	–	–	58,184
Carrying amount						
At 31 March 2021	20,300,000	17,216,215	821,352	713,837	233,656	39,285,060

4. Property, Plant and Equipment (Cont'd)

	Office equipment, furniture and fittings RM	Motor vehicles RM	Total RM
Company			
31.12.2021			
Costs			
At 1 April 2021/31 December 2021	281,921	92,637	374,558
Accumulated depreciation			
At 1 April 2021	272,742	92,637	365,379
Charge for the financial period	2,521	–	2,521
At 31 December 2021	275,263	92,637	367,900
Carrying amount			
At 31 December 2021	6,658	–	6,658
31.3.2021			
Costs			
At 1 April 2020/31 March 2021	281,921	92,637	374,558
Accumulated depreciation			
At 1 April 2020	266,437	92,637	359,074
Charge for the financial year	6,305	–	6,305
At 31 March 2021	272,742	92,637	365,379
Carrying amount			
At 31 March 2021	9,179	–	9,179

(a) Assets pledged as securities to financial institutions

The carrying amount of property, plant and equipment of the Group pledged as securities for bank borrowings as disclosed in Note 22 are:

	Group	
	31.12.2021 RM	**31.3.2021 RM**
Freehold land	21,650,000	20,300,000
Buildings	16,847,296	17,216,215
Buildings under construction	482,153	-
	38,979,449	37,516,215

4. Property, Plant and Equipment (Cont'd)

(b) Valuation of freehold land and buildings

Freehold land and building of the subsidiary companies were revalued on 16 December 2019, by independent professional valuers. The fair value of land was determined based on market comparable approach that reflects recent transaction price for similar properties. The fair value of the buildings was determined using the depreciated replacement cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.

Details of the Group's freehold land and buildings and information about the fair value hierarchy as at 31 December 2021 as follows:

	Level 2 **RM**
Group	
Freehold land	20,300,000
Buildings	16,847,296
	37,147,296

There is no transfer between fair values hierarchy levels during the financial period.

Had the freehold land and buildings been carried at historical cost less accumulated depreciation, their carrying amounts would be as follows:

	Freehold land **RM**	**Buildings** **RM**
Group		
31.12.2021		
Cost	10,609,431	16,449,098
Accumulated depreciation	–	(6,351,352)
	10,609,431	10,097,746
31.3.2021		
Cost	10,609,431	16,449,098
Accumulated depreciation	–	(6,105,411)
	10,609,431	10,343,687

5. Right-of-Use Assets

	Leasehold land RM	Machinery and factory equipment RM	Motor vehicles RM	Lease of shophouse and building RM	Lease of forklift and motor vehicles RM	Lease of office and factory RM	Total RM
Group							
31.12.2021							
Valuation							
At 1 April 2021 /31 December 2021	1,300,705	–	–	–	–	–	1,300,705
Cost							
At 1 April 2021	–	378,285	945,146	733,828	371,604	1,012,648	3,441,511
Acquisition through business combination	–	–	2,586,491	–	–	798,850	3,385,341
Additions	–	–	60,598	–	–	–	60,598
Disposals	–	–	(180,902)	–	(371,604)	–	(552,506)
Modification to lease term	–	–	–	68,228	–	–	68,228
At 31 December 2021	–	378,285	3,411,333	802,056	–	1,811,498	6,403,172
Accumulated depreciation							
At 1 April 2021	41,294	348,653	485,043	382,203	367,180	151,895	1,776,268
Acquisition through business combination	–	–	1,891,964	–	–	575,609	2,467,573
Charge for the financial period	15,484	29,632	150,178	136,292	4,424	184,038	520,048
Disposals	–	–	(133,464)	–	(371,604)	–	(505,068)
Modification to lease term	–	–	–	(2,888)	–	–	(2,888)
At 31 December 2021	56,778	378,285	2,393,721	515,607	–	911,542	4,255,933
Carrying amount	1,243,927	–	1,017,612	286,449	–	899,956	3,447,944

5. Right-of-Use Assets (Cont'd)

	Leasehold land RM	Machinery and factory equipment RM	Motor vehicles RM	Lease of shophouse and building RM	Lease of forklift and motor vehicles RM	Lease of office and factory RM	Total RM
Group							
31.3.2021							
Valuation							
At 1 April 2020 /31 March 2021	1,300,705	–	–	–	–	–	1,300,705
Cost							
At 1 April 2020	–	378,285	1,521,853	733,828	371,604	854,058	3,859,628
Additions	–	–	–	–	–	1,012,648	1,012,648
Disposals	–	–	(576,707)	–	–	–	(576,707)
Modification to lease term	–	–	–	–	–	(854,058)	(854,058)
At 31 March 2021	–	378,285	945,146	733,828	371,604	1,012,648	3,441,511
Accumulated depreciation							
At 1 April 2020	20,646	295,694	825,904	198,744	314,094	298,920	1,954,002
Charge for the financial year	20,648	52,959	235,846	183,459	53,086	194,599	740,597
Disposals	–	–	(576,707)	–	–	–	(576,707)
Modification to lease term	–	–	–	–	–	(341,624)	(341,624)
At 31 March 2021	41,294	348,653	485,043	382,203	367,180	151,895	1,776,268
Carrying amount	1,259,411	29,632	460,103	351,625	4,424	860,753	2,965,948

5. Right-of-Use Assets (Cont'd)

	Lease of shophouse and building RM	Lease of office and factory RM	Total RM
Company			
31.12.2021			
Cost			
At 1 April 2021/31 December 2021	69,888	407,111	476,999
Accumulated depreciation			
At 1 April 2021	50,960	152,666	203,626
Charge for the financial period	13,104	50,889	63,993
At 31 December 2021	64,064	203,555	267,619
Carrying amount			
At 31 December 2021	5,824	203,556	209,380
31.3.2021			
Cost			
At 1 April 2020/31 March 2021	69,888	407,111	476,999
Accumulated depreciation			
At 1 April 2020	33,488	84,815	118,303
Charge for the financial year	17,472	67,851	85,323
At 31 March 2021	50,960	152,666	203,626
Carrying amount			
At 31 March 2021	18,928	254,445	273,373

(a) Assets pledged as securities to financial institution

Motor vehicles with a carrying amount of RM1,017,612 (31.3.2021: RM430,608) of the Group are pledged as securities for the related lease liabilities.

5. Right-of-Use Assets (Cont'd)

(b) Valuation of leasehold land

Leasehold land of the Group was revalued at 16 December 2019, by independent professional valuers. The fair value of land was determined based on market comparable approach that reflects recent transaction price for similar properties. The fair value of the buildings was determined using the depreciated replacement cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.

Details of the Group's leasehold land and information about the fair value hierarchy as at 31 December 2021 as follows:

	Level 2
	RM
Leasehold land	1,243,927

There was no transfer between fair value hierarchy during the financial period.

Had the leasehold land been carried at historical cost less accumulated depreciation, their carrying amounts would be as follows:

	Group	
	31.12.2021	**31.3.2021**
	RM	**RM**
Cost	1,347,030	1,347,030
Less: Accumulated depreciation	(105,125)	(89,089)
	1,241,905	1,257,941

6. Investment Properties

	Freehold land	**Buildings**	**Total**
	RM	**RM**	**RM**
Group			
At fair value			
At 1 April 2021	27,700,000	1,100,000	28,800,000
Acquisition through business combination	–	2,810,000	2,810,000
31 December 2021	27,700,000	3,910,000	31,610,000
At 1 April 2020/31 March 2021	27,700,000	1,100,000	28,800,000
Company			
At fair value			
At 1 April 2021/31 December 2021	27,700,000	1,100,000	28,800,000
At 1 April 2020/31 March 2021	27,700,000	1,100,000	28,800,000

6. Investment Properties (Cont'd)

Fair value basis of investment properties

The investment properties are valued at fair value based on market values determined by the independent firms of professional valuers amounting to RM31,610,000 (31.3.2021: RM28,800,000).

The fair values of the investment properties are determined within level 3 of the fair value hierarchy in the financial period ended 31 December 2021.

The fair values of the freehold land, shop office and shoplots have been derived using the sales comparison approach. The most significant input into this valuation approach is price per square foot of comparable properties. Sales prices of comparable properties in close proximity are adjusted, either positively or negatively for differences in key attributes such as property size, time, age, tenure, level, surrounding, accessibility, visibility, orientation, facing and position of the units.

The fair values of the freehold buildings have been derived using the depreciated replacement cost approach. The most significant input into this valuation approach is construction price per square foot of subject properties and adjusted for differences in key attributes such as condition, time, size, location and age of property and its improvement.

There was no transfer between fair value hierarchy levels during current and previous financial period.

7. Goodwill on Consolidation

	Group	
	31.12.2021 RM	**31.3.2021 RM**
At cost		
At 1 April	1,492,744	1,492,744
Acquisition through business combination	3,458,970	–
At 31 December/31 March	4,951,714	1,492,744
Accumulated impairment losses		
At 1 April/31 March/31 December	1,492,744	1,492,744
Carrying amount		
At 31 December	3,458,970	-

The aggregate carrying amounts of goodwill allocated to each cash-generating unit ("CGU") are as follows:

	Group	
	31.12.2021 RM	**31.3.2021 RM**
Kayangan Kemas Sdn. Bhd.	3,458,970	–

The recoverable amounts of CGUs in respect of the goodwill were determined based on value-in-use ("VIU") calculations. Cash flow projections used in these calculations were based on financial budgets approved by management covering a five years period.

Key assumptions used in the VIU calculations for the goodwill impairment assessment is gross profit margin. The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources.

A pre-tax discount rates of 6.2% were applied in determining the recoverable amounts of the CGUs. The discount rate used is pre-tax and reflect the specific risks relating to the respective CGU. A reasonable possible change in the key assumptions would not result in any impairment.

8. Investments in Subsidiary Companies

	Company 31.12.2021 RM	31.3.2021 RM
In Malaysia		
At cost		
Unquoted shares	132,362,232	69,858,232
Less: Accumulated impairment losses	(28,709,462)	(28,709,462)
	103,652,770	41,148,770
Outside Malaysia		
At cost		
Unquoted shares	1,146,087	1,146,087
Less: Accumulated impairment losses	(1,146,086)	(1,146,086)
	1	1
	103,652,771	41,148,771

Movement in the allowance for impairment losses are as follows:

	Company 31.12.2021 RM	31.3.2021 RM
At 1 April	29,855,548	29,905,554
Impairment losses reversed	–	(50,006)
At 31 December/31 March	29,855,548	29,855,548

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of Incorporation	Effective interest 31.12.2021 %	31.3.2021 %	Principal activities
Direct holding:				
Boon Koon Vehicles Industries Sdn. Bhd. ("BKVI")	Malaysia	100	100	Manufacturing and assembling of rebuilt commercial vehicles and the provision of related services
Boon Koon Motors Sdn. Bhd. ("BKM")	Malaysia	100	100	Sale of commercial vehicles and the provision of related services
Boon Koon Vehicles Pte. Ltd. ("BKVPL")*#	Singapore	100	100	Sale of commercial vehicles, motor vehicles accessories and the provision of related services
BKCV Sdn. Bhd. ("BKCV")	Malaysia	100	100	Manufacturing and assembling of new commercial vehicles

8. Investments in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows (Cont'd):

Name of company	Place of business/ Country of Incorporation	Effective interest 31.12.2021 %	31.3.2021 %	Principal activities
Direct holding: (Cont'd)				
BK Fleet Management Sdn. Bhd. ("BK Fleet")	Malaysia	100	100	Sale and rental of commercial vehicles, provision of fleet management and other related services
Boon Koon Fleet Management Sdn. Bhd. ("BKFM")	Malaysia	100	100	Forklift and equipment rental business and the provision of repairs and maintenance services
BKG Development Sdn. Bhd. ("BKGD")	Malaysia	100	100	Property development
Kayangan Kemas Sdn. Bhd. ("KKSB")	Malaysia	65	–	Building and general construction
Indirect holding:				
Subsidiary companies of Boon Koon Vehicles Industries Sdn. Bhd.:				
BKGM Industries Sdn. Bhd. ("BKGM")	Malaysia	100	100	Provision of sub-contractor services to the commercial vehicle industry
BK Sepadu Sdn. Bhd. ("BK Sepadu") #	Malaysia	62.50	62.50	Sale of commercial vehicle and provision of related services
Subsidiary companies of BKG Development Sdn. Bhd.:				
BKSP Autoworld Sdn. Bhd. ("BKSP")	Malaysia	100	100	Property development and investment holding
Boon Koon Capital Sdn. Bhd. ("BK Capital")	Malaysia	100	100	Property development and investment holding
Boon Koon Commercial Sdn. Bhd. ("BKC")	Malaysia	70	100	Property development and property construction
BK Alliance Sdn. Bhd. ("BKA")	Malaysia	51	51	Property development and property construction
BKHS Capital Sdn. Bhd. ("BKHS")	Malaysia	100	100	Property development
Stellar Trinity Sdn. Bhd. ("STSB")	Malaysia	100	100	Property development and investment holding
Chin Hin Construction Sdn. Bhd. ("CHCSB")	Malaysia	100	100	Property development, property construction and investment holding
Stellar Platinum Sdn. Bhd. ("SPSB")	Malaysia	100	100	Property development
Subsidiary companies of Kayangan Kemas Sdn. Bhd.:				
5th Capital Sdn. Bhd. ("5CSB")	Malaysia	65	–	Property investment

* Subsidiary company not audited by UHY
\# Under members' voluntary liquidation

8. Investments in Subsidiary Companies (Cont'd)

(a) Material partly-owned subsidiary companies

Name of company	Proportion of ownership interests and voting rights held by non-controlling interests 31.12.2021 %	31.3.2021 %	Profit/(Loss) allocated to non-controlling interests 31.12.2021 RM	31.3.2021 RM	Accumulated non-controlling interests 31.12.2021 RM	31.3.2021 RM
BKA	49	49	(109,394)	3,536	(184,660)	(75,266)
BK Sepadu	37.5	37.5	(1,309)	(4,753)	250,196	251,505
BKC	30	–	(36,596)	–	(66,291)	–
KKSB	65	–	2,041,739	–	20,613,832	–
Total non-controlling interests					20,613,077	176,239

Summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

	BK Alliance 31.12.2021 RM	BK Alliance 31.3.2021 RM	BK Sepadu 31.12.2021 RM	BK Sepadu 31.3.2021 RM	BKC 31.12.2021 RM	BKC 31.3.2021 RM	KKSB 31.12.2021 RM	KKSB 31.3.2021 RM
Summarised statements of financial position								
Non-current assets	22,500,511	–	–	–	63,201,261	–	12,350,078	–
Current assets	96,841	4,492	553,562	557,053	839,078	–	107,351,553	–
Non-current liabilities	–	–	–	–	(41,835,920)	–	(7,920,571)	–
Current liabilities	(22,974,351)	(158,238)	–	–	(22,425,388)	–	(52,884,598)	–
Net (liabilities)/assets	(376,999)	(153,746)	553,562	557,053	(220,969)	–	58,896,462	–
Summarised statements of profit or loss and other comprehensive income								
Revenue	–	–	–	–	–	–	32,426,742	–
(Loss)/Profit for the financial period/year	(223,253)	(5,094)	(3,491)	(12,675)	(125,315)	–	5,833,539	–
Total comprehensive (loss)/income for the financial period/year	(223,253)	(5,094)	(3,491)	(12,675)	(125,315)	–	5,833,539	–
Summarised statements of cash flows								
Net cash used in operating activities	(11,997,407)	(4,996)	(3,491)	(12,256)	(63,120,031)	–	(9,627,037)	–
Net cash from/(used in) investing activities	3,030	(3,030)	–	–	2,104	–	(2,809,787)	–
Net cash from/(used in) financing activities	12,000,466	9,367	–	–	63,852,540	–	(709,260)	–
Net increase/(decrease) in cash and cash equivalants	6,089	1,341	(3,491)	(12,256)	734,613	–	(13,146,084)	–

8. Investments in Subsidiary Companies (Cont'd)

(b) Acquisition of subsidiary company

During the financial period

(i) Acquisition of Kayangan Kemas Sdn. Bhd.

