CHIN HIN

Property Development

CHIN HIN GROUP PROPERTY BERHAD

Registration No. 200101017677 (553434-U)

AERA

8TH & STELLAR

- SRI PETALING, KL -

ANNUAL REPORT 2021

CONTENTS

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) (Re-designated on 6 May 2021)

Khoo Chee Siang
Independent Non-Executive Director

Datuk Cheng Lai Hock
(Independent Non-Executive Director)
(Appointed on 6 May 2021)

Mohd Yusri Bin Md Yusof
(Independent Non-Executive Director)
(Appointed on 6 May 2021)

Dato' Goh Boon Koon
(Non-Independent Non-Executive Director)
(Resigned on 28 April 2021)

Ho Kok Loon
(Independent Non-Executive Director)
(Resigned on 28 April 2021)

AUDIT COMMITTEE

Khoo Chee Siang *(Chairman)*
Datuk Cheng Lai Hock *(Member)*
Mohd Yusri Bin Md Yusof *(Member)*

REMUNERATION COMMITTEE

Khoo Chee Siang *(Chairman)*
Chiau Haw Choon *(Member)*
Datuk Cheng Lai Hock *(Member)*

NOMINATION COMMITTEE

Khoo Chee Siang *(Chairman)*
Datuk Cheng Lai Hock *(Member)*
Mohd Yusri Bin Md Yusof *(Member)*

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 : 604-598 1696
Email : bkgb@boonkoon.com

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

AUDITORS

UHY (AF1411) (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

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
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

Malaysian | Male | Aged 59
NON-INDEPENDENT NON-EXECUTIVE CHAIRMAN

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 Group 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 ("Chin Hin") 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), father of Ms Shelly Chiau Yee Wern (the Executive Director of the Company), spouse of Datin Seri Wong Mee Leng (major shareholder of the Company). He has no conflict of interest with the Company other than those disclosed in the Company's circular to shareholders dated 27 August 2021. 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.

CHIAU HAW CHOON

Malaysian | Male | Aged 37
EXECUTIVE DIRECTOR

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 Chin Hin, a public company listed on the Main Market of Bursa Malaysia Securities Berhad. His responsibilities includes 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 Chin Hin's Group operations and ensuring sufficient information are disseminated to the board, as well as ensuring the day-to-day business of Chin Hin's Group are effectively managed. He is in charge of the day-to-day operational matters and decisions making of Chin Hin's Group. Working closely with all the Business Unit Heads, he oversees the implementation and execution of Chin Hin's Group overall business strategic plans, corporate policies and operations, to ensure the continuous growth of Chin Hin's Group. He is also responsible for Chin Hin's Group corporate social activities.

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 a major shareholder of the Company. He is also the brother of Ms. Shelly Chiau Yee Wern, the Executive Director of the Company. He is also the son of Datin Seri Wong Mee Leng, the major shareholder of the Company. He has no conflict of interest with the Company other than those disclosed in the Company's circular to shareholders dated 27 August 2021. 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 YEO CHUN SING

Malaysian | Male | Aged 54
EXECUTIVE DIRECTOR

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

Malaysian | Female | Aged 31
EXECUTIVE DIRECTOR (RE-DESIGNATED ON 6 MAY 2021)

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 CHGP.

She is also the Alternate Director to Datuk Seri Chiau Beng Teik of Chin Hin Group Berhad, a public company listed in the Main Market of Bursa Malaysia Securities Berhad. She also 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 a major shareholder of the Company and sister of Mr Chiau Haw Choon, the Executive Director and a major shareholder of the Company. She is the daughter of Datin Seri Wong Mee Leng, the major shareholder of the Company. She has no conflict of interest with the Company other than those disclosed in the Company's circular to shareholders dated 27 August 2021. 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.

PROFILES OF DIRECTORS (CONT'D)

KHOO CHEE SIANG

Malaysian | Male | Aged 44
INDEPENDENT NON-EXECUTIVE DIRECTOR

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 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, 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 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.

DATUK CHENG LAI HOCK

Malaysian | Male | Aged 62
INDEPENDENT NON-EXECUTIVE DIRECTOR

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 and Deputy President of the Federation of Chinese Associations Malaysia. 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 a member of Audit Committee, Remuneration Committee and Nomination Committee of the Company.

Datuk Cheng currently is an Independent Non-Executive Director of Chin Hin Group Berhad. 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 DIRECTORS (CONT'D)

MOHD YUSRI BIN MD YUSOF

Malaysian | Male | Aged 51
INDEPENDENT NON-EXECUTIVE DIRECTOR

Encik 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, Encik Yusri was the Managing Director of a public-listed entity, i.e Green Ocean Corporation Berhad where he served since 5 December 2017.

Encik 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.

Encik 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, and commodity, building materials, asset & infrastructure management, development and construction sectors.

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

Encik Yusri currently is an Independent Non-Executive Director of Chin Hin Group Berhad. 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 37
Executive Director

Please refer to his profile appearing in page 3 of this Annual Report.

DATUK YEO CHUN SING
Malaysian | Male | Aged 54
Executive Director

Please refer to his profile appearing in page 4 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.
BKVPL	-	Boon Koon Vehicles Pte. Ltd.
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.
CNMY	-	CNMY Truck 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.

CHIN HIN Property Development

- CHGP
  - Commercial Vehicles Division
    - BKVI 100%
      - BKGM 100%
      - BKS 62.5%
    - BKCV 100%
      - CNMY 30%
    - BKM 100%
    - BKFM 100%
    - BKVPL 100%
    - BK FLEET 100%
    - BKCAP 100%
  - Property Division
    - BKGD 100%
      - BKHS 100%
      - STSB 100%
      - BKC 100%
      - BKSP 100%
      - CHCSB 100%
      - BKA 51%
      - SPSB 100%

MANAGEMENT DISCUSSION **& ANALYSIS**

OVERVIEW OF BUSINESS AND OPERATIONS

Chin Hin Group Property Berhad is an investment holding company with diversified portfolio in:

- assembling and sales of new commercial vehicles;
- rebuilding commercial vehicles and bodyworks for sale;
- provision of commercial vehicles for rental and fleet management services; and
- property development via its subsidiaries.

which strive to position the Group at an optimal balance between sustainable return on investment and future growth.

Despite the social and economic restrictions caused by the Movement Control Order measures as implemented by the Malaysian Government, our Group continued to perform commendably during the financial year ("FY") ended 31 March 2021.

Being community-focused, growth and value-oriented in the business of assembling and sale of new and re-built commercial vehicles, we place reliability at the core of our operations and will continue to ensure better value creation for our stakeholders, focusing especially on our new and existing customers base in northern region and to exploit central and southern region's potential so as to source for more demand.

Whilst, our property segment, the Aera development project which was jointly developed by BKG Development Sdn. Bhd. ("BKGD") and Platinum Eminent Sdn. Bhd. ("Platinum Eminent"), has achieved stage of recognition of approximately 95% as at 31 March 2021. Meanwhile another joint-venture on 8th & Stellar with Stellar 8 Sdn. Bhd., is still at early stage of construction.

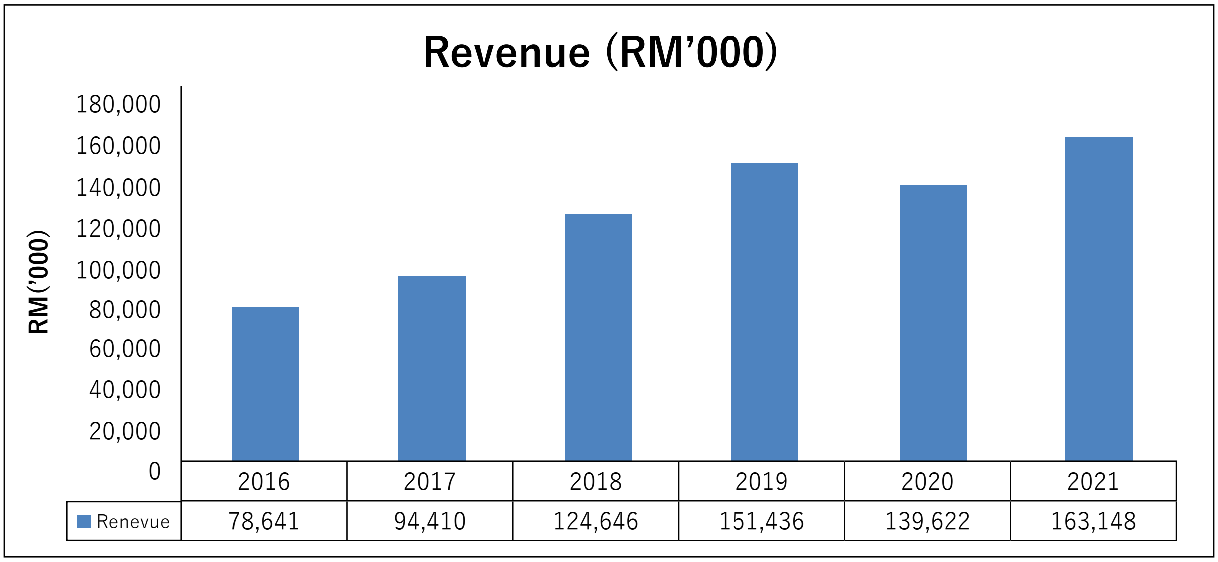
The Group's objective is to become one of the top market leaders and the preferred brand in the new as well as rebuilt commercial vehicles sector. Through a relentless commitment in innovation and continuously seeking improvements in quality, service and productivity, we strive to provide our customers with excellent products and services, at competitive price.

Whereas, for property development, we continue to look forward for new potential lands suitable for development with greater development value and returns to the Group.

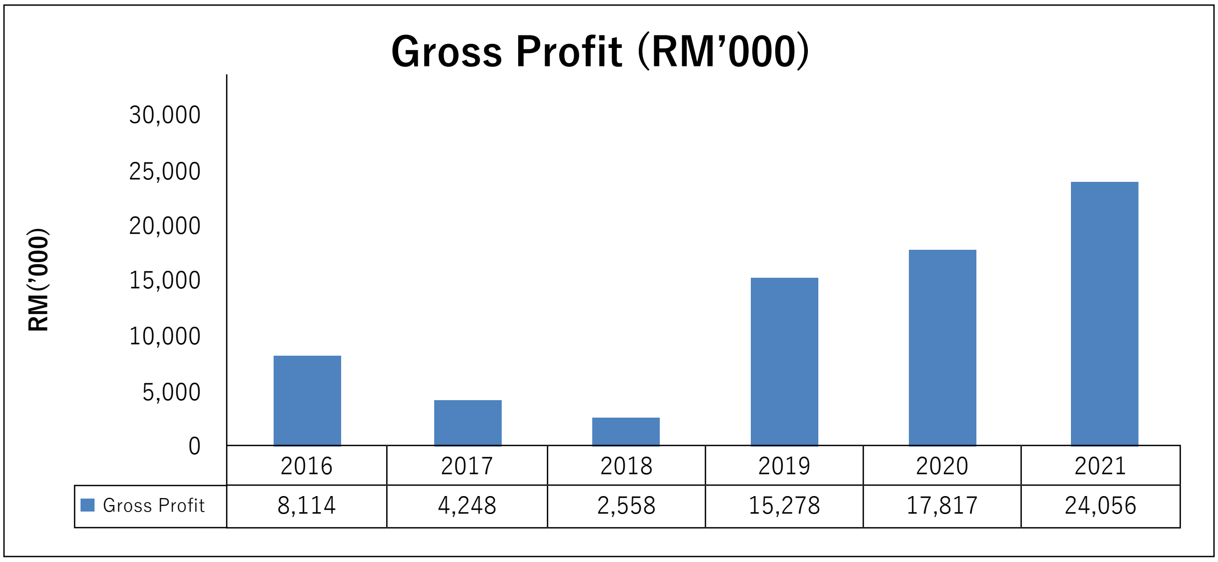
GROUP FINANCIAL REVIEW

Financial Indicators	FY 2021	FY 2020	Difference
Revenue (RM'000)	163,148	139,622	16.85%
Gross Profit (RM'000)	24,056	17,817	35.02%
Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) (RM'000))	21,922	12,204	79.63%
Profit Before Tax (RM'000)	17,052	7,891	116.09%
Profit After Tax (RM'000)	11,101	3,735	197.22%
Current ratio (times)	1.29	1.12	0.17 times
Gearing ratio (times)	0.50	0.55	(0.05 times)
Gross Profit Margin (%)	14.74%	12.76%	15.52%
Net Profit Margin (%)	6.80%	2.67%	154.68%

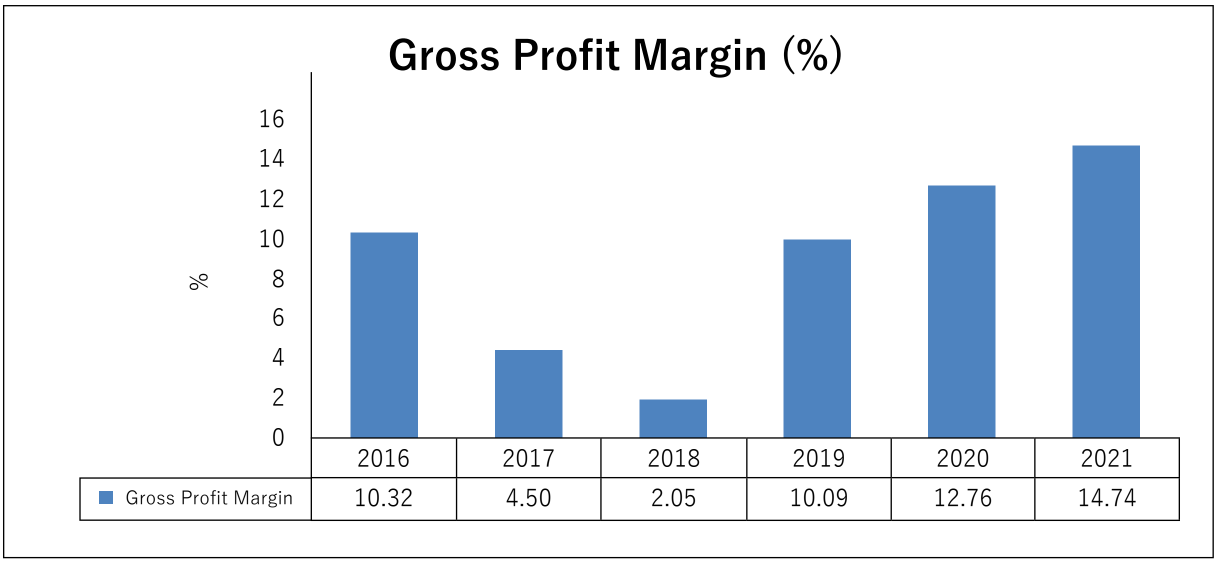
MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)



	2016	2017	2018	2019	2020	2021
Renevue	78,641	94,410	124,646	151,436	139,622	163,148



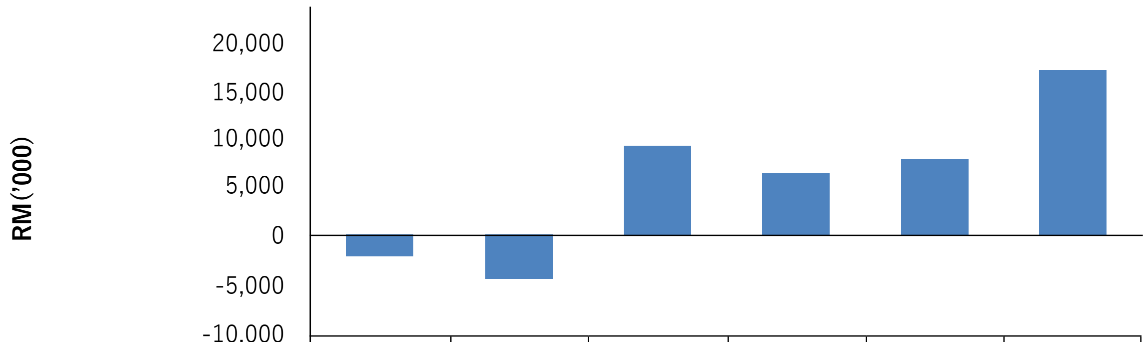
	2016	2017	2018	2019	2020	2021
Gross Profit	8,114	4,248	2,558	15,278	17,817	24,056



	2016	2017	2018	2019	2020	2021
Gross Profit Margin	10.32	4.50	2.05	10.09	12.76	14.74

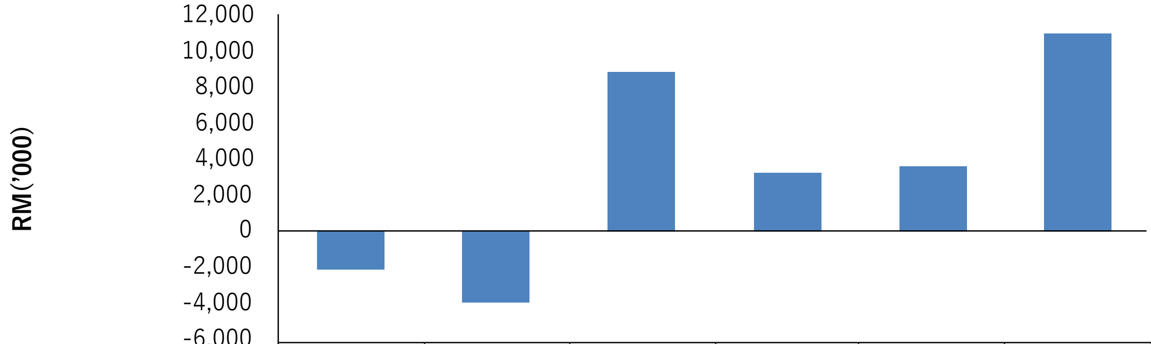
MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Profit/Loss Before Tax (RM'000)



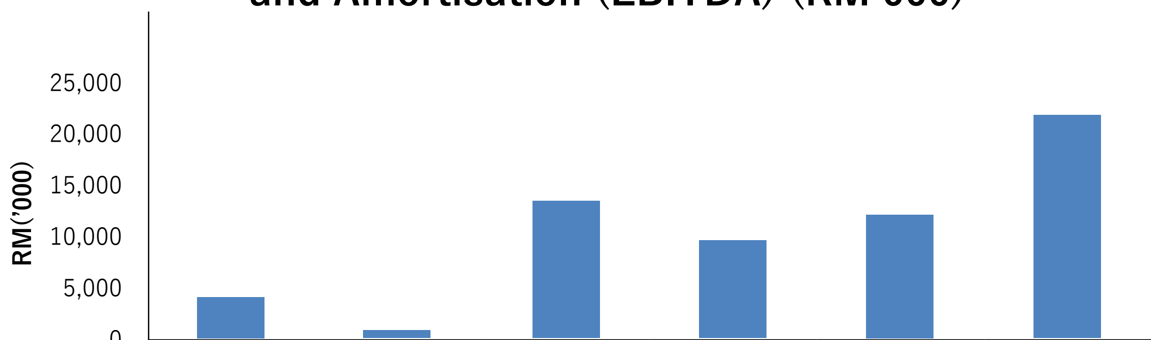
	2016	2017	2018	2019	2020	2021
Profit/Loss before Tax	-2,258	-4,635	9,190	6,401	7,891	17,052

Profit/Loss After Tax (RM'000)



	2016	2017	2018	2019	2020	2021
Profit/Loss after tax	-2,177	-4,021	9,006	3,387	3,735	11,101

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) (RM'000)



	2016	2017	2018	2019	2020	2021
EBITDA	4,067	847	13,555	9,655	12,204	21,922

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Revenue

The Group's revenue for FY 2021 increased by 16.85% to RM163.15 million compared to RM139.62 million in the previous financial year.

The increase in revenue was particularly attributed to the property development segment which managed to improve its contribution due to higher delivery. However, the new and rebuilt commercial vehicles and bodyworks segment's revenue decreased due to lower demand.

Gross Profit

The overall gross profit increased by 35.02% to RM24.06 million from RM17.82 million in the FY 2020. The improvement in the Group's gross profit was mainly attributed to the higher gross profit contributed by the development project jointly developed with Platinum Eminent. Comparatively, the lower gross profit recorded in the previous financial year was mainly due to the new and rebuilt commercial vehicles segment's lower profit as well as lower delivery in development project in FY 2020.

Profit Before Tax

Profit before tax was recorded at RM17.05 million in FY 2021 as compared to RM7.89 million in FY 2020. The increase in profit before tax was mainly due to higher delivery of development project jointly developed with Platinum Eminent and higher recognition of shared of result in 8th & Stellar joint venture project.

Current Ratio

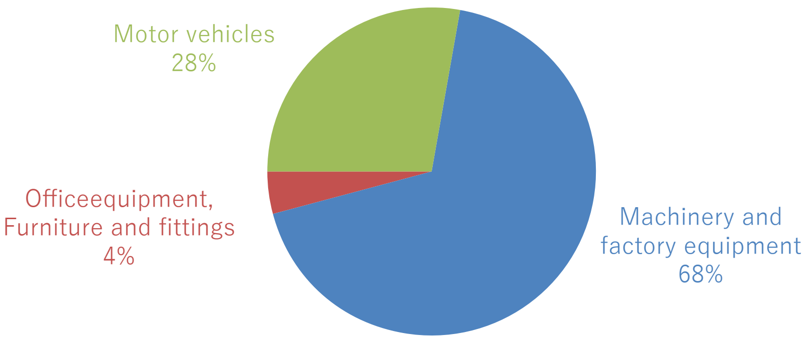
Current Ratio has increased by 0.17 times as compared to the previous financial year mainly due to the increase in the trade receivables and other receivables.