On 23 November 2021, the Company had acquired 6,500,000 ordinary shares, representing 65% equity interest in Kayangan Kemas Sdn. Bhd. for a total consideration of RM37,950,000, satisfied partially by cash consideration of RM29,150,000 and issuance of 11,000,000 new ordinary shares of the Company at an issue price of RM0.80 per share.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	31.12.2021 **RM**
Cash consideration paid	29,150,000
Allotment of shares	8,800,000
	37,950,000

Fair value of identifiable assets acquired and liabilities assumed at the date of acquisition

	31.12.2021 **RM**
Property, plant and equipment	2,011,129
Right-of-use assets	917,768
Investment properties	2,810,000
Investment in associate company	1,640,209
Investment in joint venture company	1,384,613
Other investment	70,000
Contract assets	13,000,846
Trade and other receivables	49,645,045
Tax recoverable	1,138,755
Fixed deposit with licensed banks	9,876,850
Cash and bank balances	12,554,889
Trade and other payables	(38,438,733)
Lease liabilities	(1,065,102)
Bank borrowings	(2,471,995)
Deferred tax liabilities	(11,151)
Total identifiable net assets	53,063,123

8. Investments in Subsidiary Companies (Cont'd)

(b) Acquisition of subsidiary company (Cont'd)

During the financial period (Cont'd)

(i) Acquisition of Kayangan Kemas Sdn. Bhd. (Cont'd)

Net cash outflows arising from acquisition of subsidiary companies

	31.12.2021 RM
Purchase considerarion settled in cash	29,150,000
Less: Cash and cash equivalents of subsidiary acquired	
- Cash and bank	(12,554,889)
- Fixed deposit	(9,876,850)
- Bank overdraft	1,499,994
	(20,931,745)
Less: Pledged fixed deposit	9,876,850
	(11,054,895)
Net cash outflows arising from acquisition of subsidiary	18,095,105

Goodwill arising from business combination

	31.12.2021 RM
Fair value of consideration transferred	37,950,000
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	18,572,093
Fair value of identifiable assets acquired and liabilities assumed	(53,063,123)
Goodwill	3,458,970

(ii) Allotment of shares in subsidiary company

(a) On 30 June 2021, Stellar Trinity Sdn. Bhd.("STSB"), a wholly owned subsidiary company of BKG Development Sdn. Bhd.("BKGD"), which in turn is a wholly owned subsidiary company of the Company increased its issued and paid-up share capital from RM2 to RM250,000 by issuance of 249,998 new ordinary shares for a total cash consideration of RM249,998 to BKGD.

On 31 December 2021, STSB increased its issued and paid-up share capital from RM250,000 to RM14,250,000 by issuance of 14,000,000 new ordinary shares for a total cash consideration of RM14,000,000 to BKGD.

Consequently, STSB remained as a wholly owned subsidiary company of BKGD.

(b) On 31 December 2021, BKHS Capital Sdn. Bhd.("BKHS"), a wholly owned subsidiary company of BKGD, which in turn is a wholly owned subsidiary company of the Company increased its issued and paid-up share capital from RM200,000 to RM1,700,000 by issuance of 1,500,000 new ordinary shares for a total cash consideration of RM1,500,000 to BKGD. Consequently, BKHS remained as a wholly owned subsidiary company of BKGD.

8. Investments in Subsidiary Companies (Cont'd)

(b) Acquisition of subsidiary company (Cont'd)

<u>During the financial period (Cont'd)</u>

(ii) Allotment of shares in subsidiary company (Cont'd)

(c) On 31 December 2021, BKSP Autoworld Sdn. Bhd.("BKSP"), a wholly owned subsidiary company of BKGD, which in turn is a wholly owned subsidiary company of the Company increased its issued and paid-up share capital from RM100,000 to RM13,000,000 by issuance of 12,900,000 new ordinary shares for a total cash consideration of RM12,900,000 to BKGD. Consequently, BKSP remained as a wholly owned subsidiary company of BKGD.

(d) On 31 December 2021, BKGD, a wholly owned subsidiary company of the Company increased its issued and paid-up share capital from RM1,000,000 to RM29,400,000 by issuance of 28,400,000 new ordinary shares for a total cash consideration of RM28,400,000 to the Company. Consequently, BKGD remained as a wholly owned subsidiary company of the Company.

(iii) Incorporation of new subsidiary company

On 8 July 2021, BKGD, a wholly owned subsidiary company of the Company, incorporated a 100% owned subsidiary company, Stellar Platinum Sdn. Bhd. ("SPSB") with cash subscription of RM2.

(iv) Internal Reorganisation

On 1 December 2021, the Company disposed off its entire shareholdings in Boon Koon Capital Sdn. Bhd. ("BKCAP") to BKGD, a wholly owned subsidiary company of the Company, for a total consideration of RM3,846,000 ("Internal Reorganisation"). Upon completion of Internal Reorganisation, BKCAP became direct subsidiary of BKGD.

The Internal Reorganisation did not have any effect on the issued and paid up share capital of the Company or its major shareholders' shareholding or material effect on the earnings, net assets or gearing of the Group on a consolidated basis.

<u>In the previous financial year</u>

(i) On 30 December 2020, the company disposed off its entire shareholdings in Boon Koon Commerical Sdn. Bhd. ('BKC") and 51% of its shareholdings in BK Alliance Sdn. Bhd. ("BKA") to BKGD, a wholly owned to subsidiary company of the Company for a total consideration of RM1,000,000 and RM1,275,000 respectively ("Internal Reorganisation"). Upon completion of Internal Reorganisation, BKA and BKC became direct subsidiaries of BKGD.

(ii) On 20 January 2021, BKG Development Sdn. Bhd., a wholly owned subsidiary company of the Company had acquired 2 shares, representing 100% equity interest in Chin Hin Construction Sdn. Bhd. for cash subscription of RM2.

(iii) On 31 March 2021, the Company disposed off its entire shareholdings in BKSP Autoworld Sdn. Bhd. ("BKSP") to BKG Development Sdn. Bhd. ("BKGD"), a wholly owned subsidiary company of the Company, for total consideration of RM100,000 ("Internal Reorganisation"). Upon completion of Internal Reorganisation, BKSP became direct subsidiary of BKGD.

The Internal Reorganisation did not have any effect on the issued and paid up share capital of the Company or its major shareholders' shareholding or material effect on the earnings, net assets or gearing of the Group on a consolidated basis.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

8. Investments in Subsidiary Companies (Cont'd)

(c) Disposal to non-controlling interests

During the financial period

On 30 August 2021, the Company had disposed 300,000 shares, representing 30% of equity interest in Boon Koon Commercial Sdn. Bhd.("BKC"), a wholly owned subsidiary company of the Company for a total consideration of RM300,000. Upon the completion of disposal, the Company's equity interest in BKC decreased from 100% to 70%.

The effect of changes in equity interest in BKC is attributable to owners of the Company as follows:

	31.12.2021 RM
Carrying amount of shares disposed	29,695
Consideration received from non-controlling interests	300,000
Increase in parent's equity	329,695

In the previous financial year

On 30 December 2020, the Company had disposed 1,225,000 shares, representing 49% of equity interest in BKA a wholly owned subsidiary company of the Company for a total consideration of RM1,225,000. Upon the completion of disposal, the Company's equity interest in BKA decreased from 100% to 51%.

The effect of changes in equity interest in BKA is attributable to owners of the Company as follows:

	31.3.2021 RM
Carrying amount of shares disposed	78,802
Consideration received from non-controlling interests	1,225,000
Increase in parent's equity	1,303,802

9. Investments in Associate Companies

	Group	
	31.12.2021 RM	**31.3.2021 RM**
Unquoted shares		
At cost	35,900,000	35,900,000
Acquisition through business combination	1,640,209	–
Share of post-acquisition reserves	10,985,385	5,475,826
Disposal of associate	(900,000)	–
Accumulated impairment losses	–	(900,000)
	47,625,594	40,475,826

Movement in the allowance for impairment losses are as follows:

	Group	
	31.12.2021 RM	**31.3.2021 RM**
At 1 April	900,000	900,000
Disposal of associate	(900,000)	–
At 31 December/31 March	–	900,000

9. Investments in Associate Companies (Cont'd)

Details of the associate company are as follows:

Name of company	Place of business/ Country of Incorporation	Effective interest 31.12.2021 %	Effective interest 31.3.2021 %	Principal activities
Held through BKCV Sdn. Bhd.				
CNMY Truck Sdn. Bhd.	Malaysia	–	30	Trading in new commercial vehicles and the provision of related services
Held through BKG Development Sdn. Bhd.				
Stellar 8 Sdn. Bhd. *	Malaysia	47	47	Property development
Held through Kayangan Kemas Sdn. Bhd.				
Weida Kayangan Sdn. Bhd. *	Malaysia	31.85	–	Building contractor

* Associate company not audited by UHY

Disposal of associate company

On 24 December 2021, BKCV Sdn, Bhd., a wholly owned subsidiary company of the Company, had disposed 900,000 shares representing 30% of equity interest in CNMY Truck Sdn Bhd ("CNMY") for a total consideration of RM1. Upon the completion of disposal, the Company's equity interest in CNMY Sdn. Bhd. has been fully disposed.

The summarised financial information of the Group's material associate companies ie. Stellar 8 Sdn. Bhd. ("Stellar 8") and Weida Kayangan Sdn. Bhd. ("WKSB") are set out as below:

(a) Summarised statements of financial position

	Stellar 8		WKSB	
	31.12.2021 RM	31.3.2021 RM	31.12.2021 RM	31.3.2021 RM
Non-current assets	7,630	13,387	372,170	–
Current assets	124,953,276	100,257,725	9,767,358	–
Non-current liabilities	–	–	(11,900)	–
Current liabilities	(23,629,855)	(14,152,333)	(6,715,819)	–
Net assets	101,331,051	86,118,779	3,411,809	–

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

9. Investments in Associate Companies (Cont'd)

The summarised financial information of the Group's material associate companies ie. Stellar 8 Sdn. Bhd. ("Stellar 8") and Weida Kayangan Sdn. Bhd. ("WKSB") are set out as below: (Cont'd)

(a) Summarised statements of financial position (Cont'd)

	Stellar 8		WKSB	
	31.12.2021 RM	**31.3.2021 RM**	**31.12.2021 RM**	**31.3.2021 RM**
Interest in associate companies	47%	47%	49%	–
Group's share of net assets	47,625,594	40,475,826	1,671,786	–
Elimination of unrealised profits	–	–	–	–
Unrecognised of share of loss	–	–	–	–
Carrying value of Group's interest in associate company	47,625,594	40,475,826	1,671,786	–

(b) Summarised statements of profit or loss and other comprehensive income

	Stellar 8		WKSB	
	1.4.2021 to 31.12.2021 RM	**1.4.2020 to 31.3.2021 RM**	**1.4.2021 to 31.12.2021 RM**	**1.4.2020 to 31.3.2021 RM**
Profit for the financial period/year, representing total comprehensive income for the financial period/year	5,477,982	3,934,182	20,525	–

10. Investment in joint venture company

	Group	
	31.12.2021 RM	**31.3.2021 RM**
Unquoted shares		
At cost	–	–
Acquisition through business combination	1,384,613	–
Share of post-acquisition reserves	205,613	–
	1,590,226	–

Details of the joint venture company are as follows:

Name of company	Place of business/ Country of Incorporation	Effective interest 31.12.2021 %	Effective interest 31.3.2021 %	Principal activities
Held through Kayangan Kemas Sdn. Bhd.				
R Synergy Sdn. Bhd. *	Malaysia	21.45	–	Building Contractor

* Joint venture company not audited by UHY

11. Other Investment

	Group	
	31.12.2021	**31.3.2021**
	RM	**RM**
Club memberships		
At cost		
At 1 April	–	–
Acquisition through business combination	70,000	–
At 31 December/31 March	70,000	–

12. Inventories

	Group	
	31.12.2021	**31.3.2021**
	RM	**RM**
Non-current asset		
Land held for property development	159,539,724	884,475
Current assets		
Property development cost	1,613,083	2,467,967
Other inventories	17,661,049	28,079,803
	19,274,132	30,547,770
	178,813,856	31,432,245

(a) Land held for property development

	Freehold land RM	**Leasehold land RM**	**Total RM**
Group			
At cost			
31.12.2021			
At 1 April 2021	884,475	–	884,475
Additions	136,154,738	22,500,511	158,655,249
At 31 December 2021	137,039,213	22,500,511	159,539,724
31.3.2021			
At 1 April 2020/31 March 2021	884,475	–	884,475

(i) The freehold land of RM121,669,091 (31.3.2021: RM884,475) is pledged to a licensed bank as securities for banking facility granted to a subsidiary company as disclosed in Note 22.

12. Inventories (Cont'd)

(b) Property development costs

	Group	
	31.12.2021	**31.3.2021**
	RM	**RM**
Current		
Freehold land, at cost		
At 1 April/31 March/31 December	1,205,617	1,205,617
Cummulative property development costs		
At 1 April	143,907,652	108,964,976
Cost incurred during the financial period/year	6,559,495	34,942,676
At 31 December/31 March	150,467,147	143,907,652
Less: Cummulative costs recognised in profit or loss		
At 1 April	142,645,302	79,175,042
Recognised during the financial period/year	7,414,379	63,470,260
At 31 December/31 March	150,059,681	142,645,302
Total property development costs	1,613,083	2,467,967

(i) The property development costs of the Group represent expenditures incurred in relation to the mixed residential and commercial development.

BKG Development Sdn. Bhd. ("BKGD"), a wholly-owned subsidiary company, has entered into the Joint Development Agreement with Platinum Eminent Sdn. Bhd. for the implementation and completion of the Development Project on the leasehold land owned by Platinum Eminent Sdn. Bhd.. BKGD shall be effectively entitled 60% of the gross development profits of the development project as disclosed in Note 32.

(ii) The freehold land of RM1,205,617 (31.3.2021: RM1,205,617) is pledged to a licensed bank as securities for banking facility granted to a subsidiary company as disclosed in Note 22.

12. Inventories (Cont'd)

(c) Other inventories

	Group 31.12.2021 RM	Group 31.3.2021 RM
At cost		
Raw materials	2,063,601	1,934,920
Work-in-progress	1,375,690	1,903,423
Finished goods	9,014,720	18,525,809
	12,454,011	22,364,152
At net realisible value		
Raw materials	1,237,054	1,310,611
Work-in-progress	1,142,073	1,155,243
Finished goods	2,827,911	3,249,797
	5,207,038	5,715,651
	17,661,049	28,079,803
Recognised in profit or loss:		
Inventories recognised as cost of sales	75,546,851	74,293,540
Inventories written down	252,325	1,087,501
Inventories written off	56,236	–

13. Trade Receivables

	Group 31.12.2021 RM	Group 31.3.2021 RM
Non-current		
Trade receivables		
- Retention sum	3,185,712	–
Current		
Trade receivables		
- Third parties	54,477,786	31,165,808
- Retention sum	111,044	–
- Related parties	84,174,759	88,614,610
- Accured billing	6,087,109	–
	144,850,698	119,780,418
Less: Accumulated impairment losses	(13,297,049)	(10,693,368)
	131,553,649	109,087,050
	134,739,361	109,087,050

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13. Trade Receivables (Cont'd)

Trade receivables are non-interest bearing and are generally on 30 to 210 days (31.3.2021: 30 to 210 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in the trade receivables is an amount of RM10,269,783 (31.3.2021: Nil) due from joint venture and an amount of RM73,904,976 (31.3.2021: RM88,614,610) due from Platinum Eminent Sdn. Bhd., a company in which certain Directors of the Company have significant financial interest. The trade receivables are recognised at their original certificate of claimed amounts which represent their fair value on initial recognition.

Movements in the allowance for impairment losses are as follows:

	Credit impaired RM	Lifetime allowance RM	Total RM
Group			
31.12.2021			
At 1 April 2021	7,809,237	2,884,131	10,693,368
Acquisition through business combination	7,668	559,640	567,308
Impairment loss recognised	1,952,493	402,474	2,354,967
Impairment loss reversed	(223,186)	(95,408)	(318,594)
At 31 December 2021	9,546,212	3,750,837	13,297,049
31.3.2021			
At 1 April 2020	6,358,867	3,959,763	10,318,630
Impairment loss recognised	1,621,820	253,445	1,875,265
Impairment loss reversed	(171,450)	(1,329,077)	(1,500,527)
At 31 March 2021	7,809,237	2,884,131	10,693,368

Impairment losses reversed during the financial period amounting to RM318,594 (31.3.2021: RM1,500,527) pertains to previously impaired receivables recovered during the financial period.

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group are satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

13. Trade Receivables (Cont'd)

The aged analysis of trade receivables as at the end of the reporting period:

	Gross amount RM	Loss allowance RM	Net amount RM
Group			
31.12.2021			
Neither past due nor impaired	30,274,367	(444,363)	29,830,004
Past due not impaired:			
Less than 30 days	4,426,767	(28,847)	4,397,920
31 to 60 days	1,877,201	(14,094)	1,863,107
61 to 90 days	425,491	(44,391)	381,100
More than 90 days	101,486,372	(3,219,142)	98,267,230
	108,215,831	(3,306,474)	104,909,357
	138,490,198	(3,750,837)	134,739,361
Individually impaired	9,546,212	(9,546,212)	–
	148,036,410	(13,297,049)	134,739,361
31.3.2021			
Neither past due nor impaired	25,867,863	(373,046)	25,494,817
Past due not impaired:			
Less than 30 days	6,031,803	(42,183)	5,989,620
31 to 60 days	7,163,126	(50,887)	7,112,239
61 to 90 days	22,540,503	(26,741)	22,513,762
More than 90 days	50,367,886	(2,391,274)	47,976,612
	86,103,318	(2,511,085)	83,592,233
	111,971,181	(2,884,131)	109,087,050
Individually impaired	7,809,237	(7,809,237)	–
	119,780,418	(10,693,368)	109,087,050

As at 31 December 2021, trade receivables of the Group amounting to RM104,909,357 (31.3.2021: RM83,592,233) were past due but not impaired. These relate to a number of customers from whom there is no recent history of default.

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in financial difficulties, have defaulted on payments and/or dispute billings. These receivables are not secured by any collateral or credit enhancements.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM9,546,212 (31.3.2021: RM7,809,237) related to customers have defaulted on payments. These balances are expected to be recovered through the debt recovery process.

14. Deferred Tax Assets/(Liabilities)

	Group		Company	
	31.12.2021 RM	31.3.2021 RM	31.12.2021 RM	31.3.2021 RM
Deferred tax assets:				
At 1 April	2,003,639	3,138,952	–	–
Recognised in profit or loss	(877,166)	(1,049,620)	(178)	–
Under/(over) provision in prior years	106,517	(85,693)	1,131	–
At 31 December/31 March	1,232,990	2,003,639	953	–

	Group		Company	
	31.12.2021 RM	31.3.2021 RM	31.12.2021 RM	31.3.2021 RM
Deferred tax liabilities:				
At 1 April	(5,136,029)	(5,042,022)	(1,087,574)	(1,087,574)
Acquisition through business combination	(11,151)	–	–	–
Recognised in profit or loss	(91,882)	(127,207)	178	–
Over/(under) provision in prior years	172,961	33,200	(1,131)	–
At 31 December/31 March	(5,066,101)	(5,136,029)	(1,088,527)	(1,087,574)

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group		Company	
	31.12.2021 RM	31.3.2021 RM	31.12.2021 RM	31.3.2021 RM
Deferred tax assets:				
Unutilised tax losses	–	292,605	–	–
Deferred tax liabilities:				
Accelerated capital allowance	(582,659)	–	–	–
Fair value change on investment properties	(1,087,574)	(1,087,574)	(1,087,574)	(1,087,574)
Revaluation surplus on property, plant and equipment	(2,162,878)	(2,337,421)	–	–
	(3,833,111)	(3,424,995)	(1,087,574)	(1,087,574)

14. Deferred Tax Assets/(Liabilities) (Cont'd)

The components and movements of deferred tax liabilities and assets prior to offsetting are as follows:

	Group		Company	
	31.12.2021 RM	**31.3.2021 RM**	**31.12.2021 RM**	**31.3.2021 RM**
Deferred tax assets:				
Unutilised tax losses				
At 1 April	2,003,285	3,138,297	–	–
Recognised in profit or loss	(877,266)	(1,049,319)	541	–
Under/(over) provision in prior years	105,386	(85,693)	–	–
At 31 December/31 March	1,231,405	2,003,285	541	–
Unabsorbed capital allowances				
At 1 April	354	655	–	–
Recognised in profit or loss	100	(301)	(719)	–
Under provision in prior years	1,131	–	1,131	–
At 31 December/31 March	1,585	354	412	–
	1,232,990	2,003,639	953	–
Deferred tax liabilities:				
Deferred tax on fair value changes in investment properties				
At 1 April/31 March/ 31 December	(1,087,574)	(1,087,574)	(1,087,574)	(1,087,574)
Revaluation surplus on property, plant and equipment				
At 1 April	(2,180,926)	(2,180,494)	–	–
Recognised in profit or loss	18,048	(432)	–	–
At 31 December/31 March	(2,162,878)	(2,180,926)	–	–
Accelerated capital allowances				
At 1 April	(1,867,529)	(1,773,954)	–	–
Acquisition of business combination	(11,151)	–	–	–
Recognised in profit or loss	(109,930)	(126,775)	178	–
Over/(under) provision in prior years	172,961	33,200	(1,131)	–
At 31 December/31 March	(1,815,649)	(1,867,529)	(953)	–
	(5,066,101)	(5,136,029)	(1,088,527)	(1,087,574)

14. Deferred Tax Assets/(Liabilities) (Cont'd)

Deferred tax assets have not been recognised in respect of the following items:

	Group		**Company**	
	31.12.2021 RM	**31.3.2021 RM**	**31.12.2021 RM**	**31.3.2021 RM**
Unutilised tax losses	9,662,992	8,929,289	1,215,575	514,597
Unabsorbed capital allowances	164,568	164,496	–	–
	9,827,560	9,093,785	1,215,575	514,597

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, the unutilised tax losses of the Group and of the Company will be imposed with a time limit of utilisation. Any accumulated unutilised tax losses brought forward can be carried forward for a maximum period of 7 consecutive years of assessment. With effect from year of assessment 2022, unutilised tax losses that were allowed to be carried forward up to seven consecutive years was extended to a maximum of ten consecutive years of assessment under the current tax legislation. The other temporary differences not expire under current tax legislation.

15. Contract Assets/(Liabilities)

	Group	
	31.12.2021 RM	**31.3.3021 RM**
Non-current		
Contract liabilities		
Deferred income:		
- Extended warranty and services	24,613	34,725
Current		
Contract assets		
Construction contracts (Note a)	19,288,485	–
Contract liabilities		
Property development activities (Note b)	–	264,053
Deferred income:		
- Extended warranty and services	13,724	25,392
	13,724	289,445
At 31 December/31 March:		
Contract assets	19,288,485	–
Contract liabilities	(38,337)	(324,170)
	19,250,148	324,170

Contract assets primarily relate to the Group's rights to consideration for work performed but not yet billed at the reporting date for its contracted project activities. The amount due from contract customers will be transferred to trade receivables when the rights become unconditional.

Contract liabilities consist of billings in excess of revenue recognised, this amount is expected to be recognised as revenue over a period of 90 days.

15. Contract Assets/(Liabilities) (Cont'd)

(a) Construction contracts

	Group	
	31.12.2021 RM	31.3.2021 RM
Contract costs incurred to date	115,402,276	–
Attributable profits or losses	1,364,808	–
	116,767,084	–
Less: Progress billings	(97,478,599)	–
	19,288,485	–
Presented as:		
Contract assets	19,288,485	–

The costs incurred to date on construction contracts include the following costs during the financial period:

	Group	
	31.12.2021 RM	31.3.2021 RM
Lease of equipments and machineries	183,597	–
Lease of motor vehicles	17,458	–
Lease of workers house	19,915	–
Staff cost	600,427	–

(b) Property development activities

	Group	
	31.12.2021 RM	31.3.2021 RM
At 1 April	(264,053)	(264,053)
Property development revenue recognised during the financial period/year	8,773,418	78,820,809
Less: Progress billings during the financial period/year	(8,509,365)	(78,820,809)
At 31 December/31 March	–	(264,053)
Presented as:		
Contract liabilities	–	(264,053)

15. Contract Assets/(Liabilities) (Cont'd)

(c) Contract value yet to be recognised as revenue

The followings table shows the revenue expected to be recognised in the future relating to performance obligations that were unsatisfied (or partially satisfied) at the reporting date:

	2022 RM	2023 RM	2024 RM	Total RM
Construction contract	63,277,736	83,130,064	52,734,086	199,141,886
Property development activities	9,408,986	–	–	9,408,986
Deferred income	13,724	3,113	21,500	38,337
	9,422,710	3,113	21,500	9,447,323

The Group expects to recognise this revenue as the construction contracts are completed, which is expected to occur over the next 12 - 36 months.

16. Other Receivables

	Group 31.12.2021 RM	Group 31.3.2021 RM	Company 31.12.2021 RM	Company 31.3.2021 RM
Other receivables				
- Third parties	19,516,645	489,552	–	–
- Related parties	3,469,104	–	–	–
Less: Accumulated impairment losses	(3,674,922)	(418,600)	–	–
	19,310,827	70,952	–	–
Deposits	29,188,554	32,656,961	8,800	8,800
Prepayments	2,160,590	361,978	11,371	79,191
GST recoverable	1,444	1,444	–	–
	50,661,415	33,091,335	20,171	87,991

Included in the Group's deposits is an amount of RM24,246,169 (31.3.2021: RM18,149,533) are related to deposits paid for purchase of goods.

Related parties refer to companies in which certain Directors of the Group have substantial financial interests. The amount due from related parties represent unsecured, non-interest bearing and repayable on demand.

Movements in the allowance for impairment losses are as follows:

	Credit impaired RM	Lifetime allowance RM	Total RM
Group			
31.12.2021			
At 1 April 2021	418,600	–	418,600
Acquisition through business combination	2,717,542	115,612	2,833,154
Impairment loss recognised	–	423,168	423,168
At 31 December 2021	3,136,142	538,780	3,674,922
31.3.2021			
At 1 April 2020	13,600	–	13,600
Impairment loss recognised	405,000	–	405,000
At 31 March 2021	418,600	–	418,600

17. Amount Due from/(to) Subsidiary Companies

	Company	
	31.12.2021 RM	**31.3.2021 RM**
Amount due from subsidiary companies		
Non-trade	55,454,577	48,986,933
Less: Accumulated impairment losses	(5,780,006)	(5,775,452)
	49,674,571	43,211,481
Amount due to subsidiary companies		
Non-trade	(12,597,252)	(14,898,214)

Movements in the allowance for impairment losses are as follows:

	Company	
	31.12.2021 RM	**31.3.2021 RM**
At 1 April	5,775,452	1,575,334
Impairment losses recognised	4,554	4,669,224
Impairment losses reversed	–	(469,106)
At 31 December/31 March	5,780,006	5,775,452

During the financial period, due to declining business operations of the subsidiary companies, the Company carried out a review of the recoverable amounts. The recoverable amounts are determined using the fair value less cost of disposal approach. Impairment losses amounting to RM4,554 (31.3.2021: RM4,669,224) was recognised during the financial period.

The amount due from/(to) subsidiary companies are non-trade in nature, unsecured, bear interest at rate of 1.3% per annum (31.3.2021: Nil) are repayable on demand.

18. Fixed deposits with licensed banks

The fixed deposits of the Group which are pledged with licensed banks as security for credit facilities granted to the Group as disclosed in Note 22.

The range of interest rates and maturities of deposits are 1.55% to 3.10% (31.3.2021:Nil) per annum and 1 to 12 months.