Gearing Ratio

Gearing ratio of the Group has decreased by 0.05 times due to the increase in the cash and balances attributable to proceeds from special issue of shares and exercise of warrants.

Capital Expenditure (CAPEX)

Capital Expenditure	FY 2021 (RM'000)
Machinery and factory equipment	341
Motor vehicles	139
Office equipment, furniture and fittings	23
Total	**503**



MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

In FY 2021, our capital expenditure were incurred on the purchase of:

- machinery and factory equipment,
- motor vehicles; and
- office equipment, furniture and fittings.

Of this, 68% of the capital expenditure was spent on machinery and factory equipment, whereas the rest was spent for motor vehicles and office equipment, furniture and fittings.

The details of the capital expenditure spent were as follows:-

i) Machinery and factory equipment – The bulk of the expenditures were spent on the purchase of used forklifts for rental and fleet management segment.

ii) Motor vehicles acquired is for marketing purpose for property development segment.

iii) Office equipment, furniture and fittings – The bulk of the expenditures were spent on the purchase of a new software system, computers, and air conditioners for both the commercial vehicle segment's and property development segment's office.

Statements of Cash Flows

	2021 (RM'000)	2020 (RM'000)	Change (%)
Net cash outflows for operating activities	(26,164)	(9,904)	(164.18)
Net cash inflows/(outflows) for investing activities	860	(33,071)	102.60
Net cash inflows for financing activities	32,492	37,171	(12.59)
Net increase/(decrease) in cash balance	7,188	(5,804)	223.85
Effect of changes in foreign exchange rates	-	9	(100)
Cash balance at beginning of the year	4,710	10,505	(55.16)
Cash balance at end of year	11,898	4,710	152.61

The Group's net cash outflows from operating activities for the FY 2021 increased by 164.18% to RM26.16 million as compared to FY 2020, largely attributable to the decrease in inventories, increase in trade receivables, other receivables and tax paid during the financial year.

Cash inflows from investing activities recorded a net inflow of RM0.86 million for the FY 2021 mainly attributed to the proceeds from disposal of non-controlling interest.

The net cash inflows for financing activities of RM32.49 million has decreased for FY 2021 mainly due to the repayment of banker's acceptance which was partially mitigated by proceeds from special issues of shares and exercise of warrants.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Statements of Financial Position

	2021 RM('000)	2020 RM('000)
ASSETS		
Non-current assets	112,704	110,601
Current assets	184,635	138,849
Total Assets	297,339	249,450
EQUITY AND LIABILITIES		
EQUITY		
Share capital	80,191	62,536
Treasury shares	(255)	(255)
Foreign currency translation reserve	176	176
Revaluation reserve	14,410	14,578
Capital reserve	(28)	(28)
Warrant reserve	7,034	7,720
Retained profits	47,134	34,560
Non-controlling interest	176	256
Total Equity	148,838	119,543
LIABILITIES		
Non-current liabilities	5,318	5,403
Current liabilities	143,183	124,504
Total Liabilities	148,501	129,907
Total Equity and Liabilities	297,339	249,450
Net assets per share attributable to ordinary owner of the company (RM)	0.43	0.40

Total Assets

As at 31 March 2021, total assets of the Group had increased by RM47.89 million to RM297.34 million. The increase was mainly attributed to the increase in trade receivables and other receivables.

Total Liabilities

On the other hand, total liabilities as at 31 March 2021 had increased by 18.59 million to RM148.50 million. The increase was mainly due to the increased utilisation of banking facilities.

Net Assets

The net assets per share had increased by RM0.03 or 7.50% as at 31 March 2021 compared to 31 March 2020 mainly attributable to the increased in retained profits. .

REVIEW OF OPERATING ACTIVITIES

During the reporting period, the Group's core business, namely assembly and sales of new and rebuilt commercial vehicles, faced a challenging situation as the Malaysian Ringgit had weakened against other major currencies across the region. With higher cost on raw materials or components, this has brought down our profit margin correspondingly. Notwithstanding the above, with the Group's proactive management on foreign currencies, it has minimised the exposure on foreign exchange fluctuation.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

REVIEW OF OPERATING ACTIVITIES (CONT'D)

Our Sales and Marketing team has demonstrated excellent performance by maintaining sales in this challenging market conditions. Henceforth, the Group has in the years past, proved its resilience despite varying and sluggish market conditions.

Despite construction difficulties arising from the Covid-19 pandemic, the Group managed to deliver higher revenue for Aera development project which was jointly developed by BKGD and Platinum Eminent, whereas, another joint-venture on 8th & Stellar project with Stellar 8 Sdn Bhd, has contributed positively to the Group performance with effort from digital marketing activities which has substantial reduced the carrying inventory.

Commercial Vehicles and Bodyworks

Amidst the tough and challenging environment, the Group managed to sustain its revenue for commercial vehicles and bodyworks for FY 2021 and reported a RM80.83 million revenue as compared to RM95.12 million recorded in FY 2020. The lower revenue was mainly attributed to the sluggish market condition in FY 2021. The profit before taxation was recorded at RM1.70 million, an increase of RM2.31 million as compared to loss before taxation of RM0.61 million in the previous financial year. The profit before taxation was mainly attributable to the lower inventories written down during the financial year as compared to the previous financial year.

Rental and Fleet Management Services

For the Rental and Fleet Management Services segment, revenue was recorded at RM3.49 million for FY 2021, a decrease of RM0.66 million as compared to RM4.15 million in the previous financial year. The lower revenue was mainly due to lower demand in FY 2021. Hence, the profit before taxation was RM0.16 million, a decrease of RM1.03 million as compared to RM1.19 million in the previous financial year.

Property Development Segment

For property development segment, revenue was recorded at RM78.82 million and profit before taxation was RM14.47 million for FY 2021, mainly attributed to the development project jointly developed with Platinum Eminent. As at 31 March 2021, the stage of completion of the said project was at 95.60%.

As for the share of joint venture result recorded a profit of RM3.93 million for FY 2021, with weighted stage of recognition approximately at 19.59% for commercial lots and 10.83% for residential lots as at 31 March 2021 (as at 31 March 2020: commercial lots: 14.99%, residential lots: 4.4%).

Other Segment

Revenue contributed by other segments during the FY 2021 was RM0.69 million, a decrease of RM0.01 million as compared to RM0.70 million in the previous financial year. Whilst, the profit before taxation was recorded at RM16.10 million, an increase of RM20.47 million as compared to loss before taxation of RM4.37 million in the previous financial year. The profit before taxation recorded in FY 2021 was mainly attributable to internal restructured of corporate and segmental lining-up activities.

Business Strategy

Internally, we continue to pursue improvements across the Group through revamping internal processes to deliver enhanced quality and productivity as well as to reduce operating costs and to carry out a robust inventory management, the Group is also building a close relationship with our exclusive dealers to identify commercial vehicle types that are marketable in Malaysia, mainly focusing in light trucks that are suitable for food trucks and logistic type, and potentially, heavy truck for bulk logistic.

Despite with current uncertainties, the Group believes that the property market now is in a viable position in term of valuation and is driven to increase its land bank with better and accessible location that can enhance the potential development value.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

ANTICIPATED OR KNOWN RISK

We highlight below the key anticipated or known risks that our Group is exposed to that may have a material effect on our operations, performance, financial condition and liquidity. Our plans and strategies to mitigate these risks are disclosed below:-

(i) Business risks

Our Group is subject to the risks inherent to the assembling and rebuilding, and property development industries. These include, amongst others, rising costs of labour and raw materials, availability of skilled personnel, changes in laws and regulations applicable to our business, business and credit conditions as well as fluctuations in foreign currency exchange rates. There can be no assurance that any material changes to these factors will not have a material adverse effect on the business operations of our Group.

Nevertheless, our Group has been taking proactive measures to mitigate the aforementioned risks such as prudent financial management and efficient operating procedures. Further, we constantly keep ourselves abreast of economic and regulatory changes relating to our business.

(ii) Operational risks

Due to the nature of our Group's operations, interruptions in our Group's operating capabilities through disruption in electricity supply, inclusive of failure or damage of production and construction machineries or other disruptions to our manufacturing and development processes may have an adverse effect to our Group's business and financial performance.

To avoid major breakdowns and disruptions to our operations, electricity supply and relevant equipment are constantly monitored and our machinery undergoes scheduled maintenance.

The emergence of novel Coronavirus ("Covid-19") since early 2020 that caused travel restrictions and lockdown to be effectuated in Malaysia and other precautionary measures being imposed by the government has brought disruption in the Group's business operations. The Group is 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.

(iii) 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. For FY 2021, our Group has not encountered any significant foreign currency exchange fluctuation that has resulted in material adverse impact on our Group's financials.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

FORWARD-LOOKING STATEMENT

The Malaysian economy is expected to face another tumultuous year in 2021 as it is being challenged by on-going domestic adjustments and shifting of new government. Additionally, the unexpected wide spread of the Covid-19 pandemic in the 2nd Quarter 2021 has adversely impacted and further soften the domestic public consumption and investment, leading to a slowing down in Malaysia's recovery plan efforts..

1. Commercial Vehicles and Bodyworks Segment

The local total industry volume ("TIV") for commercial vehicle ("CV") segment registered a further decline of 10.4% in 2020, slowdown in local economy as companies cut back on capital expenditures (Source: Malaysian Automotive Association ('MAA') Market Review for 2020), in addition, continued tightening of lending guidelines including of hire purchase loans as well as the continued uncertainties have negatively impacted the demands for commercial vehicles in Malaysia.

Despite a double-digit drop in TIV, it was nonetheless a good achievement for the local automotive industry given the extremely challenging business environment, and the sales tax exemption and many stimulus packages announced and initiated by the government effective from 15 June 2020 has boosted demand and drove sales in the second half of the year,

The Group anticipates that the commercial vehicles market to remain challenging due to the uncertainties with the recent implementation of Movement Control Order 3.0 (MCO) and Pelan Pemulihan phases, and expects the current weakening Malaysian Ringgit against others major currencies will put pressure on the profit margin. However, due to the Group's competitive costs advantage strategy especially in the light-trucks models, the Group is expected to continue to generate sustainable positive earnings for its commercial vehicles segment. The demand for light trucks remains strong for logistic and food delivery business, and moving forward, the Group will also be strengthening its marketing efforts for the heavy trucks model to increase its revenue and profit.

2. Property Development Segment

The joint development project, namely "Aera Service Residence" jointly developed by our wholly-owned subsidiary, BKGD and Platinum Eminent, had continuously contributed positively to the Group. The stage of recognition of the project was approximately 95% as at 31 March 2021, and targeted to be completed with vacant possession in the 4th quarter of calendar year 2021.

As for 8th & Stellar mixed development, the Group's performance via it share of joint venture result with weighted stage of recognition of approximately 20% for commercial lots and 11% for residential lots as at 31 March 2021. The digital marketing strategy as implemented by the management has managed to increase the take-up rate for residential lots to approximate 50% at end of financial year 2021.

Although there is a general softening in the property market in Malaysia due to current uncertainties, and in the wake of COVID-19 remains uncertain, the Government has lined up several initiatives to rejuvenate the real estate industry, in addition, to provide additional policy stimulus to accelerate the pace of the economy, Bank Negara Malaysia has further reduced the Overnight Policy Rate ("OPR") to a historic low rate of 1.75% since July 2020. With the lower OPR, and the introduction of favourable stamp duties incentive, potential buyers would have lower barriers to financing and owning properties within desirable locations, therein promoting purchases of properties.

As such, despite the median multiple score for housing affordability in Malaysia has dropped, the Group still believes that it is a right timing for the Group to embark and to build up its land banks for future developments. The Group will leverage on its track record to provide more medium priced and affordable products to cater to the local demand and current needs. Given the potential value enhancement from the newly acquired lands bank, the future property development projects are expected to contribute positively to the financial performance of the Group for the next 5 to 8 years.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

FORWARD-LOOKING STATEMENT (CONT'D)

2. Property Development Segment (Cont'd)

Concurrently, the Group is also seeking to diversify its existing businesses to include the construction business, a proposed acquisition of a construction company with Construction Industry Development Board ("CIDB")'s G7 license will enable the Group to tap into the construction industry, which is complementary to the Group property development business. Synergistic benefits are expected to arise from the vertical combination where the Group can build its own in-house construction team operating in and servicing the same industry, i.e. the real estate.

Despite with the current uncertainties and tough market conditions, the Group has been resilient through its efforts over the years to build up own brands and deliver outstanding products and quality services, and will continuously monitor the Covid-19 pandemic outbreak impacts and re-position itself to cope with the sluggish domestic economy. Barring any further unforeseen circumstances, the Group envisages a positive outlook for FYE 2022.

Dividend Policy

The Company does not have an explicit dividend policy.

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 year ended 31 March 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, recognising 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 responsibilities assumed by the Board are as follows:

i) Review and Adopt Strategic Plans 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, includes the financial condition of the business, operational and 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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Board Responsibilities (Cont'd)

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 recommendations.

Chairman

During the financial year under review, the Board is chaired by a Non-Independent Non-Executive Director and one third (1/3) of the Board consists of Independent Non-Executive Directors.

The Chairman of the Board is not a member of the Audit Committee, Nomination Committee or Remuneration Committee as recommended in the MCCG.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Separation of Positions of the Chairman and Executive Directors

During the financial year 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 that 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) Oversees 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 the directors receive the relevant information on a timely basis; and
iv) Ensuring compliance with all relevant regulations and legislation.

The Executive Directors 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 as 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. 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 who 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 issues 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Board Composition

The current Board of Directors consists of seven (7) members, comprising the 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 page 3 and 6 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 comprises 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, advices 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 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 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.

As at 31 March 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	√				
Mohd Yusri Bin Md Yusof	√				

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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 country's aspirational target 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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 year ended 31 March 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 four (4) Board of Directors' meetings held during the financial year ended 31 March 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	100.00%
Chiau Haw Choon	4/4	100.00%
Datuk Yeo Chun Sing	4/4	100.00%
Dato' Goh Boon Koon (Resigned on 28 April 2021)	3/4	75.00%
Khoo Chee Siang	4/4	100.00%
Ho Kok Loon (Resigned on 28 April 2021)	4/4	100.00%

All the Directors have complied with the minimum 50% attendance requirement in respect of Board meetings held during the financial year ended 31 March 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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 year as listed below:

Name of Director	Date	Seminars/Conferences/ Training Programmes Attended
Datuk Seri Chiau Beng Teik	8 September 2020	Awareness of Training on Corporate Liability and MACC Act S17
Chiau Haw Choon	2 April 2020	Digital Manufacturing & Design
	5 April 2020 (3 weeks)	Digital Skills: Retail
	9 April 2020 (5 weeks)	Leading for Creativity
	22 April 2020 (5 weeks)	Digital Operations Management
	18 May 2020 (3 weeks)	Using Artificial Intelligence (AI) Technologies for Business Planning and Decision-making
	19 May 2020	YPO Forum Singapore via Zoom
	26 May 2020	Global Leadership Summit 2020 Special Lockdown Edition via Zoom
	28 May 2020	YPO Webinar
	1 June 2020 (5 weeks)	Designing A Business
	1 June 2020 (5 weeks)	Prototyping for Digital Experiences
	3 June 2020	Chin Hin Concrete CRM Enhance Workshop
	3 June 2020	Midah Group CRM Enhance Workshop
	15 June 2020	Management Workshop – Core Values
	15 June 2020 (5 weeks)	Artificial Intelligence: Strategies for Leading Business Transformation
	14 July 2020	Artificial Intelligence
	8 September 2020	Awareness of Training on Corporate Liability and MACC Act S17

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Continuing Education Programs (Cont'd)

Details of seminars/conferences/training programmes attended by the Board members during the financial year as listed below: (Cont'd)

Name of Director	Date	Seminars/Conferences/ Training Programmes Attended
Datuk Yeo Chun Sing	8 September 2020	Awareness of Training on Corporate Liability and MACC Act S17
Shelly Chiau Yee Wern (Re-designated as Executive Director on 6 May 2021)	8 September 2020	Awareness of Training on Corporate Liability and MACC Act S17
Khoo Chee Siang	9 April 2020	The New Social Media Driven Business Model and its Implication to the Capital Market
	19 November 2020	Thematic Investing Consumption Megatrends Affecting The Global Economy
	21 -22 December 2020	Quality Assessment Review on Internal Audit Activities
	23 December 2020	COVID-19: Impact on Revenue, Inventory and Related Costs in Respect of Dealings with Customers
	24 December 2020	COVID-19: Impact on Financial Instruments
	28 – 29 December 2020	Enterprise Risk Management – Principles of ISO31000 and 2017 Updates on ERM Framework
Datuk Cheng Lai Hock (Appointed on 6 May 2021)	Not Applicable	Not Applicable
Mohd Yusri bin Md. Yusof (Appointed on 6 May 2021)	Not Applicable	Not Applicable

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Nomination Committee

The Board has established the Nomination Committee which comprise entirely of Non-Executive Directors with the majority being 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	Khoo Chee Siang	Independent Non-Executive Director
Member	Datuk Cheng Lai Hock (Appointed on 6 May 2021)	Independent Non-Executive Director
Member	Mohd Yusri Bin Md Yusof (Appointed on 6 May 2021)	Independent Non-Executive Director

The summary of activities undertaken by the Nomination Committee during the financial year 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 Eighteenth Annual General Meeting.
iii) Reviewed and assessed the independence of its Independent Non-Executive Directors.
iv) Reviewed and recommended the retention of Independent Non-Executive Director who has served as an Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years, in compliance with the recommendation of MCCG.
v) Reviewed the terms of office and performance of an Audit Committee.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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 year ended 31 March 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.

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 year ended 31 March 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 year under review, and that each of them continues to fulfil the definition of independence as set out in the MMLR.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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	Khoo Chee Siang	Independent Non-Executive Director
Member	Chiau Haw Choon	Executive Director
Member	Datuk Cheng Lai Hock (Appointed on 6 May 2021)	Independent Non-Executive Director

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

i) Reviewed and recommended the payment of Directors' fees and other benefits payable to Directors for the financial year ended 31 March 2021.
ii) Reviewed and recommended the remuneration package for the Executive Director of the Company for the financial year ended 31 March 2021.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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 year ended 31 March 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	–	180,000	–	22,524	–	202,524
Datuk Yeo Chun Sing	36,000	–	1,600	–	–	37,600
Dato' Goh Boon Koon (Resigned on 28 April 2021)	–	-	1,600	–	–	1,600
Khoo Chee Siang	54,000	–	2,000	–	–	56,000
Ho Kok Loon (Resigned on 28 April 2021)	24,000	–	2,000	–	–	26,000
Shelly Chiau Yee Wern	–	–	–	–	–	–
Total	**114,000**	**180,000**	**7,200**	**22,524**	–	**323,724**

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	–	180,000	–	22,524	–	202,524
Datuk Yeo Chun Sing	36,000	–	1,600	–	–	37,600
Dato' Goh Boon Koon (Resigned on 28 April 2021)	–	–	1,600	–	–	1,600
Khoo Chee Siang	54,000	–	2,000	–	–	56,000
Ho Kok Loon (Resigned on 28 April 2021)	24,000	–	2,000	–	–	26,000
Shelly Chiau Yee Wern	–	310,960	–	38,244	–	349,204
Total	**114,000**	**490,960**	**7,200**	**60,768**	–	**672,928**

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Remuneration of Top Five (5) Senior Management

The top five (5) Senior Management of the Company (including its direct held subsidiary) are Ms Shelly Chiau Yee Wern, Ms Kan Keat Peng, Mr Lee Boon Lian, Mr Khor Choon Wooi and Mr Ng Chee Wei. The aggregate remuneration of these top five (5) Senior Management received in financial year ended 31 March 2021 was RM1.18 million representing 17.60% of the total employees' remuneration of the Group.

The remuneration of the aforesaid top five (5) 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 the 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 five (5) 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. 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 6 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 year ended 31 March 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 78 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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.

To assess or determine the suitability and independence of the External Auditors, the Audit Committee has taken into consideration, 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 year ended 31 March 2021.

The Audit Committee is satisfied with the competence and independence of the External Auditors for the financial year 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 March 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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.

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's risk management framework and policies. The Board, nonetheless, will consider adopting 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 57 to 60 in this report.

Internal Audit Activities

The Group has outsourced its internal audit function to Eco Asia Governance Advisory Sdn Bhd (formerly known as Eco Asia Advisory Sdn Bhd) ("Eco Asia"), an independent professional internal audit service provider and consultancy firm which is 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") and a Member of Malaysian Institute of Accountants ("MIA"). Whereas, Ms Kelly Neng is a Member of the ACCA, MIA and a 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Internal Audit Activities (Cont'd)

Further details on the internal audit function are set out in the Statement on Risk Management and Internal Control on pages 57 to 60 of this Annual Report.

During the financial year, the internal audit function covered the area of internal control systems on account payables 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 year ended 31 March 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 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 year ended 31 March 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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 has endeavored to dispatch the notice of AGM at least twenty-eight (28) days before the meeting, mindful that sufficient notice and time given would allow the shareholders to make necessary arrangements to attend and participate in 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 notice 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 FY 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. The shareholders are given the opportunities to raise questions pertaining to the annual report, corporate developments, resolutions and businesses of the Group at the AGM.