19. Share Capital

	Number of shares		Amount	
	31.12.2021 Units	**31.3.2021 Units**	**31.12.2021 RM**	**31.3.2021 RM**
Ordinary shares with no par value				
Issued and fully paid				
At 1 April	348,790,500	297,445,200	80,190,781	62,535,726
Shares issued during the financial period/year	41,226,000	40,000,000	31,167,240	14,700,000
Warrants exercised	50,377,400	11,345,300	13,121,556	2,955,055
At 31 December/ 31 March	440,393,900	348,790,500	124,479,577	80,190,781

19. Share Capital (Cont'd)

During the financial period, the Company issued:

(a) 50,377,400 new ordinary shares through exercise of Warrants at an exercise price of RM0.20 for a total cash consideration of RM10,075,480;

(b) 30,226,000 new ordinary shares for a total consideration of RM22,367,240; and

(c) 11,000,000 new ordinary shares for a total consideration of RM8,800,000 for the acquisition of new subsidiary, Kayangan Kemas Sdn. Bhd.("KKSB").

In the previous financial year, the Company issued:

(a) 11,345,300 new ordinary shares through conversion of Warrants at an exercise price of RM0.20 for a total cash consideration of RM2,269,060; and

(b) 40,000,000 new ordinary shares for a total consideration of RM14,700,000.

The new ordinary shares issued during the financial period ranked pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares (other than treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares (other than treasury shares) carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

Treasury Shares

	Group and Company			
	Number of shares		Amount	
	31.12.2021 Units	31.3.2021 Units	31.12.2021 RM	31.3.2021 RM
At 1 April/31 March/ 31 December	700,000	700,000	255,208	255,208

Treasury shares related to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares.

As at 31 December 2021, the total shares held as treasury shares amounted to 700,000 (31.3.2021: 700,000) ordinary shares at a total cost of RM255,208 (31.3.2021: RM255,208).

None of the treasury shares held were resold or cancelled during the financial period.

20. Reserves

		Group		Company	
	Note	31.12.2021 RM	31.3.2021 RM	31.12.2021 RM	31.3.2021 RM
Non-distributable:					
- Warrant reserve	(a)	3,988,103	7,034,179	3,988,103	7,034,179
- Foreign currency translation reserve	(b)	176,013	176,013	–	–
- Capital reserve	(c)	(27,934)	(27,934)	–	–
- Revaluation reserve	(d)	14,284,200	14,410,105	–	–
		18,420,382	21,592,363	3,988,103	7,034,179

20. Reserves (Cont'd)

The nature of other reserves of the Group and of the Company are as follows:

(a) Warrant reserve

The warrant reserve is in respect of the allocated fair value of the 138,375,000 warrants issued pursuant to the Company's right issue exercise.

The fair value allocated to the warrant reserve is derived by adjusting the proceeds from the Company's rights issue to the fair value of the shares and warrants on a proportionate basis. A charge to the retained profits is created by the same amount to preserve the par value of the ordinary shares (prior to the Companies Act 2016) issued pursuant to the rights issue. This charge will be reversed upon exercise or expiry of the warrants.

The warrants may be exercised at any time during the tenure of the warrants of ten (10) years including and commencing from the issue date of the warrants and ending on the expiry date, 7 July 2023. Each warrant carries the entitlement to subscribe for one (1) new ordinary share in the Company at the exercise price of RM0.20 which shall be satisfied fully in cash and shall be subject to adjustments in accordance with the Deed Poll.

Subject to the provision in the Deed Poll, the exercise price and the number of warrants held by each warrant holder shall be adjusted by the Board of Directors of the Company in consultation with the adviser and certification of the external auditor in the event of addition to the share capital of the Company.

As at 31 December 2021, the total number of Warrants that remain unexercised were 65,957,100 (31.3.2021: 116,334,500).

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) Capital reserve

Capital reserve represents the premium paid/discount on acquisition of additional equity interest in an existing subsidiary company from non-controlling interests.

(d) Revaluation reserve

This is in respect of revaluation surplus net of deferred tax arising from the revaluation of the Group's freehold land, leasehold land and buildings and is non-distributable.

The movements of revaluation reserve are as follows:

	Group	
	31.12.2021 RM	**31.3.2021 RM**
At 1 April	14,410,105	14,577,978
Realisation of revaluation surplus	(125,905)	(167,873)
At 31 December/31 March	14,284,200	14,410,105

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21. Trade Payables

	Group	
	31.12.2021 RM	**31.3.2021 RM**
Non-current		
Retention sum	6,681,175	–
Current		
Trade payables		
- Third parties	39,044,855	5,797,957
- Related parties	14,762,324	9,151,079
Retention sum	3,391,993	–
	57,199,172	14,949,036
	63,880,347	14,949,036

(a) The normal trade credit terms granted to the Group range from 30 to 120 days (31.3.2021: 30 to 120 days). Other credit terms are assessed and approved on a case by case basis.

(b) Included in trade payables is an amount of RM14,762,324 (31.3.2021: RM9,151,079) due to Platinum Eminent Sdn. Bhd., a company in which certain Directors of the Company have significant financial interests.

(c) Related parties refer to companies in which certain Directors of the Company have substantial financial interests.

22. Bank Borrowings

	Group		Company	
	31.12.2021 RM	**31.3.2021 RM**	**31.12.2021 RM**	**31.3.2021 RM**
Secured				
Banker's acceptances	11,000,000	15,150,000	–	–
Revolving credit	60,000,000	69,000,000	–	–
Term loans	112,290,597	784,560	22,726,000	–
Trust Receipt	516,132	–	–	–
Bank overdrafts	4,860,718	–	–	–
	188,667,447	84,934,560	22,726,000	–
Analysed as:				
Non-current				
Term loans	108,764,303	746,145	19,438,000	–
Current				
Banker's acceptances	11,000,000	15,150,000	–	–
Revolving credit	60,000,000	69,000,000	–	–
Term loans	3,526,294	38,415	3,288,000	–
Trust Receipt	516,132	–	–	–
Bank overdrafts	4,860,718	–	–	–
	79,903,144	84,188,415	3,288,000	–
	188,667,447	84,934,560	22,726,000	–

22. Bank Borrowings (Cont'd)

(a) The term loans, banker's acceptances and revolving credit are secured by the following:

(i) Legal charge over the freehold land and buildings, buildings under construction, investment properties, land held for development and land held under property development cost of the Company and subsidiary companies as disclosed in Notes 4, 6 and 12 respectively;

(ii) Debenture incorporating fixed specific charges over freehold land and land held for development of the Company and subsidiary companies;

(iii) Corporate guarantee by the holding company, the Company and a subsidiary company;

(iv) Joint and several guaranteed by certain Director of the Company and a subsidiary company;

(v) Charge over securities of acquired a subsidiary company's shares owned by the Company;

(vi) Pledge of the fixed deposits of the Group as disclosed in Note 18; and

(vii) Debentures incorporating fixed and floating charge over all present and future assets of a subsidiary company.

(b) Maturity of bank borrowings are as follows:

	Group		Company	
	31.12.2021 RM	31.3.2021 RM	31.12.2021	31.3.2021
Within one year	79,903,144	84,188,415	3,288,000	–
Between one to two years	4,104,980	40,976	3,288,000	–
Between two to five years	59,526,678	139,915	9,864,000	–
After five years	45,132,645	565,254	6,286,000	–
	188,667,447	84,934,560	22,726,000	–

(c) The average effective interest rates per annum are as follows:

	Group		Company	
	31.12.2021 %	31.3.2021 %	31.12.2021	31.3.2021
Banker's acceptances	2.13% - 2.45%	2.11% - 3.49%	–	–
Revolving credit	3.60% - 3.95%	3.89% - 6.20%	–	–
Term loans	3.44% - 6.54%	6.59%	3.70%	–
Trust receipt	6.42%	–	–	–
Bank overdraft	6.85%	–	–	–

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23. Lease Liabilities

	Group		Company	
	31.12.2021 RM	**31.3.2021 RM**	**31.12.2021 RM**	**31.3.2021 RM**
At 1 April	1,643,353	1,860,060	287,935	369,510
Acquisition through business combination	1,065,102	–	–	–
Additions	–	1,012,648	–	–
Modification to lease term	68,228	(536,258)	–	–
Payments	(482,412)	(693,097)	(63,742)	(81,575)
At 31 December/31 March	2,294,271	1,643,353	224,193	287,935
Presented as:				
Non-current	1,289,338	1,112,043	148,615	202,442
Current	1,004,933	531,310	75,578	85,493
	2,294,271	1,643,353	224,193	287,935

The maturity analysis of lease liabilities of the Group and of the Company at the end of the reporting period:

	Group		Company	
	31.12.2021 RM	**31.3.2021 RM**	**31.12.2021 RM**	**31.3.2021 RM**
Within one year	1,053,049	588,777	84,400	97,200
Between one to two years	745,581	513,740	78,000	79,600
Between two to five years	636,626	661,670	78,000	136,500
	2,435,256	1,764,187	240,400	313,300
Less: Future finance charges	(140,985)	(120,834)	(16,207)	(25,365)
Present value of lease liabilities	2,294,271	1,643,353	224,193	287,935

The Group and the Company lease buildings and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

24. Other Payables

	Group		Company	
	31.12.2021 RM	31.3.2021 RM	31.12.2021 RM	31.3.2021 RM
Other payables				
- Third parties	1,568,311	3,241,250	7,754	14,955
- Related parties	10,798,790	–	–	–
- Associate company	10,720,000	–	–	–
	23,087,101	3,241,250	7,754	14,955
Accruals	2,967,956	1,942,401	261,446	87,011
Advance payment received from project customers	8,339,632	–	–	–
Deposits received	27,489,750	34,292,306	6,000	62,600
GST payables	35,273	35,273	–	–
	61,919,712	39,511,230	275,200	164,566

Included in the Group's deposit received consist an amount of RM27,481,378 (31.3.2021: RM34,222,419) are related to deposit received for the purchase of goods and are non-refundable.

Related parties refer to companies in which certain Directors of the Company have substantial financial interests. The amount due to related parties represents unsecured, non-interest bearing and repayable on demand.

25. Amount Due to Holding Company

These represent non-trade balance which is unsecured, bear interest at rate of 1.3% per annum (31.3.2021: Nil) and repayable on demand.

26. Amount Due to Related Companies

These represent non-trade balance which is unsecured, bear interest at rate of 1.3% per annum (31.3.2021: Nil) and repayable on demand.

27. Revenue

	Group		Company	
	1.4.2021 to 31.12.2021 RM	1.4.2020 to 31.3.2021 RM	1.4.2021 to 31.12.2021 RM	1.4.2020 to 31.3.2021 RM
Revenue from contract customers:				
Sales of commercial vehicles and body works	81,381,532	80,967,823	–	–
Rental and fleet management service income	2,233,812	3,337,670	–	–
Property development	8,773,418	78,820,809	–	–
Construction contract	22,731,502	–		
Precast beam	8,198,403	–	–	–
Sales of goods	1,496,837	–	–	–
Management fee income	–	–	504,000	672,000
	124,815,504	163,126,302	504,000	672,000
Revenue from other sources:				
Interest income	1,415	9,553	1,415	9,553
Rental income	9,450	12,600	9,450	12,600
	10,865	22,153	10,865	22,153
	124,826,369	163,148,455	514,865	694,153

27. Revenue (Cont'd)

	Manufacturing and trading RM	Rental and fleet management services RM	Property development RM	Construction contracts RM	Precast beam RM	Sales of goods RM	Total RM
Group							
31.12.2021							
Timing of revenue recognition:							
At a point in time	81,359,752	2,233,812	–	–	8,198,403	1,496,837	93,288,804
Over time	21,780	–	8,773,418	22,731,502	–	–	31,526,700
Total revenue from contracts with customers	81,381,532	2,233,812	8,773,418	22,731,502	8,198,403	1,496,837	124,815,504
31.3.2021							
Timing of revenue recognition:							
At a point in time	80,934,048	3,337,670	–	–	–	–	84,271,718
Over time	33,775	–	78,820,809	–	–	–	78,854,584
Total revenue from contracts with customers	80,967,823	3,337,670	78,820,809	–	–	–	163,126,302

	Management fee income RM
Company	
31.12.2021	
Timing of revenue recognition:	
At a point in time	504,000
31.3.2021	
Timing of revenue recognition:	
At a point in time	672,000

28. Finance Costs

	Group		Company	
	1.4.2021 to 31.12.2021 RM	1.4.2020 to 31.3.2021 RM	1.4.2021 to 31.12.2021 RM	1.4.2020 to 31.3.2021 RM
Interest expenses on:				
Holding company	349	–	349	–
Subsidiary companies	–	–	126,123	–
Bank overdraft	33,031	22,384	–	–
Banker's acceptances	253,972	706,427	–	–
Bank guarantee and facility fees	850,773	–	–	–
Lease liabilities	61,099	80,076	9,158	15,625
Revolving credit	2,049,767	2,236,490	–	–
Term loans	104,402	19,251	90,096	–
Unwinding of discount on trade payables	152,275	–	–	–
	3,505,668	3,064,628	225,726	15,625

29. Profit/(Loss) Before Tax

Profit/(Loss) before tax is derived at after at charging/(crediting):

	Group		Company	
	1.4.2021 to 31.12.2021 RM	**1.4.2020 to 31.3.2021 RM**	**1.4.2021 to 31.12.2021 RM**	**1.4.2020 to 31.3.2021 RM**
Auditors' remuneration				
- statutory audit				
- current period/year	146,533	128,000	38,000	30,000
- other services	5,000	5,000	5,000	5,000
Bad debts written off	–	–	–	460,561
Depreciation of:				
- property, plant and equipment	765,100	1,065,197	2,521	6,305
- right-of-use assets	520,048	740,597	63,993	85,323
Non-executive Directors' remuneration				
- fees	74,500	78,000	74,500	78,000
- allowance	7,200	5,600	7,200	5,600
Impairment loss on:				
- trade receivables	2,354,967	1,875,265	–	–
- other receivables	423,168	405,000	–	–
- amount due from subsidiary companies	–	–	4,554	4,669,224
Inventories written down	252,325	1,087,501	–	–
Inventories written off	56,236	–	–	–
Lease expenses relating to short term lease				
- motor vehicle	41,600	–	–	–
- building	34,600	36,500	–	–
Lease expenses relating to low value asset				
- photocopy machine	9,785	11,598	–	–
Net effect of unwinding of interest from discounting arising from:				
- trade receivables	(252,541)	–	–	–
- trade payables	152,275	–	–	–
(Gain)/Loss on disposal of:				
- property, plant and equipment	(95,874)	(75,000)	–	–
- right-of-use assets	36,438	(60,000)	–	–
- investment in subsidiary companies	–	–	–	(3,449,994)
- investment in associate company	(1)	–	–	–
Gain on lease modification	(2,888)	(23,824)	–	–
(Gain)/Loss on foreign exchange				
- realised	(417,859)	(649,832)	–	–
- unrealised	461,212	(42,583)	(64)	451
Dividend income	–	–	–	(18,000,000)
Interest income				
- Bank interest	(55,264)	(12,989)	(1,415)	(9,553)
- Intercompany	–	–	(516,070)	–
Rental income	(9,450)	(12,600)	(9,450)	(12,600)
Reversal of impairment loss on:				
- trade receivables	(318,594)	(1,500,527)	–	–
- investment in subsidiary companies	–	–	–	(50,006)
- amount due from subsidiary companies	–	–	–	(469,106)
Waiver of debt by an associate company	–	(8,373)	–	–

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

30. Taxation

	Group		Company	
	1.4.2021 to 31.12.2021 RM	1.4.2020 to 31.3.2021 RM	1.4.2021 to 31.12.2021 RM	1.4.2020 to 31.3.2021 RM
Tax expenses recognised in profit or loss:				
Current tax provision	3,440,204	4,525,589	123,856	–
(Over)/Under provision in prior years	(235,450)	196,189	42	–
	3,204,754	4,721,778	123,898	–
Deferred tax: (Note 14)				
Relating to origination and reversal of temporary differences	969,048	1,176,828	–	–
(Over)/Under provision in prior years	(279,478)	52,493	–	–
	689,570	1,229,321	–	–
Tax expenses for the financial period/year	3,894,324	5,951,099	123,898	–

Malaysian income tax is calculated at the statutory tax rate of 24% (31.3.2021: 24%) of chargeable income of the estimated assessable profit for the financial period. Taxation for other jurisdictions is calculated at the rate prevailing in the jurisdiction.

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	1.4.2021 to 31.12.2021 RM	1.4.2020 to 31.3.2021 RM	1.4.2021 to 31.12.2021 RM	1.4.2020 to 31.3.2021 RM
Profit/(Loss) before tax	9,389,916	17,051,862	(1,479,620)	16,103,973
Share of results of associate companies	–	(3,934,182)	–	–
	9,389,916	13,117,680	(1,479,620)	16,103,973
Taxation at statutory tax rate of 24% (31.3.2021: 24%)	2,253,580	3,148,243	(355,109)	3,864,954
Effects of different tax rates in other country	–	(35,454)	–	–
Income not subject to tax	(661,133)	(5,575,968)	(16)	(5,272,586)
Expenses not deductible for tax purposes	2,657,809	7,950,824	310,746	1,169,788
Deferred tax assets not recognised	176,106	247,171	168,235	237,844
Utilisation of previously unrecognised deferred tax asset	–	(32,399)	–	–
Effect of share of results of associates	47,821	–	–	–
Effect of share of results of joint venture	(64,931)	–	–	–
(Over)/Under provision of taxation in prior years	(235,450)	196,189	42	–
(Over)/Under provision of deferred taxation in prior years	(279,478)	52,493	–	–
Tax expenses for the financial period/year	3,894,324	5,951,099	123,898	–

30. Taxation (Cont'd)

The Group and the Company have the following estimated unused tax losses and unabsorbed capital allowance available for set-off against future taxable profits. The said amounts are subject to approval by the tax authorities.

	Group		Company	
	31.12.2021 RM	31.3.2021 RM	31.12.2021 RM	31.3.2021 RM
Unutilised tax losses	14,793,844	17,720,129	1,217,829	519,309
Unabsorbed capital allowances	171,172	164,498	1,718	–
	14,965,016	17,884,627	1,219,547	519,309

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, the unused tax losses of the Group and of the Company will be imposed with a time limit of utilisation. Any accumulated unused tax losses brought forward can be carried forward for a maximum period of 7 consecutive years of assessment. With effect from year of assessment 2022, unutilised tax losses that were allowed to be carried forward up to seven consecutive years was extended to a maximum of ten consecutive years of assessment under the current tax legislation. The unabsorbed capital allowances do not expire under current tax legislation.

	Group		Company	
	31.12.2021 RM	31.3.2021 RM	31.12.2021 RM	31.3.2021 RM
Unutilised tax loss expiring:				
- Year of Assessment 2025	–	17,112,824	–	–
- Year of Assessment 2026	–	45,463	–	37,289
- Year of Assessment 2027	–	482,020	–	482,020
- Year of Assessment 2028	8,330,669	79,822	–	–
- Year of Assessment 2029	5,174,036	–	37,289	–
- Year of Assessment 2030	482,020	–	482,020	–
- Year of Assessment 2031	807,119	–	698,520	–
	14,793,844	17,720,129	1,217,829	519,309

31. Earnings per Share

(a) Basic earnings per share

The basic earnings per share are calculated based on the consolidated profit for the financial period/year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial period/year. The weight average number of ordinary shares in issue excludes the weighted average number of treasury shares held by the Company.

	Group	
	1.4.2021 to 31.12.2021 RM	1.4.2020 to 31.3.2021 RM
Profit for the financial period/year, attributable to owners of the parent	3,601,152	11,101,980
Weighted average number of ordinary shares issue	385,922,964	322,420,861
Effect of treasury shares held	(700,000)	(700,000)
Weighted average number of ordinary shares at 31 December/31 March	385,222,964	321,720,861
Basic earnings per share (in sen)	0.93	3.45

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(CONT'D)

31. Earnings per Share (Cont'd)

(b) Diluted earnings per share

Diluted earnings per share have been calculated by dividing the consolidated profit for the financial period/year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the period/year have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	Group	
	1.4.2021 to 31.12.2021 RM	**1.4.2020 to 31.3.2021 RM**
Profit for the financial period/year, attributable to owners of the parent	3,601,152	11,101,980
Weighted average number of ordinary shares used in the calculation of basic earnings per share	385,222,964	321,720,861
Adjustment for assumed exercise of Warrants	50,325,398	71,875,455
Weighted average number of ordinary shares at 31 December/31 March (diluted)	435,548,362	393,596,316
Diluted earnings per share (in sen)	0.83	2.82

32. Interest in Joint Operation

The details of the joint operation are as follows:

		Effective Interest		
Name of Company	**Country of incorporation**	**31.12.2021 %**	**31.3.2021 %**	**Principal activities**
Platinum Eminent Sdn. Bhd. *	Malaysia	60	60	Property Development

* Joint operation not audited by UHY

On 29 June 2017, subsidiary company of the Group, BKG Development Sdn. Bhd. ("BKGD") had entered into a joint venture development agreement with Platinum Eminent Sdn. Bhd. ("Platinum Eminent"), a wholly-owned subsidiary company of Aera Property Group Sdn Bhd (formerly known as Asthetik Property Group Sdn. Bhd.), for the implementation and completion of a mixed residential and commercial development project.

Under the Proposed Joint Development, Platinum Eminent shall implement and complete the Development Project in its capacity as the developer for the Development Project and BKGD shall facilitate the implementation and completion of the Development Project. BKGD is required to pay Platinum Eminent the Participation Fees. In return, BKGD shall be effectively entitled to 60% of the gross development profits of the Development Project estimated at RM93.5 million.

The following are recognised in profit or loss in respect of interest in joint operations:

	31.12.2021 RM	**31.3.2021 RM**
Group		
Revenue	8,773,418	78,820,809
Cost of sales	(7,414,379)	(63,470,260)

33. Staff Costs

	Group		Company	
	1.4.2021 to 31.12.2021 RM	1.4.2020 to 31.3.2021 RM	1.4.2021 to 31.12.2021 RM	1.4.2020 to 31.3.2021 RM
Salaries, wages, allowances and bonus	5,540,830	6,016,339	449,340	597,323
Defined contribution plans	533,655	624,280	42,984	62,196
Social security contribution	45,898	57,824	1,864	2,486
Employment insurance system	4,912	6,152	213	285
	6,125,295	6,704,595	494,401	662,290

Included in the staff costs is aggregate amount of remuneration received and receivables by the Executive Directors of the Company and of the subsidiary companies as shown below:

	Group		Company	
	1.4.2021 to 31.12.2021 RM	1.4.2020 to 31.3.2021 RM	1.4.2021 to 31.12.2021 RM	1.4.2020 to 31.3.2021 RM
Executive Directors				
Company's Directors				
Salaries, wages, allowances and bonus	352,680	492,560	137,400	181,600
Fee	27,000	36,000	27,000	36,000
Defined contribution plans	42,039	58,922	16,200	21,600
Social security contribution	1,243	1,657	621	829
Employment insurance system	142	189	71	95
	423,104	589,328	181,292	240,124
Executive Directors				
Subsidiary Companies Directors				
Salaries, wages, allowances and bonus	289,240	–	–	–
Executive Directors				
Company's Directors	423,104	589,328	181,292	240,124
Subsidiary Companies Directors	289,240	–	–	–
	712,344	589,328	181,292	240,124

34. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

			Non-cash changes			
	At 1 April 2021 RM	Financing cash flows RM	Acquisition through business combination RM	Modification to lease term RM	Accrued interest RM	At 31 December 2021 RM
Group						
31.12.2021						
Amount due to holding company	–	9,500,000	–	–	349	9,500,349
Amount due to related companies	–	273,781	–	–	–	273,781
Banker's acceptances	15,150,000	(4,150,000)	–	–	–	11,000,000
Lease liabilities	1,643,353	(482,412)	1,065,102	68,228	–	2,294,271
Revolving credit	69,000,000	(9,000,000)	–	–	–	60,000,000
Term loans	784,560	110,534,037	972,000	–	–	112,290,597
Trust Receipt	–	516,132	–	–	–	516,132
	86,577,913	107,191,538	2,037,102	68,228	349	195,875,130
Company						
31.12.2021						
Amount due to holding company	–	9,500,000	–	–	349	9,500,349
Amount due to subsidiary company	14,898,214	(2,427,085)	–	–	126,123	12,597,252
Lease liabilities	287,935	(63,742)	–	–	–	224,193
Term loan	–	22,726,000	–	–	–	22,726,000
	15,186,149	29,735,173	–	–	126,472	45,047,794

34. Reconciliation of Liabilities Arising from Financing Activities (Cont'd)

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes: (Cont'd)

	At 1 April 2020 RM	Financing cash flows (i) RM	Non-cash changes New lease RM	Non-cash changes Modification to lease RM	At 31 March 2021 RM
Group					
31.3.2021					
Banker's acceptances	25,415,000	(10,265,000)	–	–	15,150,000
Lease liabilities	1,860,060	(693,097)	1,012,648	(536,258)	1,643,353
Revolving credit	42,500,000	26,500,000	–	–	69,000,000
Term loans	803,676	(19,116)	–	–	784,560
	70,578,736	15,522,787	1,012,648	(536,258)	86,577,913
Company					
31.3.2021					
Amount due to subsidiary companies	32,062,733	(17,164,519)	–	–	14,898,214
Lease liabilities	369,510	(81,575)	–	–	287,935
	32,432,243	(17,246,094)	–	–	15,186,149

(i) The cash flows from loans and borrowings make up the net amount of proceeds from or repayments of borrowings in the statements of cash flows.

35. Related Party Disclosures

(a) Identified related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group and certain members of senior management and chief executive officers of major subsidiary companies of the Group.

The Group and the Company have related party relationships with its subsidiary companies, others related parties and key management personnel.

35. Related Party Disclosures (Cont'd)

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	1.4.2021 to 31.12.2021 RM	**1.4.2020 to 31.3.2021 RM**	**1.4.2021 to 31.12.2021 RM**	**1.4.2020 to 31.3.2021 RM**
Transactions with subsidiary companies				
- Management fee income	–	–	504,000	672,000
- Operating expenses	–	–	(153)	(2,049)
- Rental expenses	–	–	(58,500)	(78,000)
- Interest expense	–	–	(126,123)	–
Transactions with holding company				
- Interest expense	(349)	–	(349)	–
- Rental income	9,450	–	9,450	–
Transactions with related companies				
- Purchase of goods	(283,382)	–	–	–
- Rental expense	(9,600)	–	–	–
- Road tax and insurance	(51,429)	–	(4,738)	–
Transactions with associate company				
- Waiver of debts	–	(8,373)	–	–
Transactions with companies in which certain Directors of the Company have significant financial interests				
- Progress billing receivables	8,773,418	78,820,809	–	–
- Contract cost payable	(5,611,244)	(34,229,452)	–	–
- Sales of goods	–	1,225	–	–
- Purchase of motor vehicle	–	(139,500)	–	–
- Rental expenses	(151,200)	(211,440)	(14,400)	(19,200)
- Rental income	–	12,600	–	12,600
- Road tax and insurance	–	(117,604)	–	(446)
Transactions with a person connected to a Director of the Company				
- Rental expenses	–	(16,200)	–	–

35. Related Party Disclosures (Cont'd)

(c) Compensation of key management personnel

Information regarding compensation of key management personnel is as follows:

	Group		Company	
	31.12.2021 RM	31.3.2021 RM	31.12.2021 RM	31.3.2021 RM
- Fees	101,500	114,000	101,500	114,000
- Salaries, allowances, and bonus	621,312	498,160	144,600	187,200
- Defined contribution plans	74,571	58,922	16,200	21,600
- Social security contribution	1,933	1,657	621	829
- Employment insurance system	221	189	71	95
	799,537	672,928	262,992	323,724

36. Segmental Information

For management purposes, the Group is organised into business units based on their products and services, and has five reportable segments as follows:

Manufacturing and trading	Manufacturing and trading of rebuilt and new commercial vehicles and the manufacture of body works and their related services.
Rental and fleet management services	Rental of commercial vehicles and provision of fleet management and other related services.
Property development	Property development activities.
Construction	Construction activities
Others	Investment holding and the provision of management services.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