In view of the number of shareholders and the size of the Company, the participation of shareholders of the Company at the general meetings is currently by way of attending in person or by proxy. If necessary, the Group would embark on electronic voting and remote shareholder participation, if our shareholders requested for such services.

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 Eighteenth (18th) AGM of the Company held on 28 September 2020, the Directors were present in person 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.

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 March 2021, the total proceeds of RM14.7 million raised from the first and second tranches of Special Issue of Shares have been fully utilised by Chin Hin Group Property Berhad (the "**Company**" or "**CHGP**") as follows:

	RM'000	**Estimated timeframe for utilisation from the listing date**
Proceeds raised from first tranche of Special Issue of Shares	10,500	–
Proceeds raised from second tranche of Special Issue of Shares	4,200	–
Land acquisition	(14,622)	Within twenty-four (24) months
Payment of the relevant expenses incurred for the proposals	(78)	Within one (1) month
Balance Unutilised	–	–

During the financial year, there was an issuance of 11,345,300 new ordinary shares arising from the exercise of warrants at an exercise price of RM0.20 per ordinary share.

As at 31 March 2021, the Company completed the listing and quotation of 11,345,300 new ordinary shares following the conversion of warrants. The proceeds raised amounted to RM2,269,060.00. As at 6 August 2021, the gross proceeds 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 year ended 31 March 2021 were as follows :

	Company Level RM	**Group Level RM**
Audit services rendered	30,000	128,000
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 March 2021 or entered into since the end of the previous financial year.

CONTRACTS RELATING TO LOAN

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

OTHER DISCLOSURE REQUIREMENTS (CONT'D)

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

The Company is seeking approval from shareholders for the proposed renewal of and new 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 20 September 2021.

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

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	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 Deputy Group 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 alternate director to Datuk Seri Chiau Beng Teik in CHGP and 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.	1	
		• Provision of insurance and other administrative services by Chin Hin Group based on prevailing market price.	118	
		• 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.	124	

OTHER DISCLOSURE REQUIREMENTS (CONT'D)

RECURRENT RELATED 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 year ended 31 March 2021 were as follows : (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)			• 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.

OTHER DISCLOSURE REQUIREMENTS (CONT'D)

RECURRENT RELATED 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 year ended 31 March 2021 were as follows : (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.	113,050	• 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 alternate director to Datuk Seri Chiau Beng Teik 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 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 year ended 31 March 2021 were as follows : (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)			• 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. • Supply by CHGP Group and/or purchase from CHL Logistic Sdn. Bhd. of materials based on prevailing market price.	NIL NIL	• Datuk Seri Chiau Beng Teik is the Non-Independent Non-Executive Chairman and a Major Shareholder of CHGP. • Chiau Haw Choon is an Executive Director and a Major Shareholder of CHGP. • Datin Seri Wong Mee Leng is a Major Shareholder of CHGP.

OTHER DISCLOSURE REQUIREMENTS (CONT'D)

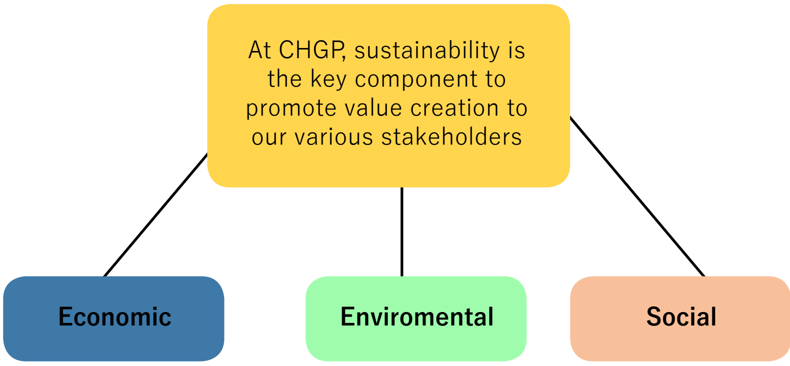
RECURRENT RELATED TRANSACTIONS OF A REVENUE AND TRADING NATURE ("RRPT") (CONT'D)

The details of RRPTs of a revenue or trading nature of the Group for the financial year ended 31 March 2021 were as follows : (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)	• Supply by CHGP Group and/or purchase from CHL Logistic Sdn. Bhd. of materials based on prevailing market price.	NIL	• 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 alternate director to Datuk Seri Chiau Beng Teik in 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

INTRODUCTION



Our Commitment to Sustainability

Chin Hin Group Property Berhad ("CHGP") and its subsidiaries ("the Group") are well aware of both the positive and negative impacts that the Group may cause to the economic, environmental and social. Hence, being a responsible listed issuer, we are committed to ensure high standards of governance across our business operations to promote responsible business practices managed and reduced environmental impacts while taking care of the social needs of our community.

We are dedicated to provide our various stakeholders a better understanding on our initiatives in relation to sustainable long-term values creation. This Sustainability Statement for the financial year ended 31 March 2021 ("FYE 2021") shall illustrate our strategic approach in addressing sustainability challenges and opportunities in contributing towards a betterment of our businesses within economic, environmental and social contexts.

Scope of this Statement

This Statement covers the activities of CHGP and all its subsidiaries involved in the business of assembly and sales of new and rebuilt commercial vehicles and bodyworks, provision of rental and fleet management services as well as in property development. Subsidiaries refers to all companies in which CHGP holds a majority stake or has direct management control.

Basis of this Statement

This Statement was prepared based on available internal information and in a manner as prescribed by Bursa Malaysia Securities Berhad ("Bursa Malaysia"), in accordance with the Main Market Listing Requirements and Sustainability Reporting Guide and Toolkits issued by Bursa Malaysia.

Assessment of Material Matters

We have conducted a materiality assessment to reassess the material matters which are relevant the most to us in the contexts of Economic, Environmental and Social. Please refer to our Material Matters Matrix within this Statement.

Feedback

In our continuous efforts to raise our performance in sustainability standards, we welcome stakeholder's feedback on what we have done, as stipulated in this Statement, and any other issues that we should undertake. Relevant comments and queries related to this Statement can be directed to enquiry@chgp.my

SUSTAINABILITY STATEMENT (CONT'D)

ABOUT CHIN HIN GROUP PROPERTY BERHAD

CHGP was incorporated in year 2001 under the name of Boon Koon Group Berhad. Its shares were traded in Bursa Malaysia since 2004. The Company has created a diversified business portfolio to assemble and sell new and rebuilt commercial vehicles and bodyworks, rental and fleet management services, as well as in property development via its subsidiaries.

New & Rebuilt Commercial Vehicles

Rental and Fleet Management Services

Property Development

Our Vision

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

Our Mission

- 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 residences and commercial properties that meet the evolving needs of our customers.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGING SUSTAINABILITY

We understand that an effective governance structure and risk management system is crucial to ensure the sustainability of our business operations. We adhere to all applicable rules and regulations as well as best practices and principles of corporate governance as advocated by the Malaysian Code on Corporate Governance ("MCCG"). Details of our corporate governance practices are reported in the Corporate Governance Overview Statement within this Annual Report and the Corporate Governance Report 2021.

We cognisance that good governance lies in sound business ethics, viable policies and procedures across all areas of the Group. We have in place the following key Code of Conduct, Anti-Bribery and Corruption Policy as well as a Whistle Blowing Policy to promote ethical business conducts in fair and transparent manner.

Code of Conduct ("Code")

The Code is designed base on principles in relation to sincerity, integrity, responsibility and corporate social responsibility and aims to enhance the standard of corporate governance and corporate behavious.

Anti-Bribery and Corruption Policy ("ABC Policy")

The Group does not tolerate any form of bribery or corruption in its business dealings. We are committed in conducting business with ethics and integrity and in compliance with all applicable laws on anti-bribery and anti-corruption of the country where the Group operates in.

Whistle Blowing Policy ("WB Policy")

The WB Policy is formulated to provide an avenue for all employees of the Group and members of the public to disclose any improper conduct in accordance with the procedures as provided within the policy and to provide protection for employees and members of the public who report such allegations.

All employees and members of the public are encouraged to report suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, waste, and/or abuse involving the resources of the Group.

All the Code, ABC Policy and WB Policy can be accessed on the Company's website at www.chinhinproperty.com/Investor Relations/.

Risk assessments are conducted on a continual basis to identify and mitigate significant risks that are affecting our business operations.

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY GOVERNANCE STRUCTURE

Board of Directors

Ultimate accountability for CHGP's sustainability initiatives and strategies

Audit Committee

Monitor internal control systems and oversees risk management activities

Nomination Committee

Oversees matters relevant to identifying suitable new candidates to fill up seats for the Board and Senior Management

Remuneration Committee

Involved in developing and establishing competitive remuneration packages and policy for the Board and Senior Management

Our Board of Directors ("Board") plays a vital guidance and oversight role in advancing sustainability initiatives and strategies across the Group with assistance from Senior Management to oversee the implementation of the Group's sustainability strategies and ensure key targets are being met.

Our Board takes into cognisance that risk management and internal control systems are integral to our corporate governance and vital to our business sustainability. Hence, the Board has delegated the responsibility to review the adequacy and effectiveness of the Group's risk management framework and system of internal controls to the Audit Committee. Meanwhile, the Group's overall performance is also tracked with the assistance of Nomination Committee and Remuneration Committee.

The responsibility of the Board to promote and embed sustainability in our Group also includes overseeing stakeholders engagement and assessment of material matters which are presented in the following pages. The stakeholders' engagement analysis and assessment of material matters surround the Economic, Environmental and Social aspects.

Economic

Environmental

Social

STAKEHOLDERS ENGAGEMENT

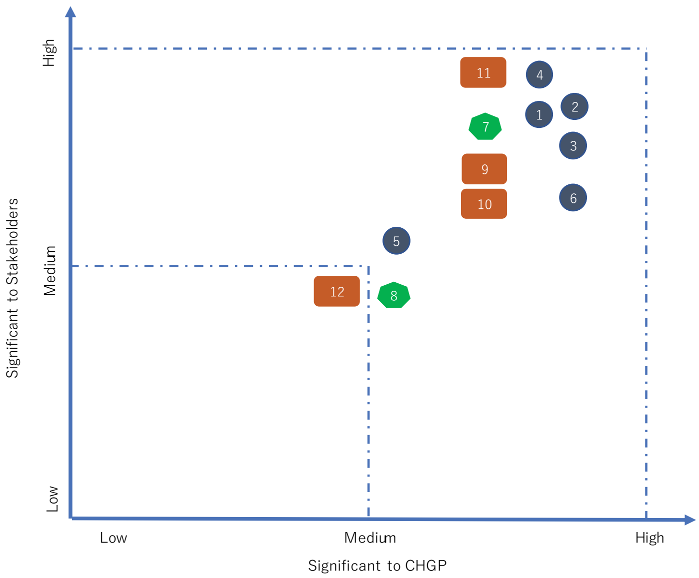
Stakeholders	Stakeholders Concerns/ Material Matters	Engagement Approach
Shareholders	• Financial and operational performance • Share price performance • Business management and corporate governance • Risks and returns	• Annual general meeting ("AGM") and extraordinary general meeting ("EGM") • Quarterly financial results and annual report • Press releases and interviews • Corporate website • Bursa announcements
Law Enforcers/ Regulators	• Adherence to laws and regulations • Health and safety • Permits and licenses • Corporate governance and compliances	• Meetings/visits • Verification/ compliance audit • Quarterly announcements • Ad-hoc report submission as and when requested by regulators
Board of Directors	• Continuous business and operational improvements • Financial results of the Group • Identification and monitoring of business risks and corporate strategies • Interest of shareholder and stakeholders	• Quarterly and ad-hoc Board meetings • AGM and EGM • Company events
Employees	• Career development opportunities • Training and development • Talent and performance management • Succession planning • Work place health and safety • Competitive compensation and benefit packages	• Induction training • Learning and development program • Regular engagement with senior management • Performance appraisals • Company social events
Customers	• Quality assurance and reliable products and services • Customers satisfaction • Technological and operational innovation • New products development • Competitive pricing and on-time delivery	• Regular meetings • Feedback survey • Social media and corporate website • Company events • Advertisement and marketing events
Suppliers	• Business relationships and continuity • Sourcing of quality materials • Selection of suppliers and credit terms	• Face-to-face interaction • Supplier assessment • Email communications
Community	• Job creation for local communities • Impact of operations on surrounding environment • Economic support	• Community outreach program • Corporate volunteering program • Corporate website and social media
Analyst/ Media	• Financial and operational performance • Business strategies and plans • Corporate governance	• AGM and EGM • Press conference and media interviews • Media release

SUSTAINABILITY STATEMENT (CONT'D)

ASSESSMENT OF MATERIAL MATTERS

Materiality assessment is crucial for us to identify and prioritise the management of material sustainability matters which are significant to our business operations and interest of our stakeholders. During the process of materiality assessment, we identified and ranked the Economic, Environmental and Social materiality matters based on their relevance to our business operations and influence on our stakeholders.

Based on our assessment, we have identified and ranked 12 key areas which matter the most to our Group as well as our stakeholders. The outcome of our Material Matters Matrix is as below:



Economic
1 Market Presence
2 Financial and Business Performance
3 Products Quality and Technological Innovation
4 Customer Satisfaction
5 Supply Chain Management
6 Risk Management and Corporate Governance

Environmental
7 Effluents and Waste Management
8 Energy Management

Social
9 Employee Welfare
10 Employee training and development
11 Occupational Health and Safety
12 Local Communities

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMICS

We are committed to provide high quality products and services to our customers while improving internal capabilities to meet the changing need of the business environment and to sustain our business growth.

ECONOMIC RESILIENCE

In order to be resilient in each industry which we operate, the Group has identified and assessed the risks that may impact our various business operations. The risk assessment conducted covers the business risks in which we operate and the reasons for failure of meeting the customers' expectations. A series of mitigation plans/actions have been established to cater for the occurrence of the relevant risks.

ENSURING PRODUCTS AND SERVICES QUALITY

Apart from internal products/services quality check, we also strengthen our product quality by evaluating the performance of our suppliers via annual assessment. Suppliers will need to maintain at the ranking of "pass" in order to be included in our Approved Suppliers Listing. Suppliers evaluation are pivotal to ensure goods supplied to us in order to meet our expectations as ultimately it affects the quality of products and services supplied to our customers.

In ensuring our products and services quality, we are proud to present herewith our ISO certification: -

ISO 9001:2015 Quality Management System in Rebuilding of Commercial Vehicles, Manufacturing of Bodyworks, and Remanufacturing of Parts & Components

CUSTOMER SATISFACTION

Meeting our customers' expectations and needs provide a competitive edge to our business. We strive to deliver the best quality products and services to our customers. In ensuring their satisfaction towards our products and services, our team works closely with customers to understand their needs and obtain feedbacks from customers frequently. Any enquiries and complaints from customers shall be dealt with by our team members within a short period of times.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMICS (CONT'D)

MANAGING OUR BUSINESS

	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000
Revenue	151,436	139,622	163,148
Profit After Tax	3,387	3,735	11,101

CHGP Group currently has three major operating segments that includes commercial vehicles, bodyworks, rental, fleet management services and property development.

In FYE 2021, our Group recorded a total revenue of RM163.1 million, an increase of 16.85%, against the revenue of RM139.6 million generated in FYE 2020. The increase in revenue was particularly attributed to the property development segment managed to sustain it contribution due to higher delivery, while the new and rebuilt commercial vehicles and bodyworks segment decreased in sales due to lower demand in heavy truck. Our financial performance are discussed in details in the Management Discussion and Analysis ("MD&A") section of our Annual Report.

We understand that long-term business growth entails a balance of economic, environmental and social considerations, risks and opportunities. As such, we will continue to focus on our three core business activities, boosting our sales, improve internal resources capabilities and efficiencies while investing in relevant safety and health measures and contributing back to the community.

ANTI-BRIBERY AND CORRUPTION

In CHGP, our business transactions and operational practices are governed by firm controls and Code of Conduct that emphasised ethical practices, of which we are committed to. This shall strengthen the trust relationship with our stakeholders. Further to our internal policy, we adhered strictly to all laws and regulations relating to countering bribery and corruption in Malaysia.

During FYE 2021, 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 with our Code of Conduct that relates to corruption or bribery and laws and regulations against acts of corruption. In this regard, there was no fines, penalties or settlements imposed or made during the year.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL

As a responsible corporate, we have a clear responsbility to take care of our environment. We are of the view that preserving the environment and natural resources are crucial to ensuring our operations are sustainable in the long-term without sacrificing the quality of life of our various stakeholders.

EFFLUENTS AND WASTE MANAGEMENT

IN CHGP, we pay serious attention to effluents and waste disposal, as any improper waste disposal may lead to contamination of our environment.

Our non-harzardous waste as well as the effluents resulting form our operations, are generated during various processes within our assembly, rebuilt of commercial vehicles and bodyworks and maintenance services.

We engaged waste contractors who are registered with the relevant authorities and holds valid licenses for the collection and disposal of relevant categories of waste in accordance to municipal regulations/Shahabat Alam.

The Group shall continue to ensure our business activities are conducted in compliance with the applicable environmental rules and regulations and explores any feasible opportunities to minimise any adverse impact from our business activities to the environment.

POLLUTION MINIMISATION

For our property development activites, ambient dust is generated during various phases of construction such as excavation, demolition, hacking, carpentary works, vehicles movement etc. We require our contractors to monitor and control the ambient dust generated in accordance to local environmental pollution control regulations.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL

The development and wellbeing of our people are key to the sustainable growth and success of CHGP.

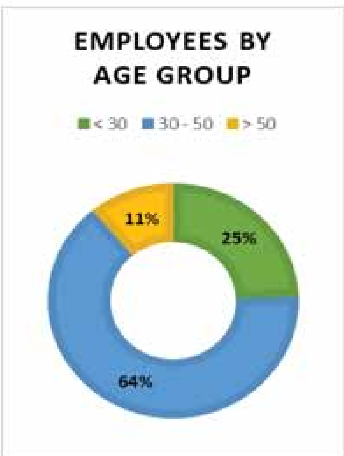
ABOUT OUR PEOPLE

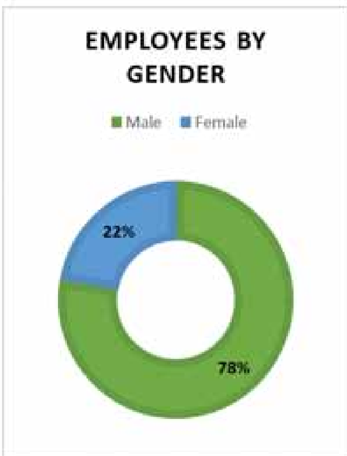
Diversity and equal opportunities are advocated within our Group, as we trust that enhancing exclusiveness will enable us to achieve an equitable society.

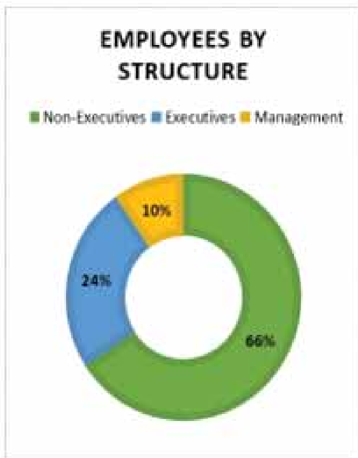
Total CHGP Group Employees (excluding sub-contractors) in Malaysia

We believe that a successful organisation should embrace employees with different backgrounds, qualifications, experiences and cultures.

As at 31 March 2021, we have a total of 102 employees analysed as follows: -







SOCIAL (CONT'D)

In CHGP, we pay serious respect to our employee's welfare and human rights.

We are pleased to report that there has been no record of violations against our people's rights at any time during the Group's history.

Our Group adopts the following principals to ensure all employees are accorded the respect and dignity that they deserve.

- 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 paid on timely basis.
- Provide safe and healthy working environment.
- Respect freedom of association and rights of employees and employers to bargain collectively.

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

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

EMPLOYEE TRAINING AND DEVELOPMENT

Investments in our people development initiatives are fundamentally important to maintain innovative and highly motivated working environment.

Our talented employees provide us with a strong pillar of strength and driver for continuous business growth. In order to achieve greater heights and being a responsible and caring corporate, we take into cognisance that employees training and development are essential to upskill and remain up-to-date for our employees within the industry.

Throughout FYE 2021, the Group has spent approximately RM20,000 for employee development and training initiatives. A summary of our training and development initiatives attended by our employees is shown as follows: -

Date	External Training Description
28 April 2020	Digital Marketing Strategies: Data, Automation, AI & Analytics
7 May 2020	4U LEAD to WIN
12 May 2020	4U ART of WIN
21 September 2020	MFRS 16 Leases: Dealing with The Impact of Covid-19
24 September 2020	Sales Tax 2018: Management of Exemption Facilities & Scrap/Waste Disposal
14 & 15 October 2020	Deferred Tax Under MFRS 112/MFRS Section 29 - Unstacking Complexities with Excel Spreadsheets
2 December 2020	MFRS 16 Impairment Assets
17 December 2020	Boss.Net EA & BIK 2020 Virtual Training

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

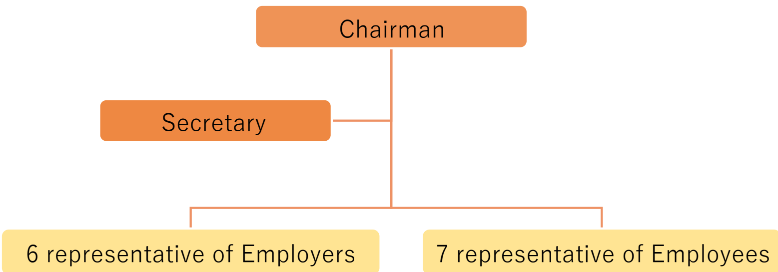
OCCUPATIONAL HEALTH AND SAFETY

In CHGP, health and safety of our employees, contractors and visitors are always our utmost priorty.

As a responsible company, the Group is committed to ensure a safe and healthy working environment for all our employees, contractors and visitors to our business premises. Providing a safe and healthy working environment provides a sense of comfort to employees, thereby boosting morale and work performance as well as mitigates the Group from any adverse reputational risks and costly fines arising from health and safety laws breaches.

We have in place stringent preventive and control measures to mitigate the threat of Covid-19. We ensure that all our employees, including foreign workers are well-equipped with key information related to the Covid-19 pandemic. Today, we continue to undergo mandatory temperature screening at entry point, diligently use of face mask, gloves and hand sanitisers, as well as practice strict social distancing across all premises.

We have established a Safety & Health Committee to facilitate the occupational health and safety management. Our Safety & Health Committee structure is shown as follows: -



Apart from monitoring from Safety & Health Committee, we also constantly provide safety trainings to raise the awareness among our employees on the importance of maintaining a safe and healthy working environment. Throughout FYE 2021, we have conducted several in-house safety and health briefing/training to enhance the safety and health awareness of our employees as follows: -

Date	In-House Training Description
6 May 2020	Precaution of Covid-19 & SOP Briefing
10 July 2020	Safety & Health Awareness Training

Our Health and Safety Aims

- Always in compliance to legislative requirements as stipulated under Malaysian Occupational Safety and Health Act 1994.
- Continual improvement for a safer working environment.
- To achieve injury-free incidence target.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

EMPLOYEE ENGAGEMENT

CHGP recognises the importance of employee engagement as it stimulates bonding amongst management and employees

CHGP actively engages with employees through various events. Throughout FYE 2021, we have organised several events to engage our people such as: -

<u>Festive Season Celebration</u>

In conjunction with Hari Raya Aidilfitri, we had celebration with all employees with lunch.

The session was filled with fun and joy. It was great to see our employees immersed themselves in the event.

LOCAL COMMUNITIES

CHGP believes that contribution to community is essential as part of our corporate social responsibility.

<u>Food Contribution</u>

In FYE 2021, we have contributed by giving food to Covid-19 frontliners. We extended our deepest appreciation for the hard work and excellent contributions shown by them in tackling this pandemic well.

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 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 year 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

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 are 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

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 year, the internal audit function covered the area of account payables of Boon Koon Vehicles Industries Sdn. Bhd. as well as the Anti-Bribery Policy and Practices of the Company.

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 year ended 31 March 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 year ended 31 March 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 year 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 25 August 2021.

AUDIT COMMITTEE **REPORT**

In line with the best practices of MCCG, the Board has set up the Audit Committee which comprises exclusively of Non-Executive Directors with majority being 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	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 within 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 year ended 31 March 2021, the Audit Committee held four (4) meetings and the details of the attendance are as follows:

Members	Meeting Attendance
Khoo Chee Siang	4/4
Ho Kok Loon (Resigned on 28 April 2021)	4/4
Dato' Goh Boon Koon (Resigned on 28 April 2021)	3/4

Summary of Activities of the Audit Committee

The Audit Committee had during the financial year ended 31 March 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.

AUDIT COMMITTEE REPORT (CONT'D)

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

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.

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 2020.

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) Reviewed the Anti-Bribery Policy of the Company.

xv) Assessed the internal audit function of the Group.

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

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
25 June 2020	Unaudited Fourth Quarter Interim Financial Report for the quarter ended 31 March 2020
25 August 2020	Unaudited First Quarter Interim Financial Report for the quarter ended 30 June 2020
26 November 2020	Unaudited Second Quarter Interim Financial Report for the quarter ended 30 September 2020
25 February 2021	Unaudited Third Quarter Interim Financial Report for the quarter ended 31 December 2020

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.

AUDIT COMMITTEE REPORT (CONT'D)

How the Audit Committee Discharged and Met its Responsibilities During the Financial Year (Cont'd)

b) External Auditors

i) The Audit Committee met three (3) times with the External Auditors on 25 June 2020, 25 August 2020 and 25 February 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.

ii) On 25 June 2020, the Audit Committee reviewed the External Auditors' Audit Review Memorandum for the financial year ended 31 March 2020.

iii) On 25 August 2020, 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 UHY as External Auditors to the Board for consideration and tabled to the shareholders for approval at the Eighteenth Annual General Meeting.

iv) On 25 February 2021, the Audit Committee reviewed and evaluated the audit planning memorandum prepared by Messrs UHY ("UHY") for the financial year ended 31 March 2021 which covered the following subject matters :

- audit objective;
- engagement and reporting responsibilities;
- audit approach, areas of audit emphasis and possible key audit matters;
- updates on Malaysian Financial Reporting Standards ("MFRS") in year 2021; 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 25 June 2020, the Audit Committee reviewed and evaluated the Internal Audit Report ("IAR") on internal control systems on general safety and security of Boon Koon Vehicles Industries Sdn. Bhd. ("BKVI") for the quarter ended 31 March 2020 prepared by Eco Asia Governance Advisory Sdn. Bhd. (formerly known as Eco Asia Advisory Sdn. Bhd.) ("Eco Asia"), the outsourced Internal Auditors of the Company. Eco Asia's IAR covered the following:-

a) <u>General Safety & Security</u>

- Emergency response procedures;
- Fire safety measures;
- Lighting and electrical;
- Workstations and storage areas; and
- Hazardous substances.

On 25 August 2020, 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.

AUDIT COMMITTEE REPORT (CONT'D)

How the Audit Committee Discharged and Met its Responsibilities During the Financial Year (Cont'd)

c) Internal Audit (Cont'd)

On 26 November 2020, the Audit Committee reviewed and evaluated the IAR pertaining to the internal control systems on account payables of BKVI for the quarter ended 30 September 2020 prepared by Eco Asia. Eco Asia's IAR covered the following:

b) <u>Account Payables</u>

i) Processing of Payments;
ii) Creditors reconciliation;
iii) Petty cash management; and
iv) Safeguarding of cash.

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.

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 of existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature on 25 August 2020.

e) Other matters considered by Audit Committee

On 25 August 2020, the Audit Committee reviewed the Audit Committee Report for inclusion in the Annual Report for the financial year ended 31 March 2020 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 year ended 31 March 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 Nineteenth Annual General Meeting of the Company will be held and conducted by way of fully virtual meeting through Online Meeting Platform of Vote2u at https://web.vote2u.my (Domain Registration Number with MYNIC:D6A471702) provided by Agmo Digital Solutions Sdn Bhd, Malaysia on Monday, 20 September 2021 at 10:00 am for the following purposes:-

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2021 together with the Reports of the Directors and Auditors thereon.

2. To approve the payment of Directors' fees and Directors' benefits of RM165,400.00 for the financial year ending 31 March 2022. **Ordinary Resolution 1**

3. To re-elect Datuk Seri Chiau Beng Teik who retires in accordance with the Article 95 of the Company's Constitution. **Ordinary Resolution 2**

4. To re-elect Datuk Cheng Lai Hock who retires in accordance with the Article 102 of the Company's Constitution. **Ordinary Resolution 3**

5. To re-elect Encik Mohd Yusri Bin Md Yusof who retires in accordance with the Article 102 of the Company's Constitution. **Ordinary Resolution 4**

6. To re-elect Ms Shelly Chiau Yee Wern who retires in accordance with the Article 102 of the Company's Constitution. **Ordinary Resolution 5**

7. 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 6**

AS SPECIAL BUSINESS:

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

8.1 **ORDINARY RESOLUTION**
AUTHORITY TO ISSUE SHARES

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 ("**the Act**"), and subject to the approvals of the relevant Governmental and/or regulatory authorities, 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 issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." **Ordinary Resolution 7**

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

8.2 **ORDINARY RESOLUTION**
PROPOSED RENEWAL OF AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF AND NEW 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 27 August 2021, 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 8**

8.3 **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 9**

9. 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: 27 August 2021

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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 13 September 2021 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 Nineteenth 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 year ended 31 March 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 financial year ending 31 March 2022

Ordinary Resolution 1 is to facilitate payment of Directors' fees and Directors' benefits on current financial year basis, calculated based on the number of scheduled Board and Committee meetings for financial year 2022 and assuming that all Directors will hold office until the end of the financial year. 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)

Explanatory Notes on Special Business

Ordinary Resolution 7 – Authority to Issue Shares

The proposed Ordinary Resolution 7, if passed, primarily to renew the mandate to give authority to the Board of Directors of the Company to issue and allot shares in the Company up to an amount not exceeding 10% 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.

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 Eighteenth Annual General Meeting held on 28 September 2020 and which will lapse at the conclusion of the Nineteenth Annual General Meeting to be held on 20 September 2021. A renewal of this authority is being sought at the Nineteenth Annual General Meeting under proposed Ordinary Resolution 7.

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).

Ordinary Resolution 8 – Proposed Renewal of And New Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature

The proposed Ordinary Resolution 8, 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 27 August 2021.

Ordinary Resolution 9 – Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 9, 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 Malaysia Securities Berhad.

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.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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 7 as stated in the Notice of Annual General Meeting of the Company for the details.

REPORTS AND FINANCIAL STATEMENTS

DIRECTORS' **REPORT**

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 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 7 to the financial statements.

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

Financial Results

	Group RM	Company RM
Profit for the financial year	11,100,763	16,103,973
Attributable to:		
Owners of the parent	11,101,980	16,103,973
Non-controlling interests	(1,217)	–
	11,100,763	16,103,973

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year 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 year.

Issue of Shares and Debentures

During the financial year, the Company issued:

(a) 10,000,000 new ordinary shares at issue price of RM0.42 for a total cash consideration of RM4,200,000 for working capital purposes.

(b) 30,000,000 new ordinary shares at issue price of RM0.35 for a total cash consideration of RM10,500,000 for working capital purposes.

(c) 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.

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

There was no issuance of debentures during the financial year.

DIRECTORS' REPORT (CONT'D)

Treasury Shares

As at 31 March 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 14 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 15(a) to the financial statements.

As at 31 March 2021, the total numbers of Warrants that remained unexercised were 116,334,500.

Options Granted Over Unissued Shares

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

Directors

Directors who served since the beginning of the financial year until 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	
Encik 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) since the beginning of the financial year up to the date of this report:

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^	(Appointed on 10.6.2020)
Dato' Hj. Mat Yusof Bin Abdullah#	(Resigned on 1.4.2020)

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

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 year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.4.2020	**Bought**	**Sold**	**At 31.3.2021**
Interests in the Company				
Direct interests:				
Dato' Goh Boon Koon	2,650,000	–	–	2,650,000
Datuk Seri Chiau Beng Teik	57,156,100	6,171,800	11,186,900	52,141,000
Chiau Haw Choon	7,859,000	–	–	7,859,000
Ho Kok Loon	67,500	–	–	67,500
Indirect interests:				
Dato' Goh Boon Koon [1]	50,349,890	2,200,000	11,027,500	41,522,390
Datuk Seri Chiau Beng Teik [2]	110,108,435	89,774,735	83,274,735	116,608,435
Chiau Haw Choon [2]	110,108,435	89,774,735	83,274,735	116,608,435

	Number of Warrants			
	At 1.4.2020	**Bought**	**Sold**	**At 31.3.2021**
Interests in the Company				
Direct interests:				
Dato' Goh Boon Koon	31,847,373	–	8,000,000	23,847,373
Ho Kok Loon	33,750	–	–	33,750
Datuk Seri Chiau Beng Teik	34,240,000	534,000	–	34,774,000
Datuk Yeo Chun Sing	100,000	–	–	100,000
Indirect interests:				
Dato' Goh Boon Koon [1]	2,200,000	–	2,200,000	–
Datuk Seri Chiau Beng Teik [2]	2,787,700	2,607,700	2,607,700	2,787,700
Chiau Haw Choon [2]	2,787,700	2,607,700	2,607,700	2,787,700

<u>Notes</u>

1 *Deemed interest through BKNT Resources Sdn. Bhd. by virtue of his shareholdings of not less than 20% in BKNT Resources Sdn. Bhd. pursuant to section 8 of the Companies Act 2016 ("the Act") and other interest held through his children pursuant to section 59(11)(c) of the Act*

2 *Deemed interest through 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 PP Chin Hin Realty Sdn. Bhd. 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 year 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 year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' REPORT (CONT'D)

Directors' Benefits

Since the end of the previous financial year, no Director 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 30(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 30(b) to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to 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 year, 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. No indemnity was given to or insurance effected for the auditors of the Company.

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 all known bad debts had been written off and that adequate allowance had been made for doubtful debts; 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 the amounts written off for 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 year 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 year.

DIRECTORS' REPORT (CONT'D)

Other Statutory Information (Cont'd)

(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 year 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 year 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 year 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 year in which this report is made.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 7 to the financial statements.

Significant Events

The details of the significant events are disclosed in Note 36 to the financial statements.

Subsequent Events

The details of the subsequent events are disclosed in Note 37 to the financial statements.

Auditors

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

The details of the auditors' remuneration are set out in Note 23 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 25 August 2021.

DATUK SERI CHIAU BENG TEIK **CHIAU HAW CHOON**

KUALA LUMPUR

STATEMENT BY **DIRECTORS**

Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 84 to 174 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements 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 March 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 25 August 2021.

DATUK SERI CHIAU BENG TEIK **CHIAU HAW CHOON**

KUALA LUMPUR

STATUTORY **DECLARATION**

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Chiau Haw Choon, being the Director primarily responsible for the financial management of Chin Hin Group Property Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 84 to 174 are 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.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in the)
Federal Territory on 25 August 2021.)

CHIAU HAW CHOON

Before me,

No. W790
ZAINUL ABIDIN BIN AHMAD
COMMISSIONER FOR OATHS

INDEPENDENT
AUDITORS' REPORT
To the members of Chin Hin Group Property Berhad

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 March 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 84 to 174.

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 March 2021, and of their financial performance and their cash flows for the financial year 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 year. 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 The revenue from property development activities is recognised over the period of the property development activities by reference to the progress towards complete satisfaction of the performance obligation. The Group uses progressive recognition method in accounting for the progress towards complete satisfaction of the performance obligation. We focused on this area because of the inherent complexity involved in the application of MFRS 15 *Revenue from Contracts with Customers* and the significant management judgement involved in developing and monitoring total budgeted property development costs, and estimating future costs which are impacted by changes in prices, exchange rates and inflation, among others.	As part of our audit, we performed the followings: • Evaluated whether the accounting policy adopted by the management is consistent with the requirements of MFRS 15 *Revenue from Contracts with Customers*; • Obtained an understanding of the internal controls pertaining to management budgeting process for the ongoing property development project; • Read the sales and purchase agreements entered into with the customers to obtain an understanding of the specific terms and conditions; • Evaluated management's assumptions applied in estimating the total property development costs including the provisions and allocations of common infrastructure costs for the property development project by comparing the estimated property development costs to the contracts awarded to the contractors;

INDEPENDENT AUDITORS' REPORT
To the members of Chin Hin Group Property Berhad
(CONT'D)

Key Audit Matters (Cont'd)

Key audit matters	How we addressed the key audit matters
1. Revenue and cost recognition for property development activity (Cont'd) For the financial year ended 31 March 2021, the revenue and cost of the property development activity contributed to 48% and 46% of the Group's revenue and cost of sales. 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.	As part of our audit, we performed the followings: (Cont'd) • Assessed the completeness of the property development cost recorded by examining the supporting documents such as latest progress claims from the contractors and suppliers' invoices; • Evaluated variances between actual costs received and budgeted property development costs to assess whether the total estimated costs to completion have been properly updated; • Assessed the mathematical accuracy of the revenue and profit based on progressive recognition computation; and • Assessed the adequacy of the disclosures in accordance with MFRS 15 *Revenue from Contracts with Customers*.
2. Net valuation of inventories As at 31 March 2021, the Group held other inventories of RM28,079,803. 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.	Our audit procedures included, amongst others: • Reviewed the valuation method of inventories in accordance with MFRS 102 *Inventories*; • Obtained an understanding of how the Group derive its general impairment policy and makes the accounting estimates for inventory write-downs; • Reviewed the consistency of the application of the Group's policy in write-down of inventory; • Made inquiries of management regarding the action plans to clear slow moving aged and obsolete inventories; • Tested the net realisable value of inventories on a sampling basis; and • Evaluated the reasonableness and adequacy of the allowance for inventories recognised in the financial statements.

INDEPENDENT AUDITORS' REPORT

To the members of Chin Hin Group Property Berhad

(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 Refer to significant accounting policies Note 3(n)(ii), significant accounting judgements, estimates and assumptions Note 2(d) and Note 11 Trade Receivables. We focused on this area due to the Group has significant trade receivables as at 31 March 2021 and it is subject to credit risk exposure.	Our audit procedures included, amongst others: • Understood and tested the relevant controls over identification of objective evidence of impairment of trade receivables and the calculation of the impairment loss; • 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 trade receivables' circumstances; • 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; • 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; and • 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.

INDEPENDENT AUDITORS' REPORT
To the members of Chin Hin Group Property Berhad
(CONT'D)

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.

INDEPENDENT AUDITORS' REPORT
To the members of Chin Hin Group Property Berhad
(CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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: (Cont'd)

- 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 year 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.

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 7 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

DATUK TEE GUAN PIAN
Approved Number: 01886/05/2022 J
Chartered Accountant

KUALA LUMPUR

25 August 2021

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2021

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Non-Current Assets					
Property, plant and equipment	4	39,285,060	39,660,669	9,179	15,484
Right-of-use assets	5	2,965,948	3,206,331	273,373	358,696
Investment properties	6	28,800,000	28,800,000	28,800,000	28,800,000
Investments in subsidiary companies	7	–	–	41,148,771	41,248,771
Investments in associate companies	8	40,475,826	36,541,644	–	–
Inventories	9	884,475	884,475	–	–
Deferred tax assets	10	292,605	1,508,032	–	–
		112,703,914	110,601,151	70,231,323	70,422,951
Current Assets					
Inventories	9	30,547,770	57,933,852	–	–
Trade receivables	11	109,087,050	64,892,712	–	–
Other receivables	12	33,091,335	11,309,891	87,991	15,687
Amount due from subsidiary companies	13	–	–	43,211,481	28,141,317
Tax recoverable		10,414	2,176	141	75
Cash and bank balances		11,898,063	4,710,436	1,248,178	269,116
		184,634,632	138,849,067	44,547,791	28,426,195
Total Assets		297,338,546	249,450,218	114,779,114	98,849,146

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2021

(CONT'D)

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Equity					
Share capital	14	80,190,781	62,535,726	80,190,781	62,535,726
Treasury shares	14	(255,208)	(255,208)	(255,208)	(255,208)
Reserves	15	21,592,363	22,446,527	7,034,179	7,720,174
Retained earnings/ (Accumulated losses)		47,133,410	34,559,755	11,371,073	(4,732,900)
Equity attributable to owners of the parent		148,661,346	119,286,800	98,340,825	65,267,792
Non-controlling interests		176,239	256,258	–	–
Total Equity		148,837,585	119,543,058	98,340,825	65,267,792
Non-Current Liabilities					
Contract liabilities	16	34,725	57,895	–	–
Bank borrowings	17	746,145	771,593	–	–
Lease liabilities	18	1,112,043	1,162,602	202,442	287,935
Deferred tax liabilities	10	3,424,995	3,411,102	1,087,574	1,087,574
		5,317,908	5,403,192	1,290,016	1,375,509
Current Liabilities					
Contract liabilities	16	289,445	296,050	–	–
Trade payables	19	14,949,036	32,320,450	–	–
Other payables	20	39,511,230	20,539,094	164,566	61,537
Amount due to subsidiary companies	13	–	–	14,898,214	32,062,733
Bank borrowings	17	84,188,415	67,947,083	–	–
Lease liabilities	18	531,310	697,458	85,493	81,575
Tax payable		3,713,617	2,703,833	–	–
		143,183,053	124,503,968	15,148,273	32,205,845
Total Liabilities		148,500,961	129,907,160	16,438,289	33,581,354
Total Equity and Liabilities		297,338,546	249,450,218	114,779,114	98,849,146