36. Segmental Information (Cont'd)

31.12.2021	Manufacturing and trading RM	Rental and fleet management services RM	Property development RM	Construction RM	Others RM	Adjustments and eliminations * RM	Per consolidated financial statements RM
Revenue							
External sales	81,271,426	2,343,919	8,773,417	32,426,742	1,415	–	124,816,919
Inter-segment	7,252	–	–	–	513,450	(511,252)	9,450
Total revenue	81,278,678	2,343,919	8,773,417	32,426,742	514,865	(511,252)	124,826,369
Results							
Segment results	1,495,145	429,416	4,459,328	8,663,252	(1,771,378)	(6,167,725)	7,108,038
Interest income	114,693	62,001	91,629	50,130	517,484	(780,673)	55,264
Finance costs	(349,030)	(26,223)	(2,650,070)	(1,043,952)	(225,726)	789,333	(3,505,668)
Share of results of associates	–	–	–	(16,244)	–	5,477,982	5,461,738
Share of results of joint venture	–	–	–	270,544	–	–	270,544
Profit/(Loss) before tax	1,260,808	465,194	1,900,887	7,923,730	(1,479,620)	(681,083)	9,389,916
Taxation	(705,457)	(220,865)	(744,400)	(2,097,409)	(123,898)	(2,295)	(3,894,324)
Profit/(Loss) for the financial period	555,351	244,329	1,156,487	5,826,321	(1,603,518)	(683,378)	5,495,592
Assets							
Segment assets	106,679,812	7,579,949	344,056,383	113,895,982	182,363,551	(229,899,866)	524,675,811
Tax recoverable	556	–	–	10,500	–	–	11,056
Cash and bank balances	7,362,578	3,670,270	2,356,415	5,800,544	2,150,755	–	21,340,562
Total assets	114,042,946	11,250,219	346,412,798	119,707,026	184,514,306	(229,899,866)	546,027,429
Liabilities							
Segment liabilities	45,462,602	1,264,856	116,358,085	54,062,885	22,596,994	(101,838,625)	137,906,797
Borrowings	11,000,000	–	148,592,597	6,348,850	22,726,000	–	188,667,447
Tax liabilities	13,734	121,238	513,357	400,044	123,711	–	1,172,084
Deferred tax liabilities	2,566,021	35,580	35,987	11,151	1,087,574	96,798	3,833,111
Total liabilities	59,042,357	1,421,674	265,500,026	60,822,930	46,534,279	(101,741,827)	331,579,439

36. Segmental Information (Cont'd)

	Manufacturing and trading RM	Rental and fleet management services RM	Property development RM	Construction RM	Others RM	Adjustments and eliminations * RM	Per consolidated financial statements RM
31.12.2021							
Non-cash expenses/ (income)							
Depreciation of:							
- property, plant and equipment	462,301	149,915	90,285	67,303	2,521	(7,225)	765,100
- rights-of-use assets	27,216	196,303	204,938	78,488	63,994	(50,891)	520,048
(Gain)/Loss on disposal of:							
- property, plant and equipment	–	(95,874)	–	–	–	–	(95,874)
- rights-of-use assets	–	36,438	–	–	–	–	36,438
Gain on lease modification	–	–	(2,888)	–	–	–	(2,888)
Impairment loss on:							
- trade receivables	1,698,237	277,074	379,656	–	–	–	2,354,967
- other receivables	–	–	–	423,168	–	–	423,168
Inventories written down	252,325	–	–	–	–	–	252,325
Inventories written off	56,236	–	–	–	–	–	56,236
Gain on disposal of investment in an associate company	(1)	–	–	–	–	–	(1)
Net effect of unwinding of interest from discounting arising from:							
- trade receivables	–	–	–	(252,541)	–	–	(252,541)
- trade payable	–	–	–	152,275	–	–	152,275
Reversal of impairment loss on:							
- trade receivables	(262,720)	(17,318)	–	(38,556)	–	–	(318,594)
- amount due from related companies	(39)	–	–	–	–	39	–
- investment in subsidiary company	–	–	(1,450,305)	–	–	1,450,305	–
Unrealised loss/(gain) on foreign exchange	461,276	–	–	–	(64)	–	461,212

36. Segmental Information (Cont'd)

	Manufacturing and trading RM	Rental and fleet management services RM	Property development RM	Others RM	Adjustments and eliminations * RM	Per consolidated financial statements RM
31.3.2021						
Revenue						
External sales	80,815,627	3,489,866	78,820,809	22,153	–	163,148,455
Inter-segment	17,589	–	–	672,000	(689,589)	–
Total revenue	80,833,216	3,489,866	78,820,809	694,153	(689,589)	163,148,455
Results						
Segment results	2,429,500	193,357	16,763,199	16,102,780	(19,319,517)	16,169,319
Interest income	235	3,197	4	9,553	–	12,989
Finance costs	(733,232)	(38,882)	(2,291,106)	(15,625)	14,217	(3,064,628)
Share of results of associates	–	–	–	–	3,934,182	3,934,182
Profit/(Loss) before tax	1,696,503	157,672	14,472,097	16,096,708	(15,371,118)	17,051,862
Taxation	(1,217,301)	(220,566)	(4,510,808)	–	(2,424)	(5,951,099)
Profit/(Loss) for the financial year	479,202	(62,894)	9,961,289	16,096,708	(15,373,542)	11,100,763
31.3.2021						
Assets						
Segment assets	118,587,437	8,804,966	150,371,271	117,459,912	(110,086,122)	285,137,464
Tax recoverable	9,673	–	–	741	–	10,414
Deferred tax assets	292,605	–	–	–	–	292,605
Cash and bank balances	7,501,832	2,289,670	846,871	1,259,690	–	11,898,063
Total assets	126,391,547	11,094,636	151,218,142	118,720,343	(110,086,122)	297,338,546
Liabilities						
Segment liabilities	54,611,197	1,410,205	58,999,539	15,353,842	(73,946,994)	56,427,789
Borrowings	15,150,000	–	69,784,560	–	–	84,934,560
Tax liabilities	–	63,704	3,649,913	–	–	3,713,617
Deferred tax liabilities	2,180,926	36,511	25,481	1,087,574	94,503	3,424,995
Total liabilities	71,942,123	1,510,420	132,459,493	16,441,416	(73,852,491)	148,500,961

36. Segmental Information (Cont'd)

	Manufacturing and trading RM	Rental and fleet management services RM	Property development RM	Others RM	Adjustments and eliminations * RM	Per consolidated financial statements RM
31.3.2021						
Non-cash expenses/(income)						
Bad debts written off	–	–	–	460,561	(460,561)	–
Depreciation of:						
- property, plant and equipment	634,294	328,835	105,680	6,305	(9,917)	1,065,197
- rights-of-use asset	175,254	272,886	274,986	85,323	(67,852)	740,597
Gain on disposal of:						
- property, plant and equipment	–	(75,000)	–	–	–	(75,000)
- right-of-use assets	(60,000)	–	–	–	–	(60,000)
-investment in subsidiary companies	–	–	–	(3,449,994)	3,449,994	–
Gain on lease modification	–	(23,824)	–	–	–	(23,824)
Impairment loss on:						
- trade receivables	1,621,820	12,000	241,445	–		1,875,265
- other receivables	–	405,000	–	–	–	405,000
- amount due from subsidiary company				4,669,224	(4,669,224)	–
- amount due from related companies	1,377,490	600,000	–	–	(1,977,490)	–
Inventories written down	1,056,350	31,151	–	–	–	1,087,501
Reversal of impairment loss on:						
- trade receivables	(1,355,808)	(144,719)	–	–	–	(1,500,527)
- investment in subsidiary companies	–	–	–	(50,006)	50,006	–
Waiver of debt by an associate company	(8,373)	–	–	–	–	(8,373)
Unrealised (gain)/loss on foreign exchange	(43,034)	–	–	451	–	(42,583)

* Inter-segment revenue, profit and transactions are eliminated.

36. Segmental Information (Cont'd)

Geographic information

Geographical segment information has not been prepared as the Group's operations are all confined to Malaysia. The foreign subsidiary company of the Group do not hold non-current assets.

Major Customer

The following is the major customer with revenue 10% equal or more than ten percent of Group's revenue:

	Revenue		
	1.4.2021 to 31.12.2021 RM	**1.4.2020 to 31.3.2021 RM**	**Segment**
Customer			
A	–	78,820,809	Property development
B	13,148,388	–	Construction
	13,148,388	78,820,809	

37. Capital Commitment

	Group	
	31.12.2021 RM	**31.3.2021 RM**
Approved and contracted for:		
- Land held for property development	50,223,330	20,914,280
Contracted and subject for shareholders' approvals	85,000,000	164,511,275
	135,223,330	185,425,555

38. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

38. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	At amortised cost			
	Group		Company	
	31.12.2021 RM	31.3.2021 RM	31.12.2021 RM	31.3.2021 RM
Financial Assets				
Other investment	70,000	–	–	–
Trade receivables	134,739,361	109,087,050	–	–
Other receivables	48,499,381	32,727,913	8,800	8,800
Amount due from subsidiary companies	–	–	49,674,571	43,211,481
Fixed deposits with licensed banks	12,505,088	–	–	–
Cash and bank balances	21,340,562	11,898,063	2,150,755	1,248,178
Total financial assets	217,154,392	153,713,026	51,834,126	44,468,459
Financial Liabilities				
Trade payables	63,880,347	14,949,036	–	–
Other payables	61,884,439	39,475,957	275,200	164,566
Amount due to holding company	9,500,349	–	9,500,349	–
Amount due to subsidiary companies	–	–	12,597,252	14,898,214
Amount due to related companies	273,781	–	–	–
Bank borrowings	188,667,447	84,934,560	22,726,000	–
Lease liabilities	2,294,271	1,643,353	224,193	287,935
Total financial liabilities	326,500,634	141,002,906	45,322,994	15,350,715

(b) Net losses arising from financial instruments

	Group		Company	
	1.4.2021 to 31.12.2021 RM	1.4.2020 to 31.03.2021 RM	1.4.2021 to 31.12.2021 RM	1.4.2020 to 31.03.2021 RM
Net loss on impairment of financial instruments				
- Financial assets at amortised cost	2,459,539	779,738	4,554	4,200,118

(c) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its financial risks, including foreign currency exchange risk, interest rate risk, credit risk and liquidity risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

38. Financial Instruments

(c) Financial risk management objectives and policies (Cont'd)

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with licensed banks. The Company's exposure to credit risk arises principally from advances to subsidiary companies and financial guarantees given to banks for credit facilities granted to subsidiary companies.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with licensed banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts. In respect of trade receivables arising from the sale of development properties, the Group mitigates its credit risk by maintaining its name as the registered owner of the development properties until full settlement by the purchasers or the purchasers' end-financiers. In respect of trade receivables arising from the sale of commercial vehicles, the Group mitigates its credit risk through repossession of commercial vehicles.

The Company provides unsecured loans and advances to subsidiary companies. It also provides unsecured financial guarantees to banks for banking facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

At each reporting date, the Group and the Company assess whether any if the receivables are credit impaired.

The gross carrying amounts of credit impaired receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial period represent the Group's maximum exposure to credit risk except for financial guarantee provided to licensed banks for banking facilities granted to certain subsidiary companies.

The Group's maximum exposure in this respect is RM78,076,663 (31.3.2021: RM45,000) while the Company's maximum exposure in this respect is RM159,637,597 (31.3.2021: RM84,979,560), representing the outstanding banking facilities of the subsidiary companies as at the end of the reporting period. There was no indication that any subsidiary would default on repayment as at the end of the reporting period.

Credit risk concentration

At the reporting date, approximately 56% (31.3.2021: 81%) of the Group's trade receivables were due from 1 (31.3.2021: 1) major customers which contribute from property development segment.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group and the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

38. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total Contractual Cash Outflow RM	Total Carrying Amount RM
Group						
31.12.2021						
Trade payables	57,199,172	2,948,682	3,732,493	–	63,880,347	63,880,347
Other payables	61,884,439	–	–	–	61,884,439	61,884,439
Amount due to holding company	9,500,349	–	–	–	9,500,349	9,500,349
Amount due to related companies	273,781	–	–	–	273,781	273,781
Bank borrowings	84,809,959	7,990,167	70,808,326	49,926,232	213,534,684	188,667,447
Lease liabilities	1,053,049	745,581	636,626	–	2,435,256	2,294,271
Finance guarantee*	78,076,663	–	–	–	78,076,663	–
Total financial liabilities	292,797,412	11,684,430	75,177,445	49,926,232	429,585,519	326,500,634
31.3.2021						
Trade payables	14,949,036	–	–	–	14,949,036	14,949,036
Other payables	39,475,957	–	–	–	39,475,957	39,475,957
Bank borrowings	84,239,328	89,328	267,984	770,516	85,367,156	84,934,560
Lease liabilities	588,777	513,740	661,670	–	1,764,187	1,643,353
Finance guarantee*	45,000	–	–	–	45,000	–
Total financial liabilities	139,298,098	603,068	929,654	770,516	141,601,336	141,002,906

* Based on the maximum amount that can be called for under the financial guarantee contract.

38. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM	Total Contractual Cash Outflow RM	Total Carrying Amount RM
Company						
31.12.2021						
Other payables	275,200	-	-	-	275,200	275,200
Amount due to holding company	9,500,349	-	-	-	9,500,349	9,500,349
Amount due to subsidiary companies	12,597,252	-	-	-	12,597,252	12,597,252
Term loan	4,075,198	3,951,239	11,125,334	6,517,844	25,669,615	22,726,000
Lease liabilities	84,400	78,000	78,000	-	240,400	224,193
Financial guarantee*	159,637,597	-	-	-	159,637,597	-
Total financial liabilities	186,169,996	4,029,239	11,203,334	6,517,844	207,920,413	45,322,994
31.3.2021						
Other payables	164,566	-	-	-	164,566	164,566
Amount due to subsidiary companies	14,898,214	-	-	-	14,898,214	14,898,214
Lease liabilities	97,200	79,600	136,500	-	313,300	287,935
Financial guarantee*	84,979,560	-	-	-	84,979,560	-
Total financial liabilities	100,139,540	79,600	136,500	-	100,355,640	15,350,715

* Being corporate guarantee for banking facilities of certain subsidiary companies which will only be encashed in the event of default by these companies.

38. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The Company provides unsecured financial guarantee to banks in respect of credit facilities granted to certain subsidiary companies and monitors on an ongoing basis the performance of the subsidiary companies. At end of the financial period, there was no indication that the subsidiary companies would default on repayment.

Financial guarantee has not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiary companies defaulting on their credit facilities is remote.

The maximum amount of the financial guarantees issued to the banks for subsidiary companies' borrowings is limited to the amount utilised by the subsidiary companies, amounting to RM159,637,597 as at 31 December 2021 (31.3.2021: RM84,979,560). The earliest period any of the financial guarantees can be called upon by the financial institutions is within the next 12 months. At end of the financial period, there was no indication that the subsidiary companies would default on repayment.

Financial guarantee has not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiary companies defaulting on their credit facilities is remote.

(iii) Market risks

(a) Foreign currency exchange risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currencies of the Group entities. The currencies giving rise to this risk are primarily Japanese Yen ("JPY"), Singapore Dollar ("SGD"), Hong Kong Dollar ("HKD") and UK Pound ("GBP").