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

STATEMENTS OF PROFIT OR LOSS AND **OTHER COMPREHENSIVE INCOME**

For the financial year ended 31 March 2021

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Revenue	21	163,148,455	139,622,078	694,153	697,910
Cost of sales		(139,092,117)	(121,805,034)	–	–
Gross profit		24,056,338	17,817,044	694,153	697,910
Other income		1,318,705	1,908,926	21,500,048	417
Administrative expenses		(7,156,510)	(8,754,894)	(1,874,485)	(4,988,058)
Selling and distribution expenses		(1,256,487)	(1,617,468)	–	–
Net loss on impairment of financial instruments		(779,738)	(754,412)	(4,200,118)	(53,989)
Profit/(Loss) from operations		16,182,308	8,599,196	16,119,598	(4,343,720)
Finance costs	22	(3,064,628)	(2,249,816)	(15,625)	(19,363)
Share of results of associate company		3,934,182	1,541,644	–	–
Profit/(Loss) before tax	23	17,051,862	7,891,024	16,103,973	(4,363,083)
Taxation	24	(5,951,099)	(4,156,207)	–	–
Profit/(Loss) for the financial year		11,100,763	3,734,817	16,103,973	(4,363,083)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the financial year ended 31 March 2021
(CONT'D)

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss:					
Exchange translation differrences for foreign operations		(296)	(47)	–	–
Other comprehensive loss for the financial year		(296)	(47)	–	–
Total comprehensive income/(loss) for the financial year		11,100,467	3,734,770	16,103,973	(4,363,083)
Profit/(Loss) for the financial year attributable to:					
Owners of the parent		11,101,980	3,750,467	16,103,973	(4,363,083)
Non-controlling interests		(1,217)	(15,650)	–	–
		11,100,763	3,734,817	16,103,973	(4,363,083)
Total comprehensive income/(loss) for the financial year attributable to:					
Owners of the parent		11,101,684	3,750,420	16,103,973	(4,363,083)
Non-controlling interests		(1,217)	(15,650)	–	–
		11,100,467	3,734,770	16,103,973	(4,363,083)
Earnings per share:					
Basic (sen)	25	3.45	1.27		
Diluted (sen)	25	2.82	1.11		

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

STATEMENTS OF **CHANGES IN EQUITY**

For the financial year ended 31 March 2021

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
		Attributable to Owners of the Parent									
		Non-Distributable						Distributable			
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	14	14,700,000	–	–	–	–	–	–	14,700,000	–	14,700,000
Exercise of warrants	14	2,955,055	–	(685,995)	–	–	–	–	2,269,060	–	2,269,060
Disposal of equity interest to 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
For the financial year ended 31 March 2021
(CONT'D)

		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 2019, as previously reported		62,448,653	(255,208)	7,740,387	176,356	(27,934)	16,000,984	29,828,901	115,912,139	384,567	116,296,706
Effect of adopting MFRS 16		–	–	–	–	–	–	(29,408)	(29,408)	–	(29,408)
At 1 April 2019, as restated		62,448,653	(255,208)	7,740,387	176,356	(27,934)	16,000,984	29,799,493	115,882,731	384,567	116,267,298
Profit for the financial year		–	–	–	–	–	–	3,750,467	3,750,467	(15,650)	3,734,817
Other comprehensive loss for the financial year		–	–	–	(47)	–	–	–	(47)	–	(47)
Total comprehensive income for the financial year		–	–	–	(47)	–	–	3,750,467	3,750,420	(15,650)	3,734,770
Realisation of revaluation surplus		–	–	–	–	–	(1,423,006)	1,423,006	–	–	–
Transactions with owners:											
Exercise of warrants	14	87,073	–	(20,213)	–	–	–	–	66,860	–	66,860
Acquisition of equity interest of NCI		–	–	–	–	–	–	(413,211)	(413,211)	(112,659)	(525,870)
Total transactions with owners of the Company		87,073	–	(20,213)	–	–	–	(413,211)	(346,351)	(112,659)	(459,010)
At 31 March 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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2021

(CONT'D)

Company	Note	Non-Distributable Share Capital RM	Non-Distributable Treasury Shares RM	Non-Distributable Warrant Reserve RM	Distributable Retained Earnings/ (Accumulated Losses) RM	Total Equity RM
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	14	14,700,000	–	–	–	14,700,000
Exercise of warrants	14	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
At 1 April 2019, as previously reported		62,448,653	(255,208)	7,740,387	(366,490)	69,567,342
Effect of adopting MFRS 16		–	–	–	(3,327)	(3,327)
At 1 April 2019, as restated		62,448,653	(255,208)	7,740,387	(369,817)	69,564,015
Loss for the financial year, representing total comprehensive loss for the financial year		–	–	–	(4,363,083)	(4,363,083)
Transactions with owners:						
Exercise of warrants	14	87,073	–	(20,213)	–	66,860
At 31 March 2020		62,535,726	(255,208)	7,720,174	(4,732,900)	65,267,792

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

STATEMENTS OF CASH FLOWS

For the financial year ended 31 March 2021

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash Flows from Operating Activities				
Profit/(Loss) before tax	17,051,862	7,891,024	16,103,973	(4,363,083)
Adjustments for:				
Bad debt written off	–	24,000	460,561	–
Depreciation of:				
- property, plant and equipment	1,065,197	1,355,266	6,305	9,126
- right-of-use assets	740,597	707,527	85,323	85,324
Dividend income	–	–	(18,000,000)	–
(Gain)/Loss on disposal of:				
- property, plant and equipment	(75,000)	(557,863)	–	–
- right-of-use assets	(60,000)	10,919	–	–
Gain on lease modification	(23,824)	–	–	–
Gain on disposal of investment in subsidiary companies	–	–	(3,449,994)	–
Impairment loss on:				
- investment in subsidiary companies	–	–	–	2,934,031
- trade receivables	1,875,265	821,186	–	–
- other receivables	405,000	13,600	–	–
- amount due from subsidiary companies	–	–	4,669,224	53,989
Interest expense	3,064,628	2,249,816	15,625	19,363
Interest income	(12,989)	(53,367)	(9,553)	(10)
Inventories written down	1,087,501	2,823,466	–	–
Property, plant and equipment written off	–	411,345	–	–
Reversal of impairment loss on:				
- amount due from subsidiary companies	–	–	(469,106)	–
- investment in subsidiary companies	–	–	(50,006)	–
- trade receivables	(1,500,527)	(80,374)	–	–
Share of result of associate company	(3,934,182)	(1,541,644)	-	-
Waiver of debt by an associate company	(8,373)	(610,808)	-	-
Unrealised (gain)/loss on foreign exchange	(42,583)	404,486	451	(417)
Operating profit/(loss) before working capital changes	19,632,572	13,868,579	(637,197)	(1,261,677)

STATEMENTS OF CASH FLOWS
For the financial year ended 31 March 2021
(CONT'D)

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Changes in working capital:				
Inventories	26,145,402	(62,343)	–	–
Receivables	(67,079,340)	6,504,314	(72,304)	4,133
Payables	1,975,313	(25,337,494)	103,029	(27,862)
Contract liabilities	(29,775)	15,169	–	–
	(38,988,400)	(18,880,354)	30,725	(23,729)
Cash used in operations	(19,355,828)	(5,011,775)	(606,472)	(1,285,406)
Interest received	9,553	5,896	9,553	10
Interest paid	(3,098,008)	(2,290,627)	(15,625)	(19,363)
Tax refunded	–	21,212	–	282
Tax paid	(3,720,232)	(2,628,668)	(66)	(75)
	(6,808,687)	(4,892,187)	(6,138)	(19,146)
Net cash used in operating activities	(26,164,515)	(9,903,962)	(612,610)	(1,304,552)
Cash Flows from Investing Activities				
Advance to subsidiary companies	–	–	(19,730,843)	(1,457)
Dividend received	–	–	18,000,000	–
Purchase of property, plant and equipment	(503,029)	(685,394)	–	–
Proceeds from disposals of:				
- property, plant and equipment	75,000	606,582	–	–
- right-of-use assets	60,000	2,485,729	–	–
- investment in subsidiary companies	–	–	3,600,000	–
Interest received	3,436	47,471	–	–
Acquisition of investment in associate company	–	(35,000,000)	–	–
Disposal/(Acquisition) of equity interest to/(of) non-controlling interests	1,225,000	(525,870)	–	–
Net cash from/(used in) investing activities	860,407	(33,071,482)	1,869,157	(1,457)

STATEMENTS OF CASH FLOWS
For the financial year ended 31 March 2021
(CONT'D)

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Cash Flows from Financing Activities				
(Repayment to)/Advance from subsidiary companies	–	–	(17,164,519)	1,434,787
Decrease in fixed deposits pledged	–	109,707	–	–
Payment of lease liabilities	(693,097)	(686,594)	(81,575)	(77,837)
Net changes in banker's acceptances	(10,265,000)	(4,794,000)	–	–
Net changes in revolving credit	26,500,000	42,500,000	–	–
Repayment of term loans	(19,116)	(24,731)	–	–
Proceeds from issuance of share capital	14,700,000	–	14,700,000	–
Proceeds from exercise of warrants	2,269,060	66,860	2,269,060	66,860
Net cash from/(used in) financing activities	32,491,847	37,171,242	(277,034)	1,423,810
Net increase/(decrease) in cash and cash equivalents	7,187,739	(5,804,202)	979,513	117,801
Cash and cash equivalents at the beginning of the financial year	4,710,436	10,505,243	269,116	150,898
Effect of exchange translation difference on cash and cash equivalents	(112)	9,395	(451)	417
Cash and cash equivalents at the end of the financial year	11,898,063	4,710,436	1,248,178	269,116
Cash and cash equivalents at the end of the financial year comprises:				
Cash and bank balances	11,898,063	4,710,436	1,248,178	269,116
Cash outflows for leases for a lessee				
Included in net cash from operating activities:				
Interest paid in relation to lease liabilities	(80,076)	(82,617)	(15,625)	(19,363)
Payment relating to short-term leases	(48,098)	(39,149)	–	–
Included in net cash from financing activities:				
Payment of lease liabilities	(693,097)	(686,594)	(81,575)	(77,837)
Total cash outflows for leases	(821,271)	(808,360)	(97,200)	(97,200)

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

NOTES TO THE
FINANCIAL STATEMENTS
31 March 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 was located at 51-13-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang. With effect from 15 April 2021, the Company's registered office has been changed to 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 7. There have been no significant changes in the nature of these activities during the financial year.

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.

Adoption of new and amended standards

During the financial year, 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 year:

Amendments to References to Conceptual Framework in MFRS Standards

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to MFRS 4	Extension of the Temporary Exemption from applying MFRS 9
Amendments to MFRS 16	Covid-19 – Related Rent Concessions

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2	1 January 2021
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 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 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of Preparation (Cont'd)

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the 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 is 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 recognises revenue over time in the following circumstances:

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

(b) the Group does 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 performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

2. Basis of Preparation (Cont'd)

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

Judgements (Cont'd)

Satisfaction of performance obligations in relation to contracts with customers (Cont'd)

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 assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

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

The Group determines 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 has several lease contracts that include extension and termination options. The Group applies 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 reassesses 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.

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 regularly reviews 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, ROU assets and investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged an independent valuation specialist to assess fair value as at 31 March 2021 for investment properties and revalued land and buildings. For investment properties, a valuation methodology based on sales comparison approach was used. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. 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. The fair value of buildings was determined using the 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, ROU assets and investment properties are provided in Notes 4, 5 and 6 respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty (Cont'd)

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 10.

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 7.

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 March 2021, the Group has tax recoverable of RM10,414 (2020: RM2,176) and tax payable of RM3,713,617 (2020: RM2,703,833) respectively. The Company has tax recoverable of RM141 (2020: RM75).

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 9(c).

Determination of transaction prices

The Group is 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 16.

Provision for expected credit loss of financial assets at amortised cost

The Group reviews the recoverability of its receivables, include trade and other receivables 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 uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group'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 11, 12 and 13 respectively.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group 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 estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies

The Group and the Company apply the significant accounting policies set out below, consistent 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.

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(n)(i).

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(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(n)(i).

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(b) Investments in associate companies (Cont'd)

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(n)(i) to the financial statements on impairment of non-financial assets.

(c) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(d) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(e) 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(n)(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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

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

(ii) Subsequent costs (Cont'd)

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.

(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 principal annual rates of the assets as follows:

Buildings	50 years
Machinery and factory equipment	5 - 10 years
Office equipment, furniture and fittings	3 - 12½ years
Motor vehicles	5 - 6¼ 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.

(f) 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(n)(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	49 years
Buildings	16.67% - 25%
Machinery and factory equipment	10%
Motor vehicles	14%

The ROU assets are subject to impairment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(f) Leases (Cont'd)

As lessee (Cont'd)

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.

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.

3. Significant Accounting Policies (Cont'd)

(g) 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.

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.

(h) 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.

3. Significant Accounting Policies (Cont'd)

(h) Financial assets

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.

(i) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(j) 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*.

(k) 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.

(l) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(l) 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.

(m) 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 statement of cash flows, cash and cash equivalents are presented net of pledged deposits.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(n) Impairment of assets (Cont'd)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(n) Impairment of assets (Cont'd)

(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.

(o) 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 instrutments. 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(p) 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.

(q) Revenue Recognition

(i) Revenue from contracts with customers

Revenue is recognised when the Group 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 expects 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 recognises revenue from the following major sources:

(a) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(q) Revenue Recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

The Group recognises revenue from the following major sources (Cont'd):

(b) 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.

(c) 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.

(d) 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.

(ii) Rental and fleet management service income

Rental and fleet management service income are recognised on a straight-line basis over lease term.

(iii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

3. Significant Accounting Policies (Cont'd)

(r) 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.

(s) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is 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 year, 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(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.

(u) 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.

(v) 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.

(w) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(w) Fair value measurement (Cont'd)

When measuring the fair value of an asset or a liability, the Group uses 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 recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. Property, Plant and Equipment

	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						
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. Property, Plant and Equipment (Cont'd)

	At valuation/cost							
	Freehold land RM	Leasehold land RM	Buildings RM	Machinery and factory equipment RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
Group								
2020								
Valuation								
At 1 April 2019, as previously reported	20,300,000	2,897,848	19,136,908	–	–	–	–	42,334,756
Effect of adopting MFRS 16	–	(2,897,848)	(936,908)	–	–	–	–	(3,834,756)
At 1 April 2019, restated/ At 31 March 2020	20,300,000	–	18,200,000	–	–	–	–	38,500,000
Cost								
At 1 April 2019, as previously reported	–	–	–	21,563,961	4,293,655	9,414,032	411,345	35,682,993
Effect of adopting MFRS 16	–	–	–	(378,285)	–	(976,853)	–	(1,355,138)
At 1 April 2019, restated	–	–	–	21,185,676	4,293,655	8,437,179	411,345	34,327,855
Additions	–	–	–	55,000	502,917	127,478	–	685,395
Disposals	–	–	–	(1,582,378)	(23,700)	(600,000)	–	(2,206,078)
Written off	–	–	–	(562,894)	–	(43,456)	(411,345)	(1,017,695)
At 31 March 2020	–	–	–	19,095,404	4,772,872	7,921,201	–	31,789,477

4. Property, Plant and Equipment (Cont'd)

	At valuation/cost							
	Freehold land RM	Leasehold land RM	Buildings RM	Machinery and factory equipment RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
Group								
2020								
Accumulated depreciation								
At 1 April 2019, as previously reported	–	–	–	20,097,169	3,828,745	8,879,192	–	32,805,106
Effect of adopting MFRS 16	–	–	–	(242,734)	–	(595,971)	–	(838,705)
At 1 April 2019, restated	–	–	–	19,854,435	3,828,745	8,283,221	–	31,966,401
Charge for the financial year	–	–	491,893	659,721	132,568	71,084	–	1,355,266
Disposals	–	–	–	(1,535,326)	(9,367)	(600,000)	–	(2,144,693)
Written off	–	–	–	(562,894)	–	(43,456)	–	(606,350)
At 31 March 2020	–	–	491,893	18,415,936	3,951,946	7,710,849	–	30,570,624
Accumulated impairment loss								
At 1 April 2019	–	–	–	70,850	–	–	–	70,850
Disposals	–	–	–	(12,666)	–	–	–	(12,666)
At 31 March 2020	–	–	–	58,184	–	–	–	58,184
Carrying amount								
At 31 March 2020	20,300,000	–	17,708,107	621,284	820,926	210,352	–	39,660,669

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. Property, Plant and Equipment (Cont'd)

	Office equipment, furniture and fittings RM	Motor vehicles RM	Total RM
Company			
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
2020			
Costs			
At 1 April 2019/31 March 2020	281,921	92,637	374,558
Accumulated depreciation			
At 1 April 2019	257,311	92,637	349,948
Charge for the financial year	9,126	–	9,126
At 31 March 2020	266,437	92,637	359,074
Carrying amount			
At 31 March 2020	15,484	–	15,484

(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 17 are:

	Group 2021 RM	Group 2020 RM
Freehold land	20,300,000	20,300,000
Buildings	17,216,215	17,708,107
	37,516,215	38,008,107

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 cost approach that reflects the cost to a market particopant 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 March 2021 as follows:

	Level 2 RM
Group	
Freehold land	20,300,000
Buildings	17,216,215
	37,516,215

There is no transfer between Level 1 and 2 fair values during the financial year.

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		
2021		
Cost	10,609,431	16,449,098
Accumulated depreciation	–	(6,105,411)
	10,609,431	10,343,687
2020		
Cost	10,609,431	16,449,098
Accumulated depreciation	–	(5,777,489)
	10,609,431	10,671,609

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. Right-of-Use Assets

	Leasehold land RM	Buildings RM	Machinery and factory equipment RM	Motor vehicles RM	Total RM
Group					
2021					
Cost/Valuation					
At 1 April 2020	1,300,705	1,587,886	378,285	1,893,457	5,160,333
Additions	–	1,012,648	–	–	1,012,648
Disposals	–	–	–	(576,707)	(576,707)
Modification to lease term	–	(854,058)	–	–	(854,058)
At 31 March 2021	1,300,705	1,746,476	378,285	1,316,750	4,742,216
Accumulated depreciation					
At 1 April 2020	20,646	497,664	295,694	1,139,998	1,954,002
Charge for the financial year	20,648	378,058	52,959	288,932	740,597
Disposals	–	–	–	(576,707)	(576,707)
Modification to lease term	–	(341,624)	–	–	(341,624)
At 31 March 2021	41,294	534,098	348,653	852,223	1,776,268
Carrying amount	1,259,411	1,212,378	29,632	464,527	2,965,948

	Leasehold land RM	Buildings RM	Machinery and factory equipment RM	Motor vehicles RM	Total RM
Group					
2020					
Cost/Valuation					
At 1 April 2019, as previously reported	–	–	–	–	–
Effect of adopting MFRS 16	2,897,848	2,035,575	378,285	1,348,457	6,660,165
At 1 April 2019, as restated	2,897,848	2,035,575	378,285	1,348,457	6,660,165
Additions	–	489,219	–	545,000	1,034,219
Disposals	(1,597,143)	(936,908)	–	–	(2,534,051)
At 31 March 2020	1,300,705	1,587,886	378,285	1,893,457	5,160,333
Accumulated depreciation					
At 1 April 2019, as previously reported	–	–	–	–	–
Effect of adopting MFRS 16	–	184,165	242,734	856,979	1,283,878
At 1 April 2019, as restated	–	184,165	242,734	856,979	1,283,878
Charge for the financial year	38,075	333,473	52,960	283,019	707,527
Disposals	(17,429)	(19,974)	–	–	(37,403)
At 31 March 2020	20,646	497,664	295,694	1,139,998	1,954,002
Carrying amount	1,280,059	1,090,222	82,591	753,459	3,206,331

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. Right-of-Use Assets (Cont'd)

	Buildings 2021 RM	Buildings 2020 RM
Company		
Cost		
At 1 April, as previously reported	476,999	–
Effect of adopting MFRS 16	–	476,999
At 1 April, as restated/31 March	476,999	476,999
Accumulated depreciation		
At 1 April, as previously reported	118,303	–
Effect of adopting MFRS 16	–	32,979
At 1 April, as restated	118,303	32,979
Charge for the financial year	85,323	85,324
At 31 March	203,626	118,303
Carrying amount		
At 31 March	273,373	358,696

(a) Assets pledged as securities to financial institution

Motor vehicles with a carrying amount of RM430,608 (2020: RM695,949) of the Group are pledged as securities for the related lease liabilities.

(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 cost approach that reflects the cost to a market particopant 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 March 2021 as follows:

	Level 2 RM
Leasehold land	1,259,411

There was no transfer between fair value hierarchy Level 1 and Level 2 during the financial year.

5. Right-of-Use Assets (Cont'd)

(b) Valuation of leasehold land (Cont'd)

Had the leasehold land been carried at historical cost less accumulated depreciation, their carrying amounts would be as follows:

	Group	
	2021 **RM**	**2020** **RM**
Cost	1,347,030	1,347,030
Less: Accumulated depreciation	(89,089)	(67,708)
	1,257,941	1,279,322

6. Investment Properties

	Freehold land **RM**	**Buildings** **RM**	**Total** **RM**
Group and Company			
At fair value			
At 1 April 2020/31 March 2021	27,700,000	1,100,000	28,800,000
At 1 April 2019/31 March 2020	27,700,000	1,100,000	28,800,000

(a) Fair value basis of investment properties

The investment properties are valued annually at fair value based on market values determined by independent qualified valuers amounting to RM28,800,000 (2020: RM28,800,000). The independent professional qualified valuers hold recognised relevant professional qualifications and have recent experience in the locations and segment of the investment properties valued. The fair value measurement of the investment properties are based on the highest and best use. The fair values are within level 3 of the fair value hierarchy. The fair values have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as location, condition, land improvement and property size. The most significant input into this valuation approach is price per square foot of comparable properties.

There was no transfer between levels during current and previous financial year.

(b) Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:

	2021 **RM**	**2020** **RM**
Group and Company		
Direct operating expenses:		
- income generating investment properties	(12,804)	(13,379)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. Investments in Subsidiary Companies

	Company 2021 RM	Company 2020 RM
In Malaysia		
At cost		
Unquoted shares	69,858,232	70,008,238
Less: Accumulated impairment losses	(28,709,462)	(28,759,468)
	41,148,770	41,248,770
Outside Malaysia		
At cost		
Unquoted shares	1,146,087	1,146,087
Less: Accumulated impairment losses	(1,146,086)	(1,146,086)
	1	1
	41,148,771	41,248,771

Movement in the allowance for impairment losses are as follows:

	2021 RM	2020 RM
At 1 April	29,905,554	26,971,523
Impairment losses recognised	–	2,934,031
Impairment losses reversed	(50,006)	–
At 31 March	29,855,548	29,905,554

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of Incorporation	Effective interest 2021 %	Effective interest 2020 %	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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. 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 2021 %	Effective interest 2020 %	Principal activities
Direct holding:				
BKCV Sdn. Bhd. ("BKCV")	Malaysia	100	100	Manufacturing and assembling of new commercial vehicles
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
Boon Koon Capital Sdn. Bhd. ("BK Capital")	Malaysia	100	100	Property development and investment holding
Indirect holding:				
Subsidiary company 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 Commercial Sdn. Bhd. ("BKC")	Malaysia	100	100	Property development and and property construction
BK Alliance Sdn. Bhd. ("BKA")	Malaysia	51	100	Property development and and property construction

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. 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 2021 %	Effective interest 2020 %	Principal activities
Subsidiary companies of BKG Development Sdn. Bhd.:				
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

* Subsidiary company not audited by UHY

Under members' voluntary liquidation

(a) Material partly-owned subsidiary companies

Name of company	Proportion of ownership interests and voting rights held by non-controlling interests 2021 %	2020 %	Profit/(Loss) allocated to non-controlling interests 2021 RM	2020 RM	Accumulated non-controlling interests 2021 RM	2020 RM
BK Alliance	49	–	3,536	–	(75,266)	–
BK Sepadu	37.5	37.5	(4,753)	(11,623)	251,505	256,258
Total non-controlling interests					176,239	256,258

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 2021 RM	BK Alliance 2020 RM	BK Sepadu 2021 RM	BK Sepadu 2020 RM
Summarised statements of financial position				
Current assets	4,492	–	557,053	569,728
Current liabilities	(158,238)	–	–	–
Net assets/(liabilities)	(153,746)	–	557,053	569,728

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. Investments in Subsidiary Companies (Cont'd)

(a) Material partly-owned subsidiary companies (Cont'd)

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. (Cont'd)

	BK Alliance		BK Sepadu	
	2021 RM	2020 RM	2021 RM	2020 RM
Summarised statements of profit or loss and other comprehensive income				
Revenue	–	–	–	–
Loss for the financial year	(5,094)	–	(12,675)	(30,998)
Total comprehensive loss for the financial year	(5,094)	–	(12,675)	(30,998)
Summarised statements of cash flows				
Net cash used in operating activities	(4,996)	–	(12,256)	(27,773)
Net cash used in investing activities	(3,030)	–	–	–
Net cash from financing activities	9,367	–	–	–
Net increase/(decrease) in cash and cash equivalants	1,341	–	(12,256)	(27,773)

(b) Acquisition of subsidiary company

<u>During the financial year</u>

(i) On 30 December 2020, the company disposed off its entire shareholdings in Boon Koon Commercial Sdn. Bhd. ("BKC") and 51% of its shareholdings in BK Alliance Sdn. Bhd. ('BKA") to BKG Development Sdn. Bhd. ("BKGD"), a wholly owned 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.

<u>In the previous financial year</u>

On 18 December 2019, BKG Development Sdn. Bhd., a wholly-owned subsidiary company of the Company, subscribed 2 shares, representing 100% equity interest in Stellar Trinity Sdn. Bhd. for cash subscription of RM2.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. Investments in Subsidiary Companies (Cont'd)

(c) Disposal to non-controlling interests

On 30 December 2020, the Company had disposed 1,225,000 shares, representing 49% of equity interest in BK Alliance Sdn. Bhd., 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 BK Alliance Sdn. Bhd. decreased from 100% to 51%.

The effect of changes in equity interest in BK Alliance Sdn. Bhd. is attributable to owners of the Company as follows:

	2021 RM
Carrying amount of non-controlling interests disposed	(78,802)
Consideration received from non-controlling interests	1,225,000
Increase in parent's equity	1,303,802

There was no disposal in the previous financial year.

(d) Acquisition to non-controlling interests

In the previous financial year

On 3 May 2019, BKG Development Sdn. Bhd., a wholly-owned subsidiary compay of Chin Hin Group Property Berhad, acquired the remaining 100,000 ordinary shares representing 50% of the total paid-up share capital of BKHS Capital Sdn. Bhd. ("BKHS") for a total cash consideration of RM525,870. With the acquisition, BKHS become a wholly-owned subsidiary company of the Group.

The effect of changes in equity interest in BKHS is attributable to owners of the Company:

	2020 RM
Carrying amount of non-controlling interests acquired	112,659
Consideration paid to non-controlling interests	(525,870)
Decrease in parent's equity	(413,211)

8. Investments in Associate Companies

	Group 2021 RM	 2020 RM
Unquoted shares		
At cost	35,900,000	35,900,000
Share of post-acquisition reserves	4,575,826	641,644
	40,475,826	36,541,644

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. 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 2021 %	Effective interest 2020 %	Principal activities
Held through BKCV Sdn. Bhd.				
CNMY Truck Sdn. Bhd.	Malaysia	30	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

* Associate company not audited by UHY

In the previous financial year

On 1 November 2019, BKG Development Sdn. Bhd. subscribed 35,000,000 preference shares in Stellar 8 Sdn. Bhd. for effective interest of 47% in accordance with Joint Venture Agreement dated 24 May 2019 for total cash consideration of RM35,000,000.

The summarised financial information of the Group's material associate companies ie. CNMY Truck Sdn. Bhd. ("CNMY") and Stellar 8 Sdn. Bhd. ("Stellar 8") are set out below:

(a) Summarised statements of financial position

	CNMY		Stellar 8	
	2021 RM	2020 RM	2021 RM	2020 RM
Non-current assets	3	3	13,387	–
Current assets	4,300	9,138	100,257,725	88,560,578
Current liabilities	(123,309)	(122,330)	(14,152,333)	(10,812,399)
Net (liabilities)/assets	(119,006)	(113,189)	86,118,779	77,748,179
Interest in associate company	30%	30%	47%	47%
Group's share of net (liabilities)/ assets	(35,702)	(33,957)	40,475,826	36,541,644
Elimination of unrealised profits	(2,231)	(2,231)	–	–
Unrecognised of share of loss	37,933	36,188	–	–
Carrying value of Group's interest in associate company	–	–	40,475,826	36,541,644

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. Investments in Associate Companies (Cont'd)

The summarised financial information of the Group's material associate companies ie. CNMY Truck Sdn. Bhd. ("CNMY") and Stellar 8 Sdn. Bhd. ("Stellar 8") are set out below (Cont'd):

(b) Summarised statements of profit or loss and other comprehensive income

	CNMY		Stellar 8	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
(Loss)/Profit for the financial year, representing total comprehensive (loss)/income for the financial year	(5,817)	312,878	3,934,182	1,541,644

The Group has not recognised losses related to CNMY, totalling RM1,745 (2020: Nil) and cummulatively RM37,933 (2020: RM36,188). Since the Group has no obligation in respect of these losses.

9. Inventories

	Group	
	2021 RM	**2020 RM**
Non-current asset		
Land held for property development	884,475	884,475
Current assets		
Property development cost	2,467,967	30,995,551
Other inventories	28,079,803	26,938,301
	30,547,770	57,933,852

(a) Land held for property development

	Group	
	2021 RM	**2020 RM**
Non-current		
Freehold land		
At 1 April/31 March	884,475	884,475

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. Inventories (Cont'd)

(b) Property development costs

	Group 2021 RM	2020 RM
Current		
Freehold land, at cost		
At 1 April/31 March	1,205,617	1,205,617
Cummulative property development costs		
At 1 April	108,964,976	86,003,701
Cost incurred during the financial year	34,942,676	22,961,275
At 31 March	143,907,652	108,964,976
Less: Cummulative costs recognised in profit or loss		
At 1 April	79,175,042	49,042,898
Recognised during the financial year	63,470,260	30,132,144
At 31 March	142,645,302	79,175,042
Total property development costs	2,467,967	30,995,551

(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 27.

(ii) Included in the property development costs incurred during the financial year are the following:

	Group 2021 RM	2020 RM
Finance costs (Note 22)	33,380	40,811

(iii) The freehold land of RM2,090,092 (2020: RM2,090,092) is pledged to a licensed bank as securities for banking facility granted to a subsidiary company as disclosed in Note 17.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. Inventories (Cont'd)

(c) Other inventories

	Group 2021 RM	Group 2020 RM
At cost		
Raw materials	1,934,920	1,982,480
Work-in-progress	1,903,423	2,772,607
Finished goods	18,525,809	17,460,046
	22,364,152	22,215,133
At net realisible value		
Raw materials	1,310,611	1,320,766
Work-in-progress	1,155,243	1,145,429
Finished goods	3,249,797	2,256,973
	5,715,651	4,723,168
	28,079,803	26,938,301
Recognised in profit or loss:		
Inventories recognised as cost of sales	74,293,540	89,503,514
Inventories written down	1,087,501	2,823,466

10. Deferred Tax Assets/(Liabilities)

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Deferred tax assets:				
At 1 April	3,138,952	3,862,549	–	–
Recognised in profit or loss	(1,049,620)	(552,527)	–	–
Over provision in prior years	(85,693)	(171,070)	–	–
At 31 March	2,003,639	3,138,952	–	–
Deferred tax liabilities:				
At 1 April	(5,042,022)	(5,074,777)	(1,087,574)	(1,087,574)
Recognised in profit or loss	(127,207)	47,624	–	–
Over/(Under) provision in prior years	33,200	(14,869)	–	–
At 31 March	(5,136,029)	(5,042,022)	(1,087,574)	(1,087,574)

10. Deferred Tax Assets/(Liabilities) (Cont'd)

The net deferred tax assets and liabilities shown on the statement of financial position after appropriate offsetting are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Deferred tax assets:				
Unutilised tax losses	292,605	1,508,032	–	–
Deferred tax liabilities:				
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	(2,337,421)	(2,323,528)	–	–
	(3,424,995)	(3,411,102)	(1,087,574)	(1,087,574)

The components and movements of deferred tax liabilities and assets are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Deferred tax assets:				
Unutilised tax losses				
At 1 April	3,138,297	3,861,507	–	–
Recognised in profit or loss	(1,049,319)	(552,140)	–	–
Over provision in prior years	(85,693)	(171,070)	–	–
At 31 March	2,003,285	3,138,297	–	–
Unabsorbed capital allowances				
At 1 April	655	1,042	–	–
Recognised in profit or loss	(301)	(387)	–	–
At 31 March	354	655	–	–
	2,003,639	3,138,952	–	–
Deferred tax liabilities:				
Deferred tax on fair value changes in investment properties				
At 1 April/31 March	(1,087,574)	(1,087,574)	(1,087,574)	(1,087,574)
Revaluation surplus on property, plant and equipment				
At 1 April	(2,180,494)	(2,629,144)	–	–
Recognised in profit or loss	(432)	448,650	–	–
At 31 March	(2,180,926)	(2,180,494)	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. Deferred Tax Assets/(Liabilities) (Cont'd)

The components and movements of deferred tax liabilities and assets are as follows (Cont'd):

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Deferred tax liabilities (Cont'd):				
Accelerated capital allowances				
At 1 April	(1,773,954)	(1,358,059)	–	–
Recognised in profit or loss	(126,775)	(401,026)	–	–
Over/(Under) provision in prior years	33,200	(14,869)	–	–
At 31 March	(1,867,529)	(1,773,954)	–	–
	(5,136,029)	(5,042,022)	(1,087,574)	(1,087,574)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Unutilised tax losses	14,801,401	13,912,671	2,152,278	1,161,261
Unabsorbed capital allowances	192,358	186,206	–	–
	14,993,759	14,098,877	2,152,278	1,161,261

With effect from year of assessment 2019, unutilised tax losses are allowed to be carried forward up to a maximum of seven consecutive years of assessment under the current tax legislation. The unabsorbed capital allowances do not expire under current tax legislation. 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.

11. Trade Receivables

	Group	
	2021 RM	**2020 RM**
Trade receivables	119,780,418	75,211,342
Less: Accumulated impairment losses	(10,693,368)	(10,318,630)
	109,087,050	64,892,712

Trade receivables are non-interest bearing and are generally on 30 to 210 days (2020: 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 RM88,614,610 (2020: RM36,751,859) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. Trade Receivables (Cont'd)

Movements in the allowance for impairment losses are as follows:

	Group	
	2021 RM	**2020 RM**
At 1 April	10,318,630	9,892,618
Impairment losses recognised	1,875,265	821,186
Amount written off	–	(314,800)
Impairment losses reversed	(1,500,527)	(80,374)
At 31 March	10,693,368	10,318,630

Impairment losses reversed during the financial year amounting to RM1,500,527 (2020: RM80,374) pertains to previously impaired receivables recovered during the financial year.

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.

The aged analysis of trade receivables as at the end of the reporting period:

	Gross amount RM	**Loss allowance RM**	**Net amount RM**
Group			
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
2020			
Neither past due nor impaired	28,634,244	(2,397,800)	26,236,444
Past due not impaired:			
Less than 30 days	1,602,835	(32,283)	1,570,552
31 to 60 days	1,245,175	(15,946)	1,229,229
61 to 90 days	17,299,772	(14,482)	17,285,290
More than 90 days	20,070,448	(1,499,251)	18,571,197
	40,218,230	(1,561,962)	38,656,268
	68,852,474	(3,959,762)	64,892,712
Individually impaired	6,358,868	(6,358,868)	–
	75,211,342	(10,318,630)	64,892,712

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. Trade Receivables (Cont'd)

As at 31 March 2021, trade receivables of the Group amounting to RM83,592,233 (2020: RM38,656,268) 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 RM7,809,237 (2020: RM6,358,868) related to customers have defaulted on payments. These balances are expected to be recovered through the debt recovery process.

12. Other Receivables

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Other receivables	489,552	490,092	–	1,050
Less: Accumulated impairment losses	(418,600)	(13,600)	–	–
	70,952	476,492	–	1,050
Deposits	32,656,961	10,015,070	8,800	8,800
Prepayments	361,978	420,691	79,191	5,837
GST recoverable	1,444	397,638	–	–
	33,091,335	11,309,891	87,991	15,687

Movements in the allowance for impairment losses are as follows:

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
At 1 April	13,600	110	–	–
Impairment losses recognised	405,000	13,600	–	–
Amount written off	–	(110)	–	–
At 31 March	418,600	13,600	–	–

Included in the Group's deposits is an amount of RM18,149,533 (2020: RM9,835,265) are related to deposits paid for purchase of goods.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. Amount Due from/(to) Subsidiary Companies

	Company 2021 RM	Company 2020 RM
Amount due from subsidiary companies		
Non-trade, Non-interest bearing	48,986,933	29,716,651
Less: Accumulated impairment losses	(5,775,452)	(1,575,334)
	43,211,481	28,141,317
Amount due to subsidiary companies		
Non-trade, Non-interest bearing	(14,898,214)	(32,062,733)

Movements in the allowance for impairment losses are as follows:

	Company 2021 RM	Company 2020 RM
At 1 April	1,575,334	1,521,345
Impairment losses recognised	4,669,224	53,989
Impairment losses reversed	(469,106)	–
At 31 March	5,775,452	1,575,334

During the financial year, 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 RM4,669,224 (2020: RM53,989) was recognised during the financial year.

The amount due from/(to) subsidiary companies are non-trade in nature, unsecured, interest free advances and are repayable on demand.

14. Share Capital

	Group and Company			
	Number of shares		Amount	
	2021 Units	2020 Units	2021 RM	2020 RM
Ordinary shares with no par value				
Issued and fully paid				
At 1 April	297,445,200	297,110,900	62,535,726	62,448,653
Shares issued during the financial year	40,000,000	–	14,700,000	–
Warrants exercised	11,345,300	334,300	2,955,055	87,073
At 31 March	348,790,500	297,445,200	80,190,781	62,535,726

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. Share Capital

During the 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.

In the previous financial year, the Company issued 334,300 new ordinary shares through conversion of Warrants at an exercise price of RM0.20 for a total cash consideration of RM66,860.

The new ordinary shares issued during the financial year 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	
	2021 Units	2020 Units	2021 RM	2020 RM
At 1 April/31 March	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 March 2021, the total shares held as treasury shares amounted to 700,000 (2020: 700,000) ordinary shares at a total cost of RM255,208 (2020: RM255,208).

None of the treasury shares held were resold or cancelled during the financial year.

15. Reserves

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Non-distributable:					
- Warrant reserve	(a)	7,034,179	7,720,174	7,034,179	7,720,174
- Foreign currency translation reserve	(b)	176,013	176,309	–	–
- Capital reserve	(c)	(27,934)	(27,934)	–	–
- Revaluation reserve	(d)	14,410,105	14,577,978	–	–
		21,592,363	22,446,527	7,034,179	7,720,174

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. 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 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 March 2021, the total number of Warrants that remain unexercised were 116,334,500 (2020: 127,679,800).

(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	
	2021	**2020**
	RM	**RM**
At 1 April	14,577,978	16,000,984
Realisation of revaluation surplus	(167,873)	(1,423,006)
At 31 March	14,410,105	14,577,978

16. Contract Liabilities

	Group 2021 RM	Group 2020 RM
Non-current		
Contract liabilities		
Deferred income:		
- Extended warranty and services	34,725	57,895
Current		
Contract liabilities		
Property development activities	264,053	264,053
Deferred income:		
- Extended warranty and services	25,392	31,997
	289,445	296,050
Total	324,170	353,945

Property development activities

	Group 2021 RM	Group 2020 RM
At 1 April	(264,053)	(264,053)
Property development revenue recognised during the financial year	78,820,809	40,410,470
Less: Progress billings during the financial year	(78,820,809)	(40,410,470)
At 31 March	(264,053)	(264,053)
Presented as:		
Contract liabilities	(264,053)	(264,053)

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.

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
Property development activities	18,182,404	–	–	18,182,404
Deferred income	25,392	9,836	24,889	60,117
	18,207,796	9,836	24,889	18,242,521

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

17. Bank Borrowings

	Group 2021 RM	Group 2020 RM
Secured		
Banker's acceptances (Note a)	15,150,000	25,415,000
Revolving credit (Note a)	69,000,000	42,500,000
Term loans (Note a)	784,560	803,676
	84,934,560	68,718,676
Analysed as:		
Non-current		
Term loans	746,145	771,593
Current		
Banker's acceptances	15,150,000	25,415,000
Revolving credit	69,000,000	42,500,000
Term loans	38,415	32,083
	84,188,415	67,947,083
	84,934,560	68,718,676

(a) Bank borrowings

The term loans, banker's acceptances and revolving credit are secured by the following:

(i) Legal charge over the freehold land, land held for development, land held under property development cost and buildings of the Company and subsidiary companies as disclosed in Notes 4 and 9 respectively; and

(ii) Debenture incorporating a fixed specific charge over freehold land of the Company.

(iii) Corporate guarantee by the Company and a subsidiary company.

(iv) Personal guarantee by a Director of the Company and his family members.

Maturity of bank borrowings are as follows:

	Group 2021 RM	Group 2020 RM
Within one year	84,188,415	67,947,083
Between one to two years	40,976	34,396
Between two to five years	139,915	119,535
After five years	565,254	617,662
	84,934,560	68,718,676

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

17. Bank Borrowings (Cont'd)

(b) The average effective interest rates per annum are as follows:

	Group	
	2021 %	2020 %
Banker's acceptances	2.11% - 3.49%	2.99% - 3.80%
Revolving credit	3.89% - 6.20%	4.81% - 5.31%
Term loans	6.59%	7.73%

18. Lease Liabilities

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
At 1 April, as previously reported	1,860,060	–	369,510	–
Effect of adopting of MFRS 16	–	1,507,436	–	447,347
At 1 April, as restated	1,860,060	1,507,436	369,510	447,347
Additions	1,012,648	1,039,218	–	–
Modification to lease term	(536,258)	–	–	–
Payments	(693,097)	(686,594)	(81,575)	(77,837)
At 31 March	1,643,353	1,860,060	287,935	369,510
Presented as:				
Non-current	1,112,043	1,162,602	202,442	287,935
Current	531,310	697,458	85,493	81,575
	1,643,353	1,860,060	287,935	369,510

The maturity analysis of lease liabilities of the Group and of the Company at the end of the reporting period:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Within one year	588,777	764,270	97,200	97,200
Between one to two years	513,740	803,181	79,600	97,200
Between two to five years	661,670	417,910	136,500	216,100
	1,764,187	1,985,361	313,300	410,500
Less: Future finance charges	(120,834)	(125,301)	(25,365)	(40,990)
Present value of lease liabilities	1,643,353	1,860,060	287,935	369,510

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. Trade Payables

	Group 2021 RM	Group 2020 RM
Trade payables	14,949,036	32,320,450

(a) The normal trade credit terms granted to the Group range from 30 to 120 days (2020: 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 RM9,151,079 (2020: RM19,586,996) due to Platinum Eminent Sdn. Bhd., a company in which certain Directors of the Company have significant financial interests.