The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

38. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(a) Foreign currency exchange risk (Cont'd)

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

Group	Denominated in							
	JPY RM	SGD RM	HKD RM	GBP RM	USD RM	RMB RM	IDR RM	Total RM
31.12.2021								
Other receivables	17,390,223	207,590	2,305,139	2,426,328	131,261	23,492	-	22,484,033
Cash and bank balances	44	14,278	24,931	310	12,778	72,275	18	124,634
Trade payables	(3,554,328)	(485,988)	(187,433)	(202,991)	(3,566)	(19,470)	-	(4,453,776)
	13,835,939	(264,120)	2,142,637	2,223,647	140,473	76,297	18	18,154,891
31.3.2021								
Other receivables	12,904,014	455,024	512,885	2,585,815	264,773	23,492	-	16,746,003
Cash and bank balances	46	14,278	24,890	314	12,706	69,816	18	122,068
Trade payables	(2,813,862)	(935,401)	(259,425)	(835,158)	(3,549)	(19,607)	-	(4,867,002)
	10,090,198	(466,099)	278,350	1,750,971	273,930	73,701	18	12,001,069

Company	Denominated in			
	SGD RM	USD RM	IDR RM	Total RM
31.12.2021				
Cash and bank balances	105	11,009	18	11,132
31.3.2021				
Cash and bank balances	105	10,945	18	11,068

38. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(a) Foreign currency exchange risk (Cont'd)

Sensitivity analysis for foreign currency exchange risk

The following table demonstrates the sensitivity of the Group's profit net of tax to be reasonably possible change in the key foreign currency against the functional currency of the Group, with all other variables held constant.

	31.12.2021		31.3.2021	
	Change in currency rate RM	**Effect on profit before tax RM**	**Change in currency rate RM**	**Effect on profit before tax RM**
Group				
JPY	Strengthened 5%	691,797	Strengthened 5%	504,510
	Weakened 5%	(691,797)	Weakened 5%	(504,510)
SGD	Strengthened 5%	(13,206)	Strengthened 5%	(23,305)
	Weakened 5%	13,206	Weakened 5%	23,305
HKD	Strengthened 5%	107,132	Strengthened 5%	13,918
	Weakened 5%	(107,132)	Weakened 5%	(13,918)
GBP	Strengthened 5%	111,182	Strengthened 5%	87,549
	Weakened 5%	(111,182)	Weakened 5%	(87,549)
USD	Strengthened 5%	7,024	Strengthened 5%	13,697
	Weakened 5%	(7,024)	Weakened 5%	(13,697)
RMB	Strengthened 5%	3,815	Strengthened 5%	3,685
	Weakened 5%	(3,815)	Weakened 5%	(3,685)
Company				
SGD	Strengthened 5%	5	Strengthened 5%	5
	Weakened 5%	(5)	Weakened 5%	(5)
USD	Strengthened 5%	550	Strengthened 5%	547
	Weakened 5%	(550)	Weakened 5%	(547)

38. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(b) Interest rate risk

The Group and the Company exposed to interest rate risk arises primarily from financing through interest bearing financial assets and financial liabilities. The Group's and the Company's policy is to obtain the financing with the most favourable interest rates in the market.

The Group and the Company constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The carrying amounts of the Group and of the Company's financial instruments that are exposed to interest rate risk are as follows:

	31.12.2021 RM	31.3.2021 RM
Group		
Fixed rate instruments		
Financial liability		
Lease liabilities	2,294,271	1,643,353
Floating rate instrument		
Financial liability		
Bank borrowings	188,667,447	84,934,560

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

	31.12.2021 RM	31.3.2021 RM
Effect to profit or loss		
Group		
Interest rate increased by 0.5%	943,337	424,673
Interest rate decreased by 0.5%	(943,337)	(424,673)

38. Financial Instruments (Cont'd)

(d) Fair value of financial instruments

The carrying amounts of short term receivables and payables, cash and cash equivalents and short term borrowings approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Carrying amount RM	Fair value RM
Group		
31.12.2021		
Financial Liabilities		
Contingent liabilities	78,076,663	@
31.3.2021		
Financial Liabilities		
Contingent liabilities	45,000	@
Company		
31.12.2021		
Financial Liability		
Contingent liabilities	159,637,597	@
31.3.2021		
Financial Liability		
Contingent liabilities	84,979,560	@

@ It is not practicable to estimate the fair value of contingent liabilities reliably due to the uncertainties of timing, cost and eventual outcome.

39. Contingencies

	Group		Company	
	31.12.2021 RM	31.3.2021 RM	31.12.2021 RM	31.3.2021 RM
Bank guarantees issued				
- for execution of contracts of the subsidiary companies	45,000	45,000	–	–
- in favour of thrid parties granted in the ordinary course of its construction business of subsidiary company	66,481,663	–	–	–
Corporate guarantees to licensed banks for credit facilities granted to subsidiary companies				
- Limit of guarantees	–	–	191,592,597	103,811,642
- Amount utilised	–	–	159,637,597	84,979,560
Corporate guarantees by a subsidiary for credit facilities granted to a joint venture company	11,550,000	–	–	–
	78,076,663	45,000	351,230,194	188,791,202

40. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting period are as follows:

	Group	
	31.12.2021	**31.3.2021**
	RM	**RM**
Total loans and borrowings	190,961,718	86,577,913
Less: Cash and cash equivalents	(16,479,844)	(11,898,063)
Net debt	174,481,874	74,679,850
Total equity	193,834,913	148,661,346
Gearing ratio	0.90	0.50

41. Significant Events

(i) Acquisition of Chin Hin Group Property Berhad by Chin Hin Group Berhad

On 4 August 2021, Chin Hin Group Berhad has acquired 176,608,435 ordinary shares and 37,561,700 warrants of the Company for a total cash consideration of RM88,864,221. As a result, Chin Hin Group Berhad became the holding company of the Company with an equity interest of 50.275%.

(ii) Allotment of shares on subsidiary company

(a) On 30 June 2021, Stellar Trinity Sdn. Bhd.("STSB"), a wholly owned subsidiary company of BKG Development Sdn. Bhd.("BKGD"), which in turn is a wholly owned subsidiary company of the Company increased its issued and paid-up share capital from RM2 to RM250,000 by issuance of 249,998 new ordinary shares for a total cash consideration of RM249,998 to BKGD.

On 31 December 2021, STSB increased its issued and paid-up share capital from RM250,000 to RM14,250,000 by issuance of 14,000,000 new ordinary shares for a total cash consideration of RM14,000,000 to BKGD.

Consequently, STSB remained as a wholly owned subsidiary company of BKGD.

(b) On 31 December 2021, BKHS Capital Sdn. Bhd.("BKHS"), a wholly owned subsidiary company of BKGD, which in turn is a wholly owned subsidiary company of the Company increased its issued and paid-up share capital from RM200,000 to RM1,700,000 by issuance of 1,500,000 new ordinary shares for a total cash consideration of RM1,500,000 to BKGD. Consequently, BKHS remained as a wholly owned subsidiary company of BKGD.

41. Significant Events (Cont'd)

(ii) Allotment of shares on subsidiary company (Cont'd)

(c) On 31 December 2021, BKSP Autoworld Sdn. Bhd.("BKSP"), a wholly owned subsidiary company of BKGD, which in turn is a wholly owned subsidiary company of the Company increased its issued and paid-up share capital from RM100,000 to RM13,000,000 by issuance of 12,900,000 new ordinary shares for a total cash consideration of RM12,900,000 to BKGD. Consequently, BKHS remained as a wholly owned subsidiary company of BKGD.

(d) On 31 December 2021, BKGD, a wholly owned subsidiary company of the Company increased its issued and paid-up share capital from RM1,000,000 to RM29,400,000 by issuance of 28,400,000 new ordinary shares for a total cash consideration of RM28,400,000 to the Company. Consequently, BKGD remained as a wholly owned subsidiary company of the Company.

(iii) Incorporation of new subsidiary company

On 8 July 2021, BKGD, a wholly owned subsidiary company of the Company, incorporated a 100% owned subsidiary company, Stellar Platinum Sdn. Bhd. ("SPSB") with cash subscription of RM2.

(iv) Proposed acquisition of land

On 28 October 2021, BKSP Autoworld Sdn Bhd ("BKSP"), a wholly-owned subsidiary of BKGD, which in turn is a wholly-owned subsidiary of the Company 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 RM85,000 000.

The proposed acquisition of the land was subsequently approved at the Extraordinary General Meeting held on 25 February 2022.

(v) Effect of outbreak of coronavirus pandemic

The outbreak of the COVID-19 pandemic has caused travel restrictions and lockdown and prolonged economic downturn nationwide and worldwide since 2020. The Group and the Company are cognizant of the challenges posed by these developing events and is actively monitoring and taking appropriate and timely measures, also works closely with the local authorities to support their efforts in containing the spread of Covid-19 to minimise the impact of Covid-19 on its business operations. The COVID-19 mitigation measures that implemented by the Group and the Company include physical distancing at work, workplace segregation, staggered work hours and lunch breaks, flexible working arrangements including working from home, virtual meetings, temperature checks and regular workplace sanitisation.

At the reporting date, the Group and the Company have performed an assessment of the overall impact of the situation on the Group's and the Company's operations, including the recoverability of the carrying amount of assets and measurements of assets and liabilities. Bases on the assessment, the previous financial results had been affected by the pandemic, particularly on sales of commercial vehicle. During the financial period ended 31 December 2021, the Group and the Company have seen positive developments on its business operations with the reopening of economic sector. Consequently, the revenue had improved during the financial period and the business activities of the Group and the Company has been resumed back to normal and stable operation.

The Directors and management of the Group and the Company are not aware of any uncertainties arising after the end of the financial period that would have a significant impact on the current financial statements, including the financial continuity and sustainability of the Group and the Company as going concern for the next twelve (12) months.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

42. Subsequent Events

(i) Increase in paid up share capital

On 4 January 2022, 7 January 2022, 12 Januray 2022, 20 January 2022, 26 January 2022, 16 February 2022, 8 March 2022, 18 March 2022, 30 March 2022, 14 April 2022 and 25 April 2022, the Company increased its issued and paid up ordinary share capital from RM124,479,577 to RM125,233,076 by way of issuance of 2,892,900 ordinary shares through conversion of Warrants at an exercise price of RM0.20 for a total cash consideration of RM578,580.

(ii) Proposed acquisition of subsidiary company

(a) On 16 February 2022, Chin Hin Construction Sdn. Bhd. ("CHCSB"), a wholly-owned subsidiary of BKGD entered into a conditional Share Sale Agreement with Dato' Ong Boon Hai, Low Siang Tim, Goh Bee Tin, Pan Heng Seong, Teoh Teik Leong and Law & Loo Development Sdn. Bhd. to acquire 15,000,000 ordinary shares in Asia Baru Construction Sdn. Bhd. ("ABC"), representing 60% equity interest in ABC, for a purchase consideration of RM30 million, which will be satisfied fully via cash.

(b) On 25 January 2022, BKGD disposed of its entire shareholdings in CHCSB to the Company, for total consideration of RM2 ("Internal Reorganisation"). Upon completion of Internal Reorganisation, CHCSB became direct subsidiary of the Company.

(c) On 10 December 2021, Kayangan Kemas Sdn. Bhd. ("KKSB"), a 65% owned subsidiary of the Company entered into a conditional Share Sale Agreement ("SSA") with and Liew Jor Ho, Chai Yan Min and Yap Seng Hee to acquire 1,500,000 ordinary shares in Makna Setia Sdn. Bhd. ("Makna Setia"), representing 60% equity interest in Makna Setia, for a purchase consideration of RM9,000,000 which will be satisfied fully via cash.

On 15 April 2022, KKSB has entered into a novation agreement with the Vendors and CHCSB, a wholly-owned subsidiary of the Company to novate the SSA and the Suplemental SSA with immediate effect.

(iii) Struck off of a subsidiary company

Boon Koon Vehicles Pte. Ltd. ("BKVPL"), a wholly-owned subsidiary of the Company had on 18 October 2021 submitted the application for striking off to Accounting and Corporate Regulatory Authority ("ACRA"). Subsequently, name of BKVPL has been struck off from the register on 7 February 2022.

43. Date of Authorisation for Issue

The financial statements of the Group and of the Company were authorised for issue in accordance with a resolution of the Board of Directors on 25 April 2022.

GROUP PROPERTIES AS AT 31 DECEMBER 2021

Location of properties	Tenure	Area (Square metre)	Description	Approximate Age of Building	Expiry Date	Date of acquisition/ revaluation	Carrying amount At 31.12.2021 RM'000
Chin Hin Group Property Berhad							
GM 266 Lot No. 240 GM 755 Lot No. 44506 Mukim Tebrau, District of Johor Bahru, Johor	Freehold	22,383	Land & building	11 years	–	20 August 2007/31 December 2021	28,800
Boon Koon Vehicles Industries Sdn. Bhd.							
GM 975, Lot 1804 GM 454, Lot 1808 GM 455, Lot 1809 GM 456, Lot 1810 & H.S. (M) 592, Lot 5025 Mukim 9, 1177, Jalan Dato Keramat, 14300 Nibong Tebal, Seberang Perai Selatan, Penang	Freehold	42,007	Office & factory	18-23 years	–	16 December 2019	Note A: 37,147
PM 8584, Lot No. 16388 Mukim Dengkil, Daerah Sepang, Sungai Rasau Puchong, Negeri Selangor	Leasehold	1,558	Vacant land	–	19 March 2080	16 December 2019	1,259
Kayangan Kemas Sdn. Bhd.							
B-11-10, Menara Maiestic, Jalan Datuk Tahwil Azar, 30300 Ipoh, Perak.	–	–	3-bedroom business suit	–	–	31 December 2021	410
A-12-21, Block A, KIP Core Central Persiaran Warisan, KIP Sentral Kota Warisan 43900 Sepang Selangor.	–	–	Soho	–	–	31 December 2021	200
No. C-41, Jalan Zuhal U5/178, Pusat Komersial Arena Bintang, Shah Alam, 40150 Shah Alam, Selangor.	–	–	3-storey shop office (end lot)	–	–	31 December 2021	2,200

GROUP PROPERTIES

(CONT'D)

Location of properties	Tenure	Area (Square metre)	Description	Approximate Age of Building	Expiry Date	Date of acquisition/ revaluation	Carrying amount At 31.12.2021 RM'000
Lot No, P.T 21659, Geran No. 15441 7 ½ Mile, Sg. Binjai Road, Mukim Kapar, Daerah Klang, Negeri Selangor	Freehold	6,758	Land with fencing for storage purpose	–	–	–	1,832
BKHS Capital Sdn. Bhd.							
GM 132 Lot No. 4590 GM 134 Lot No. 4592 Mukim Bagan Samak, Daerah Bandar Baharu, Negeri Kedah	Freehold	24,685	Vacant Land & land under property development	–	–	11 December 2019	2,472
BK Alliance Sdn. Bhd.							
Pajakan Negeri 53073, Lot 481445 Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur	Leasehold	1,943	Land held for commercial development	–	5 September 2112	22 October 2021	22,501
Boon Koon Commercial Sdn. Bhd.							
Geran No. Hakmilik 326333, Lot 484, Pekan Kinrara, Daerah Petaling, Negeri Selangor	Freehold	13,881	Land held for mixed development	–	–	1 November 2021	63,200
Stellar Trinity Sdn. Bhd.							
GM 3734, Lot 648 GM 4035, Lot 650 GM 4036, Lot 651 GM 3418, Lot 652 Geran 23462, Lot 1301 & GM4662, Lot 32661 Mukim Serendah, Daerah Hulu Selangor or Ulu Selangor, Negeri Selangor	Freehold	226,125	Land held for township development	–	–	12 August 2021	59,976