20. Other Payables

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other payables	3,241,250	4,319,277	14,955	4,146
Accruals	1,942,401	2,496,346	87,011	57,391
Deposits received	34,292,306	13,688,198	62,600	–
GST payables	35,273	35,273	–	–
	39,511,230	20,539,094	164,566	61,537

The deposits received from customers are for purchase of goods and are non-refundable.

21. Revenue

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Revenue from contract customers:				
Sales of commercial vehicles and body works	80,967,823	95,405,510	–	–
Rental and fleet management service income	3,337,670	3,787,188	–	–
Property development	78,820,809	40,410,470	–	–
Management fee income	–	–	672,000	679,000
	163,126,302	139,603,168	672,000	679,000
Revenue from other sources:				
Interest income	9,553	10	9,553	10
Rental income	12,600	18,900	12,600	18,900
	22,153	18,910	22,153	18,910
	163,148,455	139,622,078	694,153	697,910

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. Revenue (Cont'd)

	Manufacturing and trading RM	Rental and fleet management services RM	Property development RM	Total RM
Group				
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
2020				
Timing of revenue recognition:				
At a point in time	95,380,679	3,787,188	–	99,167,867
Over time	24,831	–	40,410,470	40,435,301
Total revenue from contracts with customers	95,405,510	3,787,188	40,410,470	139,603,168

	Management fee income RM
Company	
2021	
Timing of revenue recognition:	
At a point in time	672,000
2020	
Timing of revenue recognition:	
At a point in time	679,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. Finance Costs

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Interest expenses on:				
Bank overdraft	22,384	14,125	–	–
Banker's acceptances	706,427	1,285,490	–	–
Lease liabilities	80,076	82,617	15,625	19,363
Revolving credit	2,236,490	844,048	–	–
Term loans	52,631	64,347	–	–
	3,098,008	2,290,627	15,625	19,363
Less: Finance costs capitalised in property development costs [Note 9(b)(ii)]	(33,380)	(40,811)	–	–
	3,064,628	2,249,816	15,625	19,363

23. Profit/(Loss) Before Tax

Profit/(Loss) before tax is derived at after at charging/(crediting):

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Auditors' remuneration				
- statutory audit				
- current year	128,000	124,618	30,000	30,000
- other services	5,000	5,000	5,000	5,000
Bad debts written off	–	24,000	460,561	–
Depreciation of:				
- property, plant and equipment	1,065,197	1,355,266	6,305	9,126
- right-of-use assets	740,597	707,527	85,323	85,324
Non-executive Directors' remuneration				
- fees	78,000	78,000	78,000	78,000
- allowance	5,600	6,000	5,600	6,000
Impairment loss on:				
- investment in subsidiary companies	–	–	–	2,934,031
- trade receivables	1,875,265	821,186	–	–
- other receivables	405,000	13,600	–	–
- amount due from subsidiary companies	–	–	4,669,224	53,989
Inventories written down	1,087,501	2,823,466	–	–
Lease expenses relating to short term lease	48,098	39,149	–	–
Property, plant and equipment written off	–	411,345	–	–
(Gain)/Loss on disposal of:				
- property, plant and equipment	(75,000)	(557,863)	–	–
- right-of-use assets	(60,000)	10,919	–	–
- investment in subsidiary companies	–	–	(3,449,994)	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. Profit/(Loss) Before Tax (Cont'd)

Profit/(Loss) before tax is derived at after at charging/(crediting) (Cont'd):

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Gain on lease modification	(23,824)	–	–	–
(Gain)/Loss on foreign exchange				
- realised	(649,832)	(625,971)	–	–
- unrealised	(42,583)	404,486	451	(417)
Dividend income	–	–	(18,000,000)	–
Interest income	(12,989)	(53,367)	(9,553)	(10)
Rental income	(12,600)	(18,900)	(12,600)	(18,900)
Reversal of impairment loss on:				
- trade receivables	(1,500,527)	(80,374)	–	–
- investment in subsidiary companies	–	–	(50,006)	–
- amount due from subsidiary companies	–	–	(469,106)	–
Waiver of debt by an associate company	(8,373)	(610,808)	–	–

24. Taxation

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Tax expenses recognised in profit or loss:				
Current tax provision	4,525,589	3,520,706	–	–
Real property gain tax	–	147,732	–	–
Under/(Over) provision in prior years	196,189	(203,073)	–	–
	4,721,778	3,465,365	–	–
Deferred tax: (Note 10)				
Relating to origination and reversal of temporary differences	1,176,828	504,903	–	–
Under provision in prior years	52,493	185,939	–	–
	1,229,321	690,842	–	–
Tax expenses for the financial year	5,951,099	4,156,207	–	–

Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of chargeable income of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the rate prevailing in the jurisdiction.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. Taxation (Cont'd)

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	
	2021 RM	2020 RM	2021 RM	2020 RM
Profit/(Loss) before tax	17,051,862	7,891,024	16,103,973	(4,363,083)
Share of results of associate company	(3,934,182)	(1,541,644)	–	–
	13,117,680	6,349,380	16,103,973	(4,363,083)
Taxation at statutory tax rate of 24% (2020: 24%)	3,148,243	1,523,851	3,864,954	(1,047,140)
Effects of different tax rates in other country	(35,454)	2,134	–	–
Effect of real property gain tax	-	147,732	–	–
Income not subject to tax	(5,575,968)	(18,020)	(5,272,586)	–
Expenses not deductible for tax purposes	7,950,824	2,840,732	1,169,788	964,865
Deferred tax assets not recognised	247,171	84,309	237,844	82,275
Utilisation of previously unrecognised deferred tax asset	(32,399)	(407,397)	–	–
Under/(Over) provision of taxation in prior years	196,189	(203,073)	–	–
Under provision of deferred taxation in prior years	52,493	185,939	–	–
Tax expenses for the financial year	5,951,099	4,156,207	–	–

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	
	2021 RM	2020 RM	2021 RM	2020 RM
Unutilised tax losses	23,148,424	26,638,475	2,152,278	1,168,113
Unabsorbed capital allowances	193,834	187,643	–	–
	23,342,258	26,826,118	2,152,278	1,168,113

The Malaysia Finance Act gazetted on 27 December 2018 has imposed a time limitation to restrict the carry forward of the unutilised tax losses with effect from year of assessment 2019.

The unutilised tax losses accumulated up to the year of assessment 2018 are allowed to be carried forward for 7 consecutive years of assessment and any balance thereafter shall be disregarded.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. Taxation (Cont'd)

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Unutilised tax loss expiring:				
- not more than 5 years	21,643,478	–	686,093	–
- not more than 6 years	482,020	26,156,455	482,020	686,093
- not more than 7 years	1,022,926	482,020	984,165	482,020
	23,148,424	26,638,475	2,152,278	1,168,113

25. Earnings per Share

(a) Basic earnings per share

The basic earnings per share are calculated based on the consolidated profit for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year. The weight average number of ordinary shares in issue excludes the weighted average number of treasury shares held by the Company.

	Group	
	2021 RM	2020 RM
Profit for the financial year, attributable to owners of the parent	11,101,980	3,750,467
Weighted average number of ordinary shares issue	322,420,861	297,121,861
Effect of treasury shares held	(700,000)	(700,000)
Weighted average number of ordinary shares at 31 March	321,720,861	296,421,861
Basic earnings per share (in sen)	3.45	1.27

25. 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 year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the year have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	Group	
	2021 RM	**2020 RM**
Profit for the financial year, attributable to owners of the parent	11,101,980	3,750,467
Weighted average number of ordinary shares used in the calculation of basic earnings per share	321,720,861	296,421,861
Adjustment for assumed conversion of Warrants	71,875,455	41,964,690
Weighted average number of ordinary shares at 31 March (diluted)	393,596,316	338,386,551
Diluted earnings per share (in sen)	2.82	1.11

26. Goodwill on Consolidation

	Group	
	2021 RM	**2020 RM**
Cost	1,492,744	1,492,744
Less: Impairment losses	(1,492,744)	(1,492,744)
	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. Interest in Joint Operation

The details of the joint operation are as follows:

Name of company	Country of Incorporation	Effective interest 2021 %	Effective interest 2020 %	Principal activities
Platinum Eminent Sdn. Bhd. *	Malaysia	60	60	Property Development

* Joint ventures 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:

	2021 RM	2020 RM
Group		
Revenue	78,820,809	40,410,470
Cost of sales	(63,470,260)	(30,132,144)

28. Staff Costs

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Salaries, wages, allowances and bonus	6,016,339	6,223,121	597,323	686,715
Defined contribution plans	624,280	650,218	62,196	92,568
Social security contribution	57,824	57,208	2,486	3,385
Employment insurance system	6,152	6,099	285	368
	6,704,595	6,936,646	662,290	783,036

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	
	2021 RM	2020 RM	2021 RM	2020 RM
Executive Directors				
Company's Directors				
Salaries, wages, allowances and bonus	492,560	540,800	181,600	182,000
Fee	36,000	36,000	36,000	36,000
Defined contribution plans	58,922	70,062	21,600	23,413
Social security contribution	1,657	1,657	829	828
Employment insurance system	189	189	95	95
	589,328	648,708	240,124	242,336
Executive Directors				
Subsidiary Companies Directors				
Salaries, wages, allowances and bonus	–	54,000	–	–
Executive Directors				
Company's Directors	589,328	648,708	240,124	242,336
Subsidiary Companies Directors	–	54,000	–	–
	589,328	702,708	240,124	242,336

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. 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:

	At 1 April 2020 RM	Financing cash flows Note (i) RM	Non-cash changes New lease RM	Non-cash changes Modification to lease term RM	At 31 March 2021 RM
Group					
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					
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

	At 1 April 2019 RM	Effect of adopting MFRS 16 RM	Financing cash flows Note (i) RM	Non-cash changes New lease RM	At 31 March 2020 RM
Group					
Banker's acceptances	30,209,000	–	(4,794,000)	–	25,415,000
Finance lease payables	452,930	(452,930)	–	–	–
Lease liabilities	–	1,507,436	(686,594)	1,039,218	1,860,060
Revolving credit	–	–	42,500,000	–	42,500,000
Term loans	828,407	–	(24,731)	–	803,676
	31,490,337	1,054,506	36,994,675	1,039,218	70,578,736
Company					
Amount due to subsidiary companies	30,627,946	–	1,434,787	–	32,062,733
Lease liabilities	–	447,347	(77,837)	–	369,510
	30,627,946	447,347	1,356,950	–	32,432,243

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. 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.

(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:

	Company	
	2021	**2020**
	RM	**RM**
Transactions with subsidiary companies		
- Administrative fee	–	7,000
- Management fee income	672,000	672,000
- Operating expenses	(2,049)	(1,842)
- Rental expenses	(78,000)	(78,000)

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Transactions with associate company				
- Waiver of debts	(8,373)	(610,808)	–	–
Transactions with companies in which certain Directors of the Company have significant financial interests				
- Progress billing receivables	78,820,809	40,410,470	–	–
- Contract cost payable	(34,229,452)	(22,319,698)	–	–
- Sales of goods	1,225	628	–	–
- Purchases of goods	–	(6,941)	–	–
- Purchase of motor vehicle	(139,500)	–	–	–
- Rental expenses	(211,440)	(157,550)	(19,200)	(19,200)
- Rental income	12,600	18,900	12,600	18,900
- Road tax and insurance	(117,604)	(152,686)	(446)	(526)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. Related Party Disclosures (Cont'd)

(b) Significant related party transactions (Cont'd)

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Transactions with a Company connected to Directors of the Company				
- Purchases of goods	–	(159,390)	–	–
Transactions with a person connected to a Director of the Company				
- Rental expenses	(16,200)	(15,750)	–	–

(c) Compensation of key management personnel

Information regarding compensation of key management personnel is as follows:

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
- Fees	114,000	114,000	114,000	114,000
- Salaries, allowances, and bonus	498,160	600,800	187,200	188,000
- Defined contribution plans	58,922	70,062	21,600	23,413
- Social security contribution	1,657	1,657	829	829
- Employment insurance system	189	189	95	95
	672,928	786,708	323,724	326,337

31. Segmental Information

For management purposes, the Group is organised into business units based on their products and services, and has four 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.
Others	Investment holding and the provision of management services.

31. Segmental Information (Cont'd)

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.

	Manufacturing and trading RM	Rental and fleet management services RM	Property development RM	Others RM	Adjustments and eliminations * RM	Per consolidated financial statements RM
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 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
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

31. 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
2021						
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
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 assets	175,254	272,886	274,986	85,323	(67,852)	740,597
Gain on disposal of:						
- property, plant and equipment	–	(75,000)	–	–	–	(75,000)
- rights-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 debts by an associate company	(8,373)	–	–	–	–	(8,373)
Unrealised (gain)/loss on foreign exchange	(43,034)	–	–	451	–	(42,583)

31. 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
2020						
Revenue						
External sales	95,046,027	4,146,671	40,410,470	18,910	–	139,622,078
Inter–segment	71,285	–	–	679,000	(750,285)	–
Total revenue	95,117,312	4,146,671	40,410,470	697,910	(750,285)	139,622,078
Results						
Segment results	659,316	1,229,163	8,348,811	(4,351,652)	2,660,191	8,545,829
Interest income	43,381	4,261	5,715	10	–	53,367
Finance costs	(1,313,664)	(38,870)	(895,059)	(19,363)	17,140	(2,249,816)
Share of results of associates	–	–	–	–	1,541,644	1,541,644
Profit/(Loss) before tax	(610,967)	1,194,554	7,459,467	(4,371,005)	4,218,975	7,891,024
Taxation	(890,062)	(225,654)	(3,038,067)	–	(2,424)	(4,156,207)
Profit/(Loss) for the financial year	(1,501,029)	968,900	4,421,400	(4,371,005)	4,216,551	3,734,817
Assets						
Segment assets	120,700,460	9,881,629	106,650,505	120,508,945	(114,511,965)	243,229,574
Tax recoverable	1,661	–	–	515	–	2,176
Deferred tax assets	1,508,032	–	–	–	–	1,508,032
Cash and bank balances	2,959,429	1,268,601	194,353	288,053	–	4,710,436
Total assets	125,169,582	11,150,230	106,844,858	120,797,513	(114,511,965)	249,450,218

31. 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
2020						
Liabilities						
Segment liabilities	43,840,053	1,239,096	52,011,546	32,496,780	(74,513,926)	55,073,549
Borrowings	25,415,000	–	43,303,676	–	–	68,718,676
Tax liabilities	357	93,810	2,609,666	–	–	2,703,833
Deferred tax liabilities	2,180,494	36,281	14,673	1,087,574	92,080	3,411,102
Total liabilities	71,435,904	1,369,187	97,939,561	33,584,354	(74,421,846)	129,907,160
Non-cash expenses/(income)						
Bad debts written off	24,000	–	–	–	–	24,000
Depreciation of:						
- property, plant and equipment	611,517	684,969	59,573	9,126	(9,919)	1,355,266
- rights-of-use asset	270,324	249,098	170,633	85,324	(67,852)	707,527
(Gain)/loss on disposal of property, plant and equipment	62	(557,925)	–	–	–	(557,863)
Loss on disposal of right-of-use assets	10,919	–	–	–	–	10,919
Impairment loss on:						
- investment in subsidiary companies	–	–	515,974	2,934,031	(3,450,005)	–
- trade receivables	793,666	27,520	–	–	–	821,186
- other receivables	-	13,600	–	–	–	13,600
Inventories written down	2,768,126	55,340	–	–	–	2,823,466
Property, plant and equipment written off	411,345	–	–	–	–	411,345
Reversal of impairment loss on trade receivables	(5,500)	(74,874)	–	–	–	(80,374)
Waiver of debt by an associate company	(610,808)	–	–	–	–	(610,808)
Unrealised loss/(gain) on foreign exchange	404,903	–	–	(417)	–	404,486

* Inter-segment revenue, profit and transactions are eliminated.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. 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		
	2021 RM	**2020 RM**	**Segment**
Customer			
A	78,820,809	40,410,470	Property development
B	–	16,899,981	Manufacturing and trading
	78,820,809	57,310,451	

32. Capital Commitement

	Group	
	2021 RM	**2020 RM**
Approved and contracted for	20,914,280	–
Contracted and subject for shareholders' approvals	164,511,275	–
	185,425,555	–

33. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. 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	
	2021 RM	2020 RM	2021 RM	2020 RM
Financial Assets				
Trade receivables	109,087,050	64,892,712	–	–
Other receivables	32,727,913	10,491,562	8,800	9,850
Amount due from subsidiary companies	–	–	43,211,481	28,141,317
Cash and bank balances	11,898,063	4,710,436	1,248,178	269,116
Total financial assets	153,713,026	80,094,710	44,468,459	28,420,283
Financial Liabilities				
Trade payables	14,949,036	32,320,450	–	–
Other payables	39,475,957	20,503,821	164,566	61,537
Amount due to subsidiary companies	–	–	14,898,214	32,062,733
Bank borrowings	84,934,560	68,718,676	–	–
Lease liabilities	1,643,353	1,860,060	287,935	369,510
Total financial liabilities	141,002,906	123,403,007	15,350,715	32,493,780

(b) Net losses arising from financial instruments

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Net loss on impairment of financial instruments				
- Financial assets at amortised cost	779,738	754,412	4,200,118	53,989

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. Financial Instruments (Cont'd)

(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.

(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 year 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 Company's maximum exposure in this respect is RM84,979,560 (2020: RM68,816,348), 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

Credit risk concentration

At the reporting date, approximately 81% (2020: 65%) of the Group's trade receivables were due from 1 (2020: 2) major customers which contribute from property development and commercial vehicle sales 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. 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 undisco unted 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						
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
Total financial liabilities	139,253,098	603,068	929,654	770,516	141,556,336	141,002,906
2020						
Trade payables	32,320,450	–	–	–	32,320,450	32,320,450
Other payables	20,503,821	–	–	–	20,503,821	20,503,821
Bank borrowings	68,004,328	89,328	267,984	919,484	69,281,124	68,718,676
Lease liabilities	764,270	803,181	417,910	–	1,985,361	1,860,060
Total financial liabilities	121,592,869	892,509	685,894	919,484	124,090,756	123,403,007

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. 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	Total Contractual Cash Outflow RM	Total Carrying Amount RM
Company					
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
2020					
Other payables	61,537	–	–	61,537	61,537
Amount due to subsidiary companies	32,062,733	–	–	32,062,733	32,062,733
Lease liabilities	97,200	97,200	216,100	410,500	369,510
Financial guarantee*	68,816,348	–	–	68,816,348	–
Total financial liabilities	101,037,818	97,200	216,100	101,351,118	32,493,780

* Being corporate guarantee for banking facilities of certain subsidiary companies which will only be encashed in the event of default by these companies.

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 year, 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 RM84,979,560 as at 31 March 2021 (2020: RM68,816,348). 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 year, 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(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.

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**	**Others RM**	**Total RM**
2021						
Other receivables	12,904,014	455,024	512,885	2,585,815	288,265	16,746,003
Cash and bank balances	46	14,278	24,890	314	82,540	122,068
Trade payables	(2,813,862)	(935,401)	(259,425)	(835,158)	(23,156)	(4,867,002)
	10,090,198	(466,099)	278,350	1,750,971	347,649	12,001,069
2020						
Other receivables	5,666,615	144,568	503,411	2,412,032	40,764	8,767,390
Cash and bank balances	17,350	50,734	25,979	292	80,289	174,644
Trade payables	(8,540,297)	(1,077,375)	(1,063,142)	(1,152,136)	(118,446)	(11,951,396)
Other payables	–	(15,551)	–	–	–	(15,551)
	(2,856,332)	(897,624)	(533,752)	1,260,188	2,607	(3,024,913)

Company	**Denominated in**		
	SGD RM	**Others RM**	**Total RM**
2021			
Cash and bank balances	105	10,963	11,068
2020			
Cash and bank balances	103	11,416	11,519

33. 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.

	2021		2020	
Group	**Change in currency rate RM**	**Effect on profit before tax RM**	**Change in currency rate RM**	**Effect on profit before tax RM**
JPY	Strengthened 5%	504,510	Strengthened 5%	(142,817)
	Weakened 5%	(504,510)	Weakened 5%	142,817
SGD	Strengthened 5%	(23,305)	Strengthened 5%	(44,881)
	Weakened 5%	23,305	Weakened 5%	44,881
HKD	Strengthened 5%	13,918	Strengthened 5%	(26,688)
	Weakened 5%	(13,918)	Weakened 5%	26,688
GBP	Strengthened 5%	87,549	Strengthened 5%	63,009
	Weakened 5%	(87,549)	Weakened 5%	(63,009)
Company				
SGD	Strengthened 5%	5	Strengthened 5%	5
	Weakened 5%	(5)	Weakened 5%	(5)

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(b) Interest rate risk (Cont'd)

The carrying amounts of the Group and of the Company's financial instruments that are exposed to interest rate risk are as follows:

	2021 RM	2020 RM
Group		
Fixed rate instruments		
Financial liability		
Lease liabilities	1,643,353	1,860,060
Floating rate instrument		
Financial liability		
Bank borrowings	84,934,560	68,718,676

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.

	2021 RM	2020 RM
Effect to profit or loss		
Group		
Interest rate increased by 0.5%	424,673	343,593
Interest rate decreased by 0.5%	(424,673)	(343,593)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. 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		
2021		
Financial Liabilities		
Contingent liabilities	45,000	@
2020		
Financial Liabilities		
Contingent liabilities	45,000	@
Company		
2021		
Financial Liability		
Contingent liabilities	84,979,560	@
2020		
Financial Liability		
Contingent liabilities	68,816,348	@

@ It is not practicable to estimate the fair value of contingent liabilities reliably due to the uncertainties of timing, cost and eventual outcome.

34. Contingencies

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Bank guarantees issued for				
- execution of contracts of the subsidiary companies	45,000	45,000	–	––
Corporate guarantees to licensed banks for credit facilities granted to subsidiary companies				
- Limit of guarantees	–	–	103,811,642	103,856,348
- Amount utilised	–	–	84,979,560	68,816,348
	45,000	45,000	188,791,202	172,672,696

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. 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	
	2021 RM	**2020 RM**
Total loans and borrowings	86,577,913	70,578,736
Less: Cash and cash equivalents	(11,898,063)	(4,710,436)
Net debt	74,679,850	65,868,300
Total equity	148,661,346	119,286,800
Gearing ratio	0.50	0.55

36. Significant Events

(i) Proposed Special Issue of Shares

On 24 May 2019, the Company announced their proposed undertakings as follows:

(a) Proposed special issue of up to 84,885,000 new ordinary shares ("SIS") in the Company to independent third party investor(s) to be identified at an issue price to be determined at a later date ("Proposed SIS").

Bursa Malaysia Securities Berhad ("Bursa") had on 18 June 2020 re-approved the extension of time up to 3 January 2021 for the Company to complete the Proposed SIS.

On 10 September 2020, the Company issued the first tranche of SIS of 30,000,000 new ordinary shares at an issue price of RM0.35 per share for a total consideration of RM10,500,000.

On 21 October 2020, the Company issued the second tranche of SIS or 10,000,000 new ordinary shares at an issue price of RM0.42 per share for a total cash consideration of RM4,200,000.

Bursa had on 12 January 2021 re-approved the extention of time up to 3 July 2021 for the Company to complete the Proposed SIS. On 1 July 2021, Bursa re-approved a further extention of time up to 3 October 2021.

36. Significant Events (Cont'd)

(ii) Multiple Proposals

On 10 March 2021, the Company announced proposed undertakings as follows:

(a) Proposed acquisition of 45% equity interest in Aima Construction Sdn. Bhd. for a purchase consideration of RM31.5 million, subject to adjustment, to be satisfied via the issuance of 35,795,400 new ordinary shares of the Company at an issue price of RM0.88 per share pursuant to conditional share sale agreement with Uniplaza Sdn. Bhd.; and

(b) Proposed diversification of the Group's existing business to include construction business.

On 2 July 2021, the Company announced that the share sale agreement was rescinded as the Company and Aima Construction Sdn. Bhd. were unable to mutually agree on the adjustments to the purchase consideration.

(iii) Proposed acquisition of land

(a) On 13 January 2021, BK Alliance Sdn. Bhd., a 51% owned subsidiary company of BKG Development Sdn. Bhd., which in turn is a wholly owned subsidiary company of the Company, entered into a Sales and Purchase Agreement with Suez Domain Sdn. Bhd. to acquire a leasehold land for a total cash consideration of RM20,914,280.

(b) On 27 January 2021, Stellar Trinity Sdn. Bhd., a wholly-owned subsidiary company of the BKG Development Sdn. Bhd., which in turn is a wholly owned subsidiary company of the Company, has entered into the following:

(i) 3 conditional sale and purchase agreements with Frazel World Sdn. Bhd. to acquire 3 parcel of freehold land identified as Lot 648, 650 and 1301, Mukim Serendah, District of Hulu Selangor or Ulu Selangor, State of Selangor for a cash consideration of RM45,114,934 ; and

(ii) 2 conditional sale and purchase agreements with Frazel Icon Sdn. Bhd. to acquire 2 parcels of freehold lands identified as Lot 651 and 652, Mukim Serendah, District of Hulu Selangor, State of Selangor for a cash consideration of RM9,407,411.

(c) On 8 February 2021, Boon Koon Capital Sdn. Bhd., a wholly-owned subsidiary company of the Company, entered into a Sale and Purchase Agreement with SMD Real Estate Sdn. Bhd. to purchase a parcel of freehold land identified as HSD 52600, PT No 65618, Bandar Cyberjaya, Daerah Sepang, Negeri Selangor for cash consideration of RM50,223,330.

(d) On 18 February 2021, Boon Koon Commercial Sdn. Bhd., a wholly-owned subsidiary company of BKG Development Sdn. Bhd., which in turn is a wholly owned subsidiary company of the Company, entered into a Sales and Purchase Agreement with Perumahan Kinrara Berhad to acquire a piece of freehold land identified as Lot 484, Geran 326333, Daerah Petaling, Pekan Kinrara, Negeri Selangor for a cash consideration of RM59,765,600.

The proposed acquisition of the freehold lands were subsequently approved by shareholders at the Extraordinary General Meeting ("EGM") held on 27 May 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. Significant Events (Cont'd)

(iv) Effect of Outbreak of Coronavirus Pandemic

The emergence of novel Coronavirus ("Covid-19") since early 2020 that caused travel restrictions and lockdown to be effectuated in Malaysia and other precautionary measures being imposed by the government has brought disruption in the Group's and the Company's business operations. The Group and the Company are cognizant of the challenges posed by these developing events and are 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.

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 and financial implications, including the recoverability of the carrying amount of assets and subsequent measurements of assets and liabilities and concluded that there is no material adverse effect on the financial statements for the financial year ended 31 March 2021.

As at the date of this report, the Directors and the management of the Group and of the Company are not aware of any uncertainties arising after the end of the financial year that would have a significant impact on the current financial statements, including the financial continuity and sustainability of the Group and of the Company as going concern for the next twelve (12) months.

As the situation is still evolving and the uncertainty of the outcome of the current events, the Group and the Company will continuously monitor the impact of COVID-19 on their operations and their financial performance.

37. Subsequent Events

(i) Increase in paid up share capital

On 5 April 2021, 15 April 2021, 27 April 2021, 3 May 2021, 6 May 2021, 20 May 2021, 27 May 2021, 2 June 2021, 18 June 2021, 29 June 2021, 26 July 2021, 4 August 2021, 11 August 2021 and 16 August 2021, the Company increased its issued and paid up ordinary share capital from RM80,190,781 to RM90,834,532 by way of issuance of 40,864,400 ordinary shares through conversion of Warrants at an exercise price of RM0.20 for a total cash consideration of RM8,172,880.

(ii) 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 Chin Hin Group Property Berhad for a total cash consideration of RM88.86 million. As a result, Chin Hin Group Berhad became the holding company of Chin Hin Group Property Berhad with an equity interest of 50.275%.

(iii) Allotment of shares on subsidiary company

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. Consequently, STSB remained as a wholly owned subsidiary company of BKGD.

(iv) Incorporation of new subsidiary company

On 8 July 2021, BKG Development Sdn. Bhd., a wholly owned subsidiary company of the Company, incorporated a 100% owned subsidiary company, Stellar Platinum Sdn. Bhd. with cash subscription of RM2.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. Subsequent Events (Cont'd)

(v) Multiple Proposals

On 5 July 2021, the Company announced their proposed undertakings on the following:

(a) Proposed acquisition of 65% equity interest in Kayangan Kemas Sdn. Bhd. for a purchase consideration of RM37.95 million, subject to adjustment, to be satisfied partially by share swap via the issuance of 11,000,000 new ordinary shares of the Company at an issue price of RM0.80 per share pursuant to conditional share sale agreement with Chan Kin Keong and Khor Chee Yong; and

(b) Proposed diversification of the Group's existing business to include construction business.

(vi) Proposed acquisition of land

On 15 April 2021, Stellar Trinity Sdn. Bhd., a wholly-owned subsidiary company of the BKG Development Sdn. Bhd., which in turn is a wholly owned subsidiary company of the Company, entered into a Sales and Purchase Agreement with private owners to acquire a land for a total cash consideration of RM2,391,552.

38. 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 August 2021.

GROUP **PROPERTIES**

As at 31 March 2021

Location of properties	Tenure	Area (Square metre)	Description	Approximate Age of Building	Expiry Date	Date of acquisition/ revaluation	Carrying amount At 31.3.21 RM'000
Chin Hin Group Property Berhad							
1. GM 266 Lot No. 240 Mukim Tebrau, District of Johor Bahru, Johor	Freehold Land	13,506	Vacant Land			20 August 2007/2 March 2021	16,200
2. GM 755 Lot No. 44506 Mukim Tebrau, District of Johor Bahru, Johor	Freehold Land	8,877	Land & Building	10 years		20 August 2007/2 March 2021	12,600
Boon Koon Vehicles Industries Sdn. Bhd.							
1. GM 975, Lot 1804 Mukim 9, 1177, Jalan Dato Keramat, 14300 Nibong Tebal, Seberang Perai Selatan, Penang	Freehold Land	2,853	Office & Factory	17-22 years		16 December 2019	
2. GM 454, Lot 1808 Mukim 9, 1177, Jalan Dato Keramat, 14300 Nibong Tebal, Seberang Perai Selatan, Penang	Freehold Land	6,490	Office & Factory	17-22 years		16 December 2019	
3. GM 455, Lot 1809 Mukim 9, 1177, Jalan Dato Keramat, 14300 Nibong Tebal, Seberang Perai Selatan, Penang	Freehold Land	6,490	Office & Factory	17-22 years		16 December 2019	Note A: 37,516
4. GM 456, Lot 1810 Mukim 9, 1177, Jalan Dato Keramat, 14300 Nibong Tebal, Seberang Perai Selatan, Penang	Freehold Land	18,818	Office & Factory	17-22 years		16 December 2019	
5. H.S. (M) 592, Lot 5025 Mukim 9, 1177, Jalan Dato Keramat, 14300 Nibong Tebal, Seberang Perai Selatan, Penang	Freehold Land	7,356	Office & Factory	17-22 years		16 December 2019	
6. PM 8584, Lot No. 16388 Mukim Dengkil, Daerah Sepang, Sungai Rasau Puchong, Negeri Selangor.	Leasehold Land 99 years	1,558	Vacant land		19 March 2080	16 December 2019	1,259

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 31.3.21 RM'000
BKHS Capital Sdn. Bhd.							
1. GM 132 Lot No. 4590 Mukim Bagan Samak, Daerah Bandar Baharu, Negeri Kedah.	Freehold Land	9,029	Vacant Land			11 December 2019	884
2. GM 134 Lot No. 4592 Mukim Bagan Samak, Daerah Bandar Baharu, Negeri Kedah.	Freehold Land	15,656	Land under Property Development			11 December 2019	1,588

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 6 August 2021

Class of Share	:	Ordinary Shares
Voting Rights	:	One voting right for one ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

(Excluding 700,000 treasury shares)

Size of Holdings	No of Shareholders	%	No. of Shares	%
1 - 99	200	11.36	8,751	0.00
100 -1,000	497	28.22	160,689	0.05
1,001 -10,000	603	34.24	3,010,538	0.86
10,001 -100,000	348	19.76	13,116,669	3.73
100,001 - less than 5% of issued shares	111	6.30	119,641,021	34.06
5% and above of issued shares	2	0.11	215,344,432	61.30
TOTAL	**1,761**	**100.00**	**351,282,100**	**100.00**

DIRECTORS' SHAREHOLDINGS IN THE COMPANY

		Direct		Indirect	
No.	**Name**	**No. of Shares**	**%**	**No. of Shares**	**%**
1	Datuk Seri Chiau Beng Teik	–	–	176,608,435*	50.28
2	Datuk Cheng Lai Hock *(Appointed on 6 May 2021)*	1,000,000	0.28	–	–
3	Mohd Yusri Bin Md Yusof *(Appointed on 6 May 2021)*	1,000,000	0.28	–	–
4	Chiau Haw Choon	–	–	176,608,435*	50.28
5	Khoo Chee Siang	–	–	–	–
6	Datuk Yeo Chun Sing	–	–	–	–
7	Shelly Chiau Yee Wern *(Re-designated to Executive Director on 6 May 2021)*	–	–	–	–

* Deemed interest pursuant to Section 8 of the Companies Act 2016, by virtue of 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.

ANALYSIS OF SHAREHOLDINGS (CONT'D)

LIST OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

		Direct		Indirect	
No.	**Name**	**No. of Shares**	**%**	**No. of Shares**	**%**
1	Datuk Seri Chiau Beng Teik	–	–	176,608,435[(ii)]	50.28
2	Dato' Goh Boon Koon	2,650,000	0.75	38,735,997[(i)]	11.03
3	Datin Lee Teoh Kee	–	–	38,735,997[(i)]	11.03
4	BKNT Resources Sdn Bhd	38,735,997	11.03	–	–
5	Goh Boon Leong	–	–	38,735,997[(i)]	11.03
6.	Divine Inventions Sdn Bhd	–	–	176,608,435[(iv)]	50.28
7.	Chiau Haw Choon	–	–	176,608,435[(ii)]	50.28
8.	Datin Seri Wong Mee Leng	–	–	176,608,435[(ii)]	50.28
9.	PP Chin Hin Realty Sdn Bhd	–	–	176,608,435[(iii)]	50.28
10.	Chin Hin Group Berhad	176,608,435	50.28	–	–

(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/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.

(iii) 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.

(iv) 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	176,608,435	50.28
2	BKNT Resources Sdn. Bhd.	38,735,997	11.03
3	CGS-CIMB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Desiran Realiti Sdn. Bhd. (MY-3933)*	12,900,000	3.67
4	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB for Dato' Ong Choo Meng (PB)*	10,000,000	2.85
5	CGS-CIMB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Andrew Tan Jun Suan (MY1868)*	7,700,000	2.19
6	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Desiran Realiti Sdn Bhd*	4,300,000	1.22
7	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Dato' Ong Choo Meng*	4,000,000	1.14
8	CGS-CIMB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Ng Soon Teong (SOLARIS-CL)*	3,886,600	1.11
9	CGS-CIMB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Tan Hwa Sing (MP0486)*	3,101,900	0.88
10	CGS-CIMB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Por Teong Eng (MY3923)*	3,082,300	0.88

ANALYSIS OF SHAREHOLDINGS (CONT'D)

LIST OF THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Name	No. of Shares	%
11	Affin Hwang Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Che Halin Bin Mohd Hashim*	3,000,000	0.85
12	Goh Boon Koon	2,650,000	0.75
13	Affin Hwang Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Yeoh Hock Seng*	2,523,100	0.72
14	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Ooi Chen Seng*	2,362,200	0.67
15	TA Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Ong Choo Meng*	2,300,000	0.65
16	Goh Yin Ling	2,200,000	0.63
17	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Tan Hwa Sing*	2,082,000	0.59
18	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Tay Ben Seng, Benson*	2,066,500	0.59
19	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Por Teong Eng*	2,010,100	0.57
20	Affin Hwang Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Por Teong Eng*	1,805,700	0.51
21	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Lok Boon Cheng*	1,639,900	0.47
22	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Yeoh Hock Seng*	1,618,700	0.46
23	Ng Soon Teong	1,618,000	0.46
24	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Koek Tiang Kung (8038626)*	1,575,000	0.45
25	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Ong Kah Hoe*	1,475,400	0.42
26	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Keh Chuan Seng*	1,334,600	0.38
27	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Chew Hew Wearn*	1,329,700	0.38
28	Cartaban Nominees (Asing) Sdn Bhd *Exempt An For Barclays Capital Securities Ltd (SBL/PB)*	1,329,600	0.38
29	Maybank Nominees (Tempatan) Sdn Bhd *Maybank Trustees Berhad For BIMB I Growth Fund (940160)*	1,300,000	0.37
30	CIMB Islamic Nominees (Tempatan) Sdn Bhd *CIMB Islamic Trustee Bhd For BIMB I Tactical Fund*	1,280,000	0.36
	TOTAL	**301,815,732**	**85.92**

ANALYSIS OF **WARRANT HOLDINGS**

As at 6 August 2021

Total Number of Warrants outstanding	:	113,142,900
Exercise Price Per Warrant	:	RM0.20 each

ANALYSIS BY SIZE OF WARRANT HOLDINGS

Size of Holdings	No of Warrantholders	%	No. of Warrants	%
1 -99	4	1.54	189	0.00
100 -1,000	28	10.81	14,018	0.01
1,001 -10,000	73	28.19	416,911	0.37
10,001 -100,000	99	38.22	3,787,753	3.35
100,001 - less than 5% of issued warrants	52	20.08	39,514,956	34.92
5% and above of issued warrants	3	1.16	69,409,073	61.35
TOTAL	**259**	**100.00**	**113,142,900**	**100.00**

DIRECTORS' WARRANTS HOLDINGS IN THE COMPANY

		Direct		Indirect	
No.	Name	No. of Warrants	%	No. of Warrants	%
1	Datuk Seri Chiau Beng Teik	–	–	37,561,700*	33.20
2	Datuk Cheng Lai Hock *(Appointed on 6 May 2021)*	318,500	0.28	–	–
3	Mohd Yusri Bin Md Yusof *(Appointed on 6 May 2021)*	1,000,000	0.88	–	–
4	Chiau Haw Choon	–	–	37,561,700*	33.20
5	Khoo Chee Siang	–	–	–	–
6	Datuk Yeo Chun Sing	100,000	0.09	–	–
7	Shelly Chiau Yee Wern *(Re-designated to Executive Director on 6 May 2021)*	–	–	–	–

* Deemed interest pursuant to Section 8 of the Companies Act 2016, by virtue of 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.

LIST OF THIRTY (30) LARGEST WARRANT HOLDERS

No.	Name of Warrant holders	No. of Warrants	% of total issued Warrants
1	Chin Hin Group Berhad	37,561,700	33.20
2	Goh Boon Koon	23,847,373	21.08
3	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Dato Ong Choo Meng*	8,000,000	7.07
4	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Teoh Hai Hin (7001329)*	4,232,300	3.74
5	Affin Hwang Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Lim Kian Hin*	3,283,900	2.90
6	CGS-CIMB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Por Teong Eng (MY3923)*	3,105,000	2.74

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
7	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Chng Teong Seng*	2,371,300	2.10
8	HLB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Tawaria Sdn Bhd*	1,781,500	1.57
9	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Keh Chuan Seng (7001511)*	1,613,800	1.43
10	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account - AMBANK (M) Berhad For Lim Kian Hin (Smart)*	1,567,600	1.39
11	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Keh Chuan Seng*	1,508,800	1.33
12	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Ng Beng Hoo*	1,464,900	1.29
13	Ng Soon Teong	1,243,000	1.10
14	CGS-CIMB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Teoh Hai Hin (MY4291)*	1,181,300	1.04
15	Goh Boon Leong	1,100,056	0.97
16	Maybank Securities Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Woo Ching Yuen (REM 157)*	1,040,000	0.92
17	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account - AMBANK (M) Berhad For Mohd Yusri Bin Md Yusof (SMART)*	1,000,000	0.88
18	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Lok Boon Cheng (7008555)*	910,000	0.80
19	Affin Hwang Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Lim Hock Choon*	891,600	0.79
20	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Ong Kah Hoe*	850,000	0.75
21	CGS-CIMB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Tan Hwa Sing (MP0486)*	803,200	0.71
22	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Por Teong Eng*	775,500	0.69
23	CGS-CIMB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Lee Kean Leng (MY4288)*	741,000	0.65
24	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Chiau Beng Soo (7003772)*	735,000	0.65
25	Janice Eng Jinying	660,000	0.58
26	Sosang Sae Toen	600,000	0.53
27	Cha Weay Chia	480,000	0.42
28	Janice Eng Jinying	423,900	0.37
29	CGS-CIMB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Teh Boon Beng (MP0535)*	380,000	0.34
30	Cheng Lai Hock	318,500	0.28
	TOTAL	**104,471,229**	**92.34**

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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 Nineteenth Annual General Meeting of the Company to be held and conducted by way of fully virtual meeting through Online Meeting Platform of Vote2u at https://web.vote2u.my (Domain Registration Number with MYNIC:D6A471702) provided by Agmo Digital Solutions Sdn Bhd, Malaysia on Monday, 20 September 2021 at 10:00 am or at any adjournment thereof.

AGENDA

	Receive the Audited Financial Statements for the financial year ended 31 March 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 financial year ending 31 March 2022		
2	Re-election of Datuk Seri Chiau Beng Teik as Director		
3	Re-election of Datuk Cheng Lai Hock as Director		
4	Re-election of Encik Mohd Yusri Bin Md Yusof as Director		
5	Re-election of Ms Shelly Chiau Yee Wern as Director		
6	Re-appointment of Messrs UHY as Auditors and to authorise the Directors to fix the Auditors' remuneration		
7	Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to issue shares		
8	Proposed Renewal of And New Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature		
9	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 ...., 2021.

....
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 13 September 2021 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 Nineteenth 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 GROUP PROPERTY BERHAD
Registration No. 200101017677 (553434-U)