Note A:
Building erected on the adjoining parcels of land comprising of large single storey factory building with the following annexure:-

- *3 storey office building; and*
- *2 storey Sales & Marketing office building*

ANALYSIS OF SHAREHOLDINGS AS AT 1 APRIL 2022

Class of Shares : Ordinary Shares
Voting Rights : One vote for each ordinary share held

ANALYSIS BY SIZE OF SHAREHOLDINGS

(Excluding 700,000 treasury shares)

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 – 99	201	10.44	8,790	0.00
100 - 1,000	497	25.80	163,228	0.04
1,001 - 10,000	734	38.11	3,865,905	0.87
10,001 - 100,000	376	19.52	12,907,919	2.92
100,001 to less than 5% of issued shares	113	5.87	124,228,626	28.07
5% and above of issued shares	5	0.26	301,352,532	68.10
TOTAL	**1,926**	**100**	**442,527,000**	**100**

DIRECTORS' SHAREHOLDINGS IN THE COMPANY

		Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1	Datuk Seri Chiau Beng Teik	–	–	262,616,535*	59.34
2	Datuk Cheng Lai Hock *(Appointed on 6 May 2021)*	1,000,000	0.23	–	–
3	Datuk Hj. Mohd Yusri Bin Md Yusof *(Appointed on 6 May 2021)*	870,000	0.20	–	–
4	Chiau Haw Choon	–	–	262,616,535*	59.34
5	Khoo Chee Siang	–	–	–	–
6	Datuk Yeo Chun Sing	–	–	–	–
7	Shelly Chiau Yee Wern	–	–	–	–

* *Deemed interest pursuant to Section 8 of the Companies Act 2016, by virtue of his direct shareholdings in Chin Hin Group Berhad and his shareholdings in PP Chin Hin Realty Sdn Bhd, which is the holding company of Divine Inventions Sdn Bhd, which in turn hold not less than 20% voting shares in Chin Hin Group Berhad.*

INTEREST IN HOLDING COMPANY CHIN HIN GROUP BERHAD

		Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1	Datuk Seri Chiau Beng Teik	130,327,550	14.73	323,817,350*	36.60
2	Datuk Cheng Lai Hock	150,000	0.17	-	-
3	Datuk Hj. Mohd Yusri Bin Md Yusof	-	-	-	-
4	Chiau Haw Choon	51,353,850	5.81	323,817,350*	36.60
5	Khoo Chee Siang	-	-	-	-
6	Datuk Yeo Chun Sing	-		-	-
7	Shelly Chiau Yee Wern	-	-	-	-

* *Deemed interest pursuant to Section 8 of the Companies Act 2016, by virtue of his direct shareholdings in in PP Chin Hin Realty Sdn. Bhd., which is the holding company of Divine Inventions Sdn. Bhd., which in turn hold not less than 20% voting shares in Chin Hin Group Berhad.*

ANALYSIS OF SHAREHOLDINGS

(CONT'D)

LIST OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

		Direct		Indirect		
		No. of Shares	%	No. of Shares		%
1	Datuk Seri Chiau Beng Teik	–	–	262,616,535	*(ii)*	59.34
2	Dato' Goh Boon Koon	2,650,000	0.60	38,735,997	*(i)*	8.75
3	Datin Lee Teoh Kee	–	–	38,735,997	*(i)*	8.75
4	BKNT Resources Sdn. Bhd.	38,735,997	8.75	–		–
5	Goh Boon Leong	–	–	38,735,997	*(i)*	8.75
6	Divine Inventions Sdn. Bhd.	–	–	262,616,535	*(v)*	59.34
7	Chiau Haw Choon	–	–	262,616,535	*(ii)*	59.34
8	Datin Seri Wong Mee Leng	–	–	262,616,535	*(iii)*	59.34
9	PP Chin Hin Realty Sdn. Bhd.	–	–	262,616,535	*(iv)*	59.34
10	Chin Hin Group Berhad	262,616,535	59.34	–		–

(i) *Deemed interest through BKNT Resources Sdn. Bhd. by virtue of his/her shareholdings of not less than 20% in BKNT Resources Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.*

(ii) *Deemed interest pursuant to Section 8 of the Companies Act 2016, by virtue of his direct shareholdings in Chin Hin Group Berhad and his shareholdings in PP Chin Hin Realty Sdn. Bhd., which is the holding company of Divine Inventions Sdn. Bhd., which in turn hold not less than 20% voting shares in Chin Hin Group Berhad.*

(iii) *Deemed interest pursuant to Section 8 of the Companies Act 2016, by virtue of her shareholdings in PP Chin Hin Realty Sdn. Bhd., which is the holding company of Divine Inventions Sdn. Bhd., which in turn hold not less than 20% voting shares in Chin Hin Group Berhad.*

(iv) *Deemed interest pursuant to Section 8 of the Companies Act 2016 through its wholly-owned subsidiary, Divine Inventions Sdn. Bhd., which in turn hold not less than 20% voting shares in Chin Hin Group Berhad.*

(v) *Deemed interest pursuant to Section 8 of the Companies Act 2016, by virtue of its shareholdings of not less than 20% voting shares in Chin Hin Group Berhad.*

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1.	Chin Hin Group Berhad	140,016,535	31.64
2.	UOBM Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chin Hin Group Berhad	53,600,000	12.11
3.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank Islamic Berhad For Chin Hin Group Berhad	40,000,000	9.04
4	BKNT Resources Sdn. Bhd.	38,735,997	8.75
5.	SJ Sec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Al Rajhi Bank For Chin Hin Group Bhd	29,000,000	6.55
6.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Desiran Realiti Sdn. Bhd. (MY3933)	12,900,000	2.92
7.	Chan Kin Keong	11,000,000	2.49
8.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB For Dato' Ong Choo Meng (PB)	10,000,000	2.26
9.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Dato' Ong Choo Meng	6,000,000	1.36
10.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ng Beng Hoo (MM1068)	5,643,200	1.28
11.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Keh Chuan Seng (MP0474)	4,780,000	1.08

ANALYSIS OF SHAREHOLDINGS

(CONT'D)

LIST OF THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Name	No. of Shares	%
12.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Keh Chuan Seng	4,380,000	0.99
13.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Desiran Realiti Sdn. Bhd	4,300,000	0.97
14.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ng Beng Hoo	3,990,000	0.90
15.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ng Soon Teong (Solaris-CL)	3,886,600	0.88
16.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chee Hong Leong (MY1830)	3,207,500	0.72
17.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Toh Su See	3,030,000	0.68
18.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Che Halin Bin Mohd Hashim	3,000,000	0.68
19.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad For Dato' Ong Choo Meng (Smart)	3,000,000	0.68
20.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ng Ah Chai	3,000,000	0.68
21.	Goh Boon Koon	2,650,000	0.60
22.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ong Kah Hoe	2,493,000	0.56
23.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ong Choo Meng	2,300,000	0.52
24.	Goh Yin Ling	2,293,300	0.52
25.	Ng Soon Teong	1,618,000	0.37
26.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tawaria Sdn Bhd	1,485,600	0.34
27.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yeoh Hock Seng	1,458,700	0.33
28.	M & A Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Keh Chuan Choon (M&A)	1,200,000	0.27
29.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Paw Boon	1,100,000	0.25
30.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Cheng Lai Hock	1,000,000	0.23
	TOTAL	**401,068,432**	**90.63**

ANALYSIS OF WARRANT HOLDINGS AS AT 1 APRIL 2022

Total Number of Warrants Outstanding	:	63,124,000
Exercise Price Per Warrant	:	RM0.20 each

ANALYSIS BY SIZE OF WARRANT HOLDINGS

Size of Holdings	No. of Warrant holders	%	No. of Warrants	%
1 – 99	5	2.63	190	0.00
100 - 1,000	29	15.26	13,018	0.02
1,001 - 10,000	71	37.37	405,811	0.64
10,001 - 100,000	60	31.58	2,075,252	3.29
100,001 to less than 5% of issued warrants	20	10.53	10,082,356	15.97
5% and above of issued warrants	5	2.63	50,547,373	80.08
TOTAL	**190**	**100.00**	**63,124,000**	**100.00**

DIRECTORS' WARRANTS HOLDINGS IN THE COMPANY

		Direct		Indirect	
		No. of Warrants	%	No. of Warrants	%
1	Datuk Seri Chiau Beng Teik	–	–	–	–
2	Datuk Cheng Lai Hock (Appointed on 6 May 2021)	318,500	0.50	–	–
3	Datuk Hj. Mohd Yusri Bin Md Yusof (Appointed on 6 May 2021)	1,000,000	1.58	–	–
4	Chiau Haw Choon	–	–	–	–
5	Khoo Chee Siang	–	–	–	–
6	Datuk Yeo Chun Sing	100,000	0.16	–	–
7	Shelly Chiau Yee Wern	–	–	–	–

LIST OF THIRTY (30) LARGEST WARRANT HOLDERS

No.	Name of Warrant holders	No. of Warrants	% of total issued Warrants
1.	Goh Boon Koon	23,847,373	37.78
2.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Dato' Ong Choo Meng	10,000,000	15.84
3.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Dato' Ong Choo Meng	8,000,000	12.67
4	Ooi Youk Lan	4,700,000	7.45
5.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB For Dato' Ong Choo Meng (PB)	4,000,000	6.34
6.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ong Tzu Chuen (7003145)	2,000,000	3.17
7.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Wai Yee (7009577)	1,300,000	2.06
8.	Ng Soon Teong	1,243,000	1.97

ANALYSIS OF WARRANT HOLDINGS

(CONT'D)

LIST OF THIRTY (30) LARGEST WARRANT HOLDERS (CONT'D)

No.	Name of Warrant holders	No. of Warrants	% of total issued Warrants
9.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Woo Ching Yuen (REM 157)	1,040,000	1.65
10.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – Ambank (M) Berhad For Mohd Yusri Bin Md Yusof (Smart)	1,000,000	1.58
11.	Janice Eng Jinying	579,000	0.92
12.	Goh Boon Leong	479,056	0.76
13.	Lok Boon Cheng	340,000	0.54
14.	Cheng Lai Hock	318,500	0.50
15.	Inmost Tech Sdn Bhd	250,000	0.40
16.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Gan Chow Tee (Margin)	207,700	0.33
17.	Wang Chin Yee	200,000	0.32
18.	Teo Hwee Tin	180,000	0.29
19.	Lok Ai Tee	160,000	0.25
20.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Khee Eng (CEB)	150,000	0.24
21.	Sosang Sae Toen	148,400	0.24
22.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chng Teong Seng	137,300	0.22
23.	Yeo An Thai	126,600	0.20
24.	Mary Sze	120,000	0.19
25.	Khor Kai Fu	102,800	0.16
26.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Gan Sheng Yih	100,000	0.16
27.	Lim Swee Ying	100,000	0.16
28.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yeo Chun Sing	100,000	0.16
29.	Chiau Teck Huat @ Chiau Lay Koon	82,500	0.13
30.	Ng Sin Yin	82,500	0.13
	TOTAL	**61,094,229**	**96.78**

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CHIN HIN
Property Development

CHIN HIN GROUP PROPERTY BERHAD
[Company No.: 200101017677 (553434-U)]
(Incorporated in Malaysia)

CDS Account No.																	
			-				-										

PROXY FORM

* I/We ....
(FULL NAME OF SHAREHOLDERS AS PER NRIC/PASSPORT/CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)

(NRIC No.) ....) of ....

....
(ADDRESS)

(EMAIL ADDRESS: ....) (MOBILE NO.: ....)

being *a member/members of the abovenamed Company, hereby appoint ....

....
(FULL NAME OF PROXY AS PER NRIC/PASSPORT IN CAPITAL LETTERS)

(NRIC No.) ....) of ....

....
(FULL ADDRESS)

(EMAIL ADDRESS: ....) (MOBILE NO.: ....)

or failing *him/her, ...
(FULL NAME OF PROXY AS PER NRIC/PASSPORT IN CAPITAL LETTERS)

(NRIC No.) ....) of ....

....
(FULL ADDRESS)

(EMAIL ADDRESS: ....) (MOBILE NO.: ....)

or failing *him/her, the Chairman of the meeting , as *my/our proxy to vote for *me/us on *my/our behalf at the Twentieth Annual General Meeting of the Company to be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting ("**RPV**") Facilities from the broadcast venue at Chin Hin Culture Centre, No. F-0-1 and F-0-2, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur on Friday, 3 June 2022 at 10.00 a.m. or at any adjournment thereof.

AGENDA

	Receive the Audited Financial Statements for the financial year period from 1 April 2021 to 31 December 2021 and the Reports of the Directors and Auditors thereon		
Ordinary Resolutions		**For**	**Against**
1	Approval of payment of Directors' fees and Directors' benefits for the period from 1 April 2022 to 31 December 2022		
2	Re-election of Mr Chiau Haw Choon as Director		
3	Re-election of Datuk Yeo Chun Sing as Director		
4	Re-appointment of Messrs UHY as Auditors and to authorise the Directors to fix the Auditors' remuneration		
5	Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to issue shares		
6	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature		
7	Proposed Renewal of Share Buy-Back Authority		

Please indicate with an "x" in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction for voting is given, the proxy may vote as he/she thinks fit.

No. of shares held	

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies:		
	No. of shares	%
Proxy 1		
Proxy 2		
Total		100

Signed this .... day of ...., 2022.

....
Contact number

....
Signature of Member(s)/Common Seal

* Strike out whichever is not desired

Notes:

1. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
2. The proxy form must be duly completed and deposited at the Registered Office of the Company, 48, Jalan Chow Thye, 10050 George Town, Penang not less than forty-eight (48) hours before the time appointed for holding the meeting.
3. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
4. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
6. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares to the credit of the said securities account.
7. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
8. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to the Article 69 of the Company's Constitution and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("**ROD**") as at 27 May 2022 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.
9. All resolutions as set out in this notice of Twentieth Annual General Meeting are to be voted by poll

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Postage
Stamp

The Company Secretaries

CHIN HIN GROUP PROPERTY BERHAD
Registration No. 200101017677 (553434-U)
48, Jalan Chow Thye
10050 George Town
Penang

2nd Fold Here

Fold This Flap For Sealing

CHIN HIN

Property Development

CHIN HIN GROUP PROPERTY BERHAD

Registration No. 200101017677 (553434-U